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**State/Territory Name: Washington**

**State Plan Amendment (SPA) # WA 22-0018**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

August 2, 2022

Dr. Charissa Fotinos, Acting Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) 22-0018

Dear Ms. Fotinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 22-0018 effective for services on or after July 1, 2022. The purpose is to update required implement changes to payments to hospitals meeting certain criteria for Sole Community Hospitals (SCHs). SCHs will receive a higher reimbursement rate if they designate with a single bed certification.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act. We hereby inform you that Medicaid State plan amendment 22-0018 is approved effective July 1, 2022. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe  
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER _____	2. STATE _____
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI	
4. PROPOSED EFFECTIVE DATE	
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY _____ \$ _____ b. FFY _____ \$ _____	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. FEDERAL STATUTE/REGULATION CITATION

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Exempt

11. SIGNATURE OF STATE AGENCY OFFICIAL  
*Chami Foti MD, MSc*

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

**FOR CMS USE ONLY**

16. DATE RECEIVED  
June 29, 2022

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL  
*Rory Howe*

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, FMG

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

**METHODS AND STANDARDS FOR ESTABLISHING  
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

- (d) Reduce preventable emergency room (ER) visits. Hospitals will develop and submit a plan to the agency addressing five sections of possible ER intervention, community partnerships, data reporting, strategic plan for prevention of visits, ER visit follow-up, and participation in continuing education. Each section may be approved or not approved by the agency. A hospital will be awarded 10 points for all five sections begin approved, five points for four sections, three points for three sections, no points for two sections or less. Psychiatric, rehabilitation, and cancer hospitals are not included in this measurement.
- (e) Patient discharges with prescriptions for multiple antipsychotic medications. Documentation must appear in the medical record with appropriate justification for discharging the patient with two or more routine antipsychotic medication prescriptions. A hospital will be awarded 10 points for 31% or greater medical records with appropriate justifications, five points for 21-30%, three points for 11-20%, and no points for 10% or less. Hospitals that do not have behavioral health units are not included in this measurement.

For dates of admission July 1, 2014, and after, a quality incentive payment of “an additional one percent increase in inpatient hospital rates” will be added to inpatient hospital payments for all qualifying non-critical access hospital providers.

Effective July 1, 2014, quality measures for the quality incentive payment for inpatient hospitals are listed at <http://www.hca.wa.gov/medicaid/hospitalpymt/Pages/inpatient.aspx>

21. Rate enhancement for Sole Community Hospitals

For Sole Community Hospitals’ rate enhancements, the agency multiplies an in-state hospital’s specific conversion factor and per diem rates by a multiplier 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 full cost payment through certified public expenditures (CPE) program

As of July 1, 2021, an additional increase may be applied for hospitals that accept single bed certifications.

Enhancement Multipliers				
Hospital category	Effective Dates			
	7/1/2015 – 6/30/2018	7/1/2018 – 6/30/2021	7/1/2021 – 6/30/2022	7/1/2022 – 6/30/2022
Sole Community Hospital	1.25	1.5	1.0	1.25
Sole Community Hospital accepting single bed certification per RCW 71.05.745	NA	NA	1.5	1.5