

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
2201 6<sup>th</sup> Avenue, Mailstop RX-43  
Seattle, Washington 98121



**Division of Medicaid & Children's Health Operations**

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**NOV 29 2013**

Dorothy Frost Teeter, Director  
MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
Post Office Box 45502  
Olympia, Washington 98504-5010

**RE: Washington State Plan Amendment (SPA) Transmittal Number 13-036**

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number WA 13-036. This amendment changed the method of reimbursing Federally Qualified Health Centers (FQHCs) for their Managed Care clients. Instead of the Health Care Authority (HCA) paying the monthly enhancements to the FQHCs for their Managed Care clients, the Managed Care plans will pay the FQHCs at each clinic's full encounter rate. This SPA is approved with the effective date of November 1, 2013.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at (360) 943-0469 or [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov).

Sincerely,

/s/

Carol J.C. Peverly  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc:  
Ann Myers, SPA Coordinator

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 13-36	2. STATE Washington
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE November 1, 2013	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT  
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

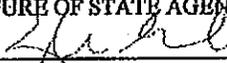
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$0 b. FFY 2015 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-B pg 35	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Att. 4.19-B pg 35

10. SUBJECT OF AMENDMENT

FQHC Enhanced Payments

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Exempt  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Ann Myers Office of Rules and Publications Legal and Administrative Services Health Care Authority 626 8 <sup>th</sup> Ave SE MS: 42716 Olympia, WA 98504-2716
13. TYPED NAME: MARYANNE LINDEBLAD	
14. TITLE: MEDICAID DIRECTOR	
15. DATE SUBMITTED: 10-8-13	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 10/08/13	18. DATE APPROVED: 11/29/13
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 11/01/13	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Carol J.C. Peverly	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health Operations

23. REMARKS:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE WASHINGTON

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POLICY AND METHODS USED IN ESTABLISHING PAYMENT RATES FOR EACH OF THE OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN (cont.)

**XVI. Federally Qualified Health Centers (continued)**

For clients enrolled with a managed care contractor, and effective April 1, 2014, the State anticipates that the managed care contractor will pay each center an encounter rate that is at least equal to the PPS rate specific to each center. To ensure that the appropriate amounts are being paid to each center, the State will perform an analysis of the managed care contractor's data at least quarterly and verify that the payments made by the managed care contractor in the previous quarter were in compliance with Section 1902(bb)(5)(A) of the SSA. This process will apply to centers reimbursed under the ARM rate methodology and to centers reimbursed under the PPS rate methodology.

At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment of the obligated funds.

Covered services provided to Medicaid-Medicare patients are reimbursed as detailed in Supplement 1 to Attachment 4.19-B, pages 1, 2, and 3.