



RULE-MAKING ORDER

PERMANENT RULE ONLY

CR-103P (December 2017)
(Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 06, 2025

TIME: 12:11 PM

WSR 25-10-082

Agency: Health Care Authority

Effective date of rule:

Permanent Rules

☒ 31 days after filing.

☐ Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

☐ Yes ☒ No If Yes, explain:

Purpose: The agency revised this rule section to update language allowing the agency to adjust fees using market research as necessary to align with other reimbursement WACs and the Medicaid State Plan.

Citation of rules affected by this order:

New:

Repealed:

Amended: 182-531-0850

Suspended:

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Other authority: None

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 25-07-009 on March 6, 2025 (date).

Describe any changes other than editing from proposed to adopted version:

Proposed/Adopted	WAC Subsection	Reason
WAC 182-531-0850(2)		
Proposed	(2) The ((department)) <u>agency</u> updates budget-neutral fees each July by:	To allow for changes annually in various months as necessary.
Adopted	(2) The agency updates budget-neutral fees each year by:	
WAC 182-531-0850(3)(d)		
Proposed	<u>(3)(d) If appropriate, the agency may adjust fees using market research. The ((department)) <u>agency</u> reimbursement for clinical laboratory ((diagnostic)) procedures does not exceed the regional ((MCDLF schedule)) CLFS.</u>	As a result of stakeholder comment, the agency added in a definition for market research.
Adopted	(3)(d) If appropriate, the agency may adjust fees using market research. The agency reimbursement for clinical laboratory procedures does not exceed the regional CLFS. (i) “Market research” means the systematic collection and analysis of relevant and verifiable data related to	

	the healthcare marketplace, including commercial benchmarks, medicaid rates from other states, and relevant economic indicators. (ii) Market research will be appropriate when a material change in market conditions is demonstrated or is directed by the legislature.	
WAC 182-531-0850(4)		
Proposed	(4) The ((department increases)) <u>agency may change fees ((if the legislature grants a vendor rate increase or other increase)) based on legislative direction.</u> If the legislatively authorized ((increase)) <u>change</u> becomes effective at the same time as the ((department's)) <u>agency's</u> annual update, the ((department)) <u>agency</u> applies the ((increase)) <u>change</u> after calculating budget-neutral fees.	HCA added "if applicable" because a legislative directive may not pertain to budget-neutral fees.
Adopted	(4) The agency may change fees based on legislative direction. If the legislatively authorized change becomes effective at the same time as the agency's annual update, the agency applies the change after calculating budget-neutral fees if applicable.	

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Web site:

Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted on the agency's own initiative:

New	_____	Amended	<u>1</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New Amended 1 Repealed

The number of sections adopted using:

Negotiated rule making: New Amended Repealed
Pilot rule making: New Amended Repealed
Other alternative rule making: New Amended 1 Repealed

Date Adopted: May 6, 2025

Name: Wendy Barcus

Title: HCA Rules Coordinator

Signature:



WAC 182-531-0850 Laboratory and pathology physician-related services reimbursement. (1) The ~~((department))~~ agency pays for clinical diagnostic laboratory procedures based on the medicare clinical ~~((diagnostic))~~ laboratory fee schedule ~~((MCDLF))~~ (CLFS) ~~((for the state of Washington. The department)).~~ The agency obtains information used to update fee schedule regulations from ~~((Program Memorandum and Regional Medicare Letters as published by HCFA))~~ the CMS CLFS website.

(2) The ~~((department))~~ agency updates budget-neutral fees each ~~((July))~~ year by:

(a) Determining the units of service and expenditures for a base period. Then,

(b) Determining in total the ratio of current ~~((department))~~ agency fees to existing medicare fees. Then,

(c) Determining new ~~((department))~~ agency fees by adjusting the new medicare fee by the ratio. Then,

(d) Multiplying the units of service by the new ~~((department))~~ agency fee to obtain total estimated expenditures. Then,

(e) Comparing the expenditures in ~~((subsection (14)))~~ (d) of this ~~((section))~~ subsection to the base period expenditures. Then,

(f) Adjusting the new ratio until estimated expenditures equals the base period amount.

(3) The ~~((department))~~ agency calculates maximum allowable fees (MAF) by:

(a) Calculating fees using methodology described in subsection (2) of this section for procedure codes that have an applicable ~~((medicare clinical diagnostic laboratory fee (MCDLF)))~~ CLFS.

(b) Establishing RSC fees for procedure codes that have no applicable ~~((MCDLF))~~ CLFS.

(c) Establishing maximum allowable fees, or "flat fees" for procedure codes that have no applicable ~~((MCDLF))~~ CLFS or RSC fees. ~~((The department updates flat fee reimbursement only when authorized by the legislature.))~~

(d) If appropriate, the agency may adjust fees using market research. The ~~((department))~~ agency reimbursement for clinical laboratory ~~((diagnostic))~~ procedures does not exceed the regional ~~((MCDLF schedule))~~ CLFS.

(i) "Market research" means the systematic collection and analysis of relevant and verifiable data related to the health care marketplace, including commercial benchmarks, medicaid rates from other states, and relevant economic indicators.

(ii) Market research will be appropriate when a material change in market conditions is demonstrated or is directed by the legislature.

(4) The ~~((department increases))~~ agency may change fees ~~((if the legislature grants a vendor rate increase or other increase))~~ based on legislative direction. If the legislatively authorized ~~((increase))~~ change becomes effective at the same time as the ~~((department's))~~ agency's annual update, the ~~((department))~~ agency applies the ~~((increase))~~ change after calculating budget-neutral fees, if applicable.