



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)**  
**(Implements RCW 34.05.310)**

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON  
FILED

**DATE: October 21, 2025**

**TIME: 11:27 AM**

**WSR 25-21-140**

**Agency:** Health Care Authority

**Subject of possible rule making:**

WAC 182-550-3600 Diagnosis-related group (DRG) payment – Hospital transfers, WAC 182-550-3700 DRG high outliers, and other related rules as appropriate.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 41.05.021, RCW 41.05.160

**Reasons why rules on this subject may be needed and what they might accomplish:** The agency is amending these rules as the payments for outlier enhancements have exceeded the budget neutral amount calculated during the 2021 hospital rebasing period. An increase in the outlier threshold will allow the state to bring payments more in line with the budget neutral total calculated in 2021. During this review, HCA may identify additional related changes that improve clarity or update policy.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The Centers for Medicare and Medicaid Services

**Process for developing new rule (check all that apply):**

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study

☒ Other (describe) The agency welcomes the public to take part in developing this rule. If interested, contact the person

identified below to receive an early rule draft to review. After the early review, the agency will send a notice of proposed rulemaking (CR-102) to everyone receiving this notice and anyone who requests a copy.

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

Name: Valerie Freudenstein (Rulemaking Questions)

Address: PO Box 42716, Olympia, WA 98504-2716

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Email: [valerie.freudenstein@hca.wa.gov](mailto:valerie.freudenstein@hca.wa.gov)

Web site: [www.hca.wa.gov/about-hca/rulemaking](http://www.hca.wa.gov/about-hca/rulemaking)

Other:

(If necessary)

Name: Abby Cole (Program Questions)

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Other:

Additional comments: N/A

**Date:** October 21, 2025

**Name:** Wendy Barcus

**Title:** HCA Rules Coordinator

**Signature:**