Subject: Medicaid State Plan Amendment (SPA) 19-0021 Rate enhancement for Sole Community Hospitals

Effective Date: July 1, 2019

Description: The Health Care Authority (HCA) intends to submit Medicaid State Plan Amendment (SPA) 19-0021 in order to extend the inpatient and outpatient rate enhancements for Sole Community Hospitals effective through June 30, 2021, as directed in the state’s supplemental operating budget Engrossed Substitute House Bill (ESHB) 1109.

For the outpatient rate enhancement, HCA will multiply an in-state hospital’s specific EAPG conversion factor by 1.50 if the hospital meets all of the following criteria:
- Be certified by CMS as a sole community hospital as of January 1, 2013
- Have a level III adult trauma service designation from the Washington State Department of Health as of January 1, 2014
- Have less than one hundred fifty acute care licensed beds in fiscal year 2011
- Be owned and operated by the state or a political subdivision

Effective July 1, 2021, HCA will revert to using the previous EAPG conversion factor of 1.25.

For the inpatient rate enhancement, HCA will multiply an in-state hospital’s specific conversion factor and per diem rates by 1.50 if the hospital meets all of the following criteria:
- Be certified by CMS as a sole community hospital as of January 1, 2013
- Have a level III adult trauma service designation from the Washington State Department of Health as of January 1, 2014
- Have less than one hundred fifty acute care licensed beds in fiscal year 2011
- Be owned and operated by the state or a political subdivision
- Not participate in the certified public expenditures (CPE) payment program defined in WAC 182-550-4650

Effective July 1, 2021, HCA will revert to using the previous conversion factor of 1.25.

A copy of SPA 19-0021 is available for review. HCA would appreciate any input or concerns regarding this SPA. To request a copy of the SPA or submit comments, you may contact the person named below. Please note that all comments are subject to public review and disclosure, as are the names of those who comment.
The proposed rates, methodologies, and justifications are as follows:

<table>
<thead>
<tr>
<th>Proposed Rate</th>
<th>Proposed Methodology</th>
<th>Justification</th>
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</thead>
<tbody>
<tr>
<td>1.50</td>
<td>DRG Conversion Factor, Per Diem, EAPG Conversion Factor</td>
<td>ESHB 1109</td>
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Interested parties may submit comments and concerns about the rates or the effects the changes may have on beneficiary access to care or continued service access. Please submit comments and concerns to Abigail Cole by May 31, 2019. Please note that all comments are subject to public review and disclosure, as are the names of those who comment.

**CONTACT**

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