



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: June 11, 2025

TIME: 2:25 PM

WSR 25-13-049

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 has developed a new Health-Related Social Needs (HRSN) chapter, which implements services provided through the Washington State Section 1115 Medicaid Demonstration waiver. Subchapter I contains the rules for housing transition navigation services that provide short-term assistance to obtain or maintain affordable housing. Subchapter II provides the rules for rental services that provide stable independent living for people transitioning out of institutional care or congregate settings who are at risk of homelessness.

Citation of rules affected by this order:

New: 182-565-0100, 182-565-0110, 182-565-0120, 182-565-0130, 182-565-0140, 182-565-0150, 182-565-0160, 182-565-0170, 182-565-0200, 182-565-0210, 182-565-0220, 182-565-0230, 182-565-0240, 182-565-0250, 182-565-0260, 182-565-0270, 182-565-0280

Repealed:

Amended:

Suspended:

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 25-10-100 on May 7, 2025 (date).

Describe any changes other than editing from proposed to adopted version: None

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Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____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

The number of sections adopted on the agency's own initiative:

New	_____	Amended	_____	Repealed	_____
-----	-------	---------	-------	----------	-------

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>17</u>	Amended	_____	Repealed	_____
-----	-----------	---------	-------	----------	-------

The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	<u>17</u>	Amended	_____	Repealed	_____

Date Adopted: June 11, 2025

Name: Wendy Barcus

Title: HCA Rules Coordinator

Signature:



Chapter 182-565 WAC
HEALTH-RELATED SOCIAL NEEDS (HRSN) PROGRAM

SUBCHAPTER I - HOUSING TRANSITION NAVIGATION SERVICES

NEW SECTION

WAC 182-565-0100 Purpose. (1) The Washington state health-related social needs (HRSN) program allows qualifying Washington apple health clients to receive limited, evidence-based, nonmedical services to address a client's unmet, adverse social conditions that contribute to poor health.

(2) Subject to available funds, allowable expenditures are covered up to the medicaid agency's financial limit.

(3) Housing transition navigation services are designed to remove barriers to affordable housing. Services include transition costs and housing deposits to assist with identifying, coordinating, securing, or funding one-time services and modifications necessary to help a client establish a basic household.

(4) The agency may contract with third parties to administer funds for the HRSN program.

(5) This subchapter applies to the portion of HRSN services administered by the medicaid agency.

NEW SECTION

WAC 182-565-0110 Definitions. The following definitions and those found in chapter 182-500 WAC apply to this chapter:

(1) "Activities of daily living" has the same meaning as defined in 24 C.F.R. § 700.105 and WAC 388-106-0010.

(2) "Adverse benefit determination" means one or more of the following:

(a) The denial or limited authorization of a requested health-related social needs service, including determinations based on the type of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a service;

(b) The reduction, suspension, or termination of a previously authorized service;

(c) The denial, in whole or in part, of payment for a service;

(d) The failure to provide services in a timely manner, as defined by the state; or

(e) The failure of the third-party administrator (TPA) to act within the time frames provided in WAC 182-565-0170 for standard resolution of grievances and appeals.

(3) "At risk of homelessness" has the same meaning as defined in 24 C.F.R. § 91.5.

(4) "Behavioral health need" means:

(a) A mental health need, where there is a need for improvement, stabilization, or prevention of deterioration of functioning (including ability to live independently without support) resulting from the presence of a mental illness; or

(b) A substance use need, where an assessment using the American Society of Addiction Medicine (ASAM) criteria indicates that the person meets at least ASAM level 1.0, indicating the need for outpatient substance use disorder treatment.

(5) "Complex physical need" means a long continuing or indefinite physical condition requiring improvement, stabilization, or prevention of deterioration of functioning (including the ability to live independently without support).

(6) "Demonstration period" means the period starting July 1, 2023, and ending on June 30, 2028.

(7) "Homeless" has the same meaning as defined in 24 C.F.R. § 91.5.

(8) "Rent" means an eligible client's monthly housing payment and includes past due or forward rent payments as allowed under the health-related social needs program.

NEW SECTION

WAC 182-565-0120 Eligibility for housing transition navigation services or rental services. (1) To be eligible for housing transition navigation services, a person must be:

(a) Enrolled in foundational community supports as described in WAC 182-559-100;

(b) Determined by the third-party administrator as having met at least one of the following health needs-based criteria upon program enrollment:

(i) A behavioral health need;

(ii) A need for hands-on assistance with one or more activities of daily living;

(iii) A need for assistance with three or more activities of daily living; or

(iv) A complex physical health need; and

(c) Homeless or at risk of homelessness, with the exception of the annual income requirement in 24 C.F.R. § 91.5(1)(i).

(2) To be eligible for the pantry stocking service, a person must:

(a) Meet the requirements in subsection (1) of this section; and

(b) Be experiencing low food security or very low food security, as those terms are defined by the United States Department of Agriculture.

NEW SECTION

WAC 182-565-0130 Duration of services. (1) The services described in WAC 182-565-0140 are short term and limited to a maximum of six months.

(2) The medicaid agency authorizes payment for approved housing transition navigation services for as long as it has funding through the health-related social needs program.

(3) Housing transition navigation services are subject to available funds for each service category in WAC 182-565-0100.

(4) Payments made for services described in WAC 182-565-0100(1) must not exceed six months in total during the demonstration period, to include both retrospective and prospective payments.

NEW SECTION

WAC 182-565-0140 Housing transition navigation covered services. Subject to the limitations in WAC 182-565-0130, the medicaid agency pays for short-term housing transition and moving costs necessary to establish a client's basic household, to include:

- (1) Security deposits;
- (2) Application fees;
- (3) Background checks;
- (4) The first month's rent as required by the landlord for occupancy;
- (5) Utility set-up fees, deposits, first month payments and up to six months of arrears, if necessary, to set up services in a new residence;
- (6) Relocation expenses;
- (7) A 30-day supply of groceries once per calendar year at the time of move in.
 - (a) The grocery supply must not exceed 200 percent of the U.S. Department of Agriculture (USDA) SNAP allowance for one month.
 - (b) This service must be provided in conjunction with the dietary guidelines for Americans and related resources; and
- (8) Basic household goods and furniture.

NEW SECTION

WAC 182-565-0150 Service provider qualifications. A service provider must be contracted with the foundational community supports (FCS) third-party administrator(s) specifically for FCS services, including payment of transition assistance funds, and meet the requirements of WAC 182-559-200. Other contracted models may be considered within other contracting structures as negotiated by the medicaid agency.

NEW SECTION

WAC 182-565-0160 Limitation of scope of benefits. (1) Nothing in this chapter is intended to provide a legal right to any person to any service referenced in this chapter.

(2) The services provided under this chapter are strictly limited to the authority granted to the medicaid agency under the medicaid transformation project and available funds, as determined solely by the agency.

(3) The services described in this chapter must be approved under the explicit authority of the medicaid transformation project.

(4) Nothing in this section limits a person's right to request an administrative hearing under applicable law.

NEW SECTION

WAC 182-565-0170 Grievance and appeals process. (1) **General requirements.** This section contains information about the third-party administrator (TPA) grievance and appeal process and the medicaid agency's administrative hearing process for clients relating to housing transition navigation services.

(a) The TPA must have a grievance and appeal process and access to an agency administrative hearing to allow clients to file grievances and seek review of a TPA adverse benefit determination as defined in WAC 182-565-0110.

(b) The agency's administrative hearing rules in chapter 182-526 WAC apply to agency administrative hearings requested by a client to review the resolution of a client's appeal of a TPA adverse benefit determination.

(c) The TPA's policies and procedures regarding the grievance process must be approved by the agency.

(d) The TPA must maintain records of grievances and appeals.

(2) **TPA grievance and appeal process.** The TPA grievance and appeal process must include:

(a) A grievance process for addressing complaints about any matter that is not an adverse benefit determination;

(b) A TPA appeals process to address a client's request for review of a TPA adverse benefit determination;

(c) Access to the agency's administrative hearing process for review of a TPA's resolution of an appeal; and

(d) Allowing the client and the client's authorized representative to file grievances and appeals orally or in writing. The TPA cannot require clients to provide written follow up for a grievance or an appeal that the TPA received orally.

(3) **Notice requirements.**

(a) The TPA must send written notice when it:

(i) Approves the client's health-related social needs services (HRSN) eligibility and authorizes the delivery of services; or

(ii) Denies the client's HRSN eligibility.

(b) The TPA must follow the notice and timeline requirements under chapter 182-518 WAC for these notices.

(4) **The TPA grievance process.**

(a) A client or client's authorized representative may file a grievance with the TPA. A provider may not file a grievance on behalf of a client without the client's written consent.

(b) Clients do not have a right to an agency administrative hearing regarding the resolution of a grievance.

(c) The TPA must acknowledge receipt of each grievance either orally or in writing within two business days.

(d) The TPA must notify clients of the resolution of grievances within five business days of determination.

(5) The TPA appeals process.

(a) A client, the client's authorized representative, or a provider acting on behalf of the client with the client's written consent may appeal a TPA adverse benefit determination.

(b) The TPA must treat oral inquiries about appealing an adverse benefit determination as an appeal to establish the earliest possible filing date for the appeal. The TPA must confirm the oral appeal in writing.

(c) The TPA must acknowledge in writing the receipt of each appeal to both the client and the requesting provider within five calendar days of receiving the appeal request. The appeal acknowledgment letter sent by the TPA serves as written confirmation of an appeal filed orally by a client.

(d) The client must file an appeal of a TPA action within 60 calendar days of the date on the TPA's notice of adverse benefit determination.

(e) The TPA must continue services pending the results of an appeal or subsequent agency administrative hearing.

(f) The TPA internal appeal process must:

(i) Provide the client a reasonable opportunity to present evidence and allegations of fact or law, both in person and in writing;

(ii) Provide the client and the client's representative the client's case file, other documents and records, and any new or additional evidence considered, relied upon, or generated by the TPA (or at the direction of the TPA) in connection with the action. This information must be provided free of charge in advance of the resolution time frame for appeals as specified in this section; and

(iii) Include as parties to the appeal:

(A) The client and the client's authorized representative; and

(B) The legal representative of the deceased client's estate.

(g) The TPA must ensure that the people making decisions on appeals were not involved in any previous level of review or decision making.

(h) Time frames for resolution of appeals. The TPA:

(i) Must resolve each appeal and provide notice as expeditiously as the client's health condition requires and no longer than three calendar days after the day the TPA receives the appeal.

(ii) May extend the time frame by an additional 14 calendar days if it is necessary in order to complete the appeal.

(i) Notice of resolution of appeal. The notice of the resolution of the appeal must:

(i) Be in writing and be sent to the client and the requesting provider;

(ii) Include the results of the resolution of the appeal process and the date it was completed; and

(iii) Include information on the client's right to request an agency administrative hearing and how to do so as provided in the

agency hearing rules under WAC 182-526-0095, if the appeal is not resolved wholly in favor of the client.

(j) Deemed completion of the TPA appeal process. If the TPA fails to adhere to the notice and timing requirements for appeals, the client is deemed to have completed the TPA's appeals process and may request an agency administrative hearing under WAC 182-526-0095.

(6) Agency administrative hearing.

(a) Only a client or the client's authorized representative may request an agency administrative hearing. A provider may not request a hearing on behalf of a client.

(b) If the client does not agree with the TPA's resolution of an appeal at the completion of the TPA appeal process, the client may file a request for an agency administrative hearing based on the rules in this section and the agency hearing rules in chapter 182-526 WAC. The client must request an agency administrative hearing within 90 calendar days of the notice of resolution of appeal.

(c) The TPA is an independent party and responsible for its own representation in any administrative hearing, appeal to the board of appeals, and any subsequent judicial proceedings.

(7) Effect of reversed resolutions of appeals. If the TPA or a final order as defined in chapter 182-526 WAC reverses a decision to deny or limit services, the TPA must authorize or provide the disputed services promptly and as expeditiously as the client's circumstances require.

(8) Funding unavailable. When available resources are exhausted, any appeals process or agency administrative hearing process related to a request to authorize a service will be terminated, since services cannot be authorized without funding regardless of medical necessity.

SUBCHAPTER II - RENTAL SERVICES

NEW SECTION

WAC 182-565-0200 Purpose. (1) Rent and temporary housing payments provide stable independent living situations for clients in housing transitions who are homeless or at risk of homelessness. The payments may cover rent for up to six months per demonstration period.

(2) Subject to available funds, allowable expenditures are covered up to the medicaid agency's financial limit.

(3) The agency may contract with third parties to administer funds for the HRSN program.

(4) This subchapter applies to the portion of health-related social needs services administered by the medicaid agency.

NEW SECTION

WAC 182-565-0210 Definitions. The definitions in WAC 182-565-0110 and those found in chapter 182-500 WAC apply to this chapter.

NEW SECTION

WAC 182-565-0220 Eligibility. To be eligible for rental services, a person must meet the requirements identified in WAC 182-565-0120.

NEW SECTION

WAC 182-565-0230 Duration of services. (1) The services described in WAC 182-565-0240 are short term and limited to a maximum of six months.

(2) The medicaid agency reimburses rental payments only for residences that meet housing habitability standards for safety, sanitation, and habitability.

(3) Rental services are subject to available funds for each service category in WAC 182-565-0240.

(4) Payments made for services described in WAC 182-565-0240 must not exceed six months in total during the demonstration period, to include both retrospective and prospective payments.

NEW SECTION

WAC 182-565-0240 Covered rental services. Subject to the limitations in WAC 182-565-0230, the medicaid agency may pay for past-due or future rent payments.

NEW SECTION

WAC 182-565-0250 Service locations. (1) The rental payments identified in WAC 182-565-0240 must be used only for independent living situations, such as in-home and interim housing settings that meet the housing habitability standards found on the agency's website.

(2) The medicaid agency does not reimburse for facilities:

(a) That have been temporarily converted to shelters (e.g., gymnasiums or convention centers); or

(b) Without private sleeping spaces available to residents 24 hours a day.

NEW SECTION

WAC 182-565-0260 Service provider qualifications. Rental service providers must meet the requirements in WAC 182-565-0150.

NEW SECTION

WAC 182-565-0270 Limitation of scope of benefits. Rental services are subject to the limitation of scope of benefits described in WAC 182-565-0160.

NEW SECTION

WAC 182-565-0280 Grievance and appeals. Grievances and appeals related to rental services follow the process described in WAC 182-565-0170.