

## Legislatively funded managed care rate increase

### Overview

This document provides clarifying information regarding legislatively mandated Medicaid managed care rate increases authorized in the [2023-25 state operating budget](#). Whether or not these rate increases translate directly into payment increases to your organization depends on your specific contract terms with each MCO, as noted in the provider impact detail sections below.

This document addresses the following rate increases:

- Applied behavior analysis (ABA) rates
- Behavioral health provider rates (lower-level, non-behavioral health agency)<sup>1</sup>
- Developmental screening rates
- Home and birthing center rates
- Kidney dialysis rates
- Pediatric palliative care rates
- Newborn screening fee
- MCO behavioral health rate (behavioral health agency – non-hospital)<sup>2</sup>

This document will not cover rate increases with a start date **after January 1, 2024**. HCA will share additional information on the following items at a later date:

- Professional services rate increase: July 1, 2024 effective date
- Primary care rate increase: January 1, 2025 effective date

The table below summarizes the rate increases covered in this document and provides a snapshot of key information. Following the table, each rate increase is described in further detail. Rate increases funded in prior budget periods will be maintained. Any new rate increase for those services will be added on top of the current levels.

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<sup>1</sup> Non-BHA entities that generally provide services under the physical health contract with MCOs.

<sup>2</sup> BHA – entity licensed by the Department of Health to provider BH services. In a limited number of situations, an entity licensed as a BHA, who predominantly preforms services under the physical health contract, may not be eligible for the BHA rate increase. Providers should contact their MCOs for additional clarification around their unique contract.

	Start date	Rate increase	Type of state directed payment	Budget section reference
ABA	January 2024	15%-20%	MCOs to pay no less than the FFS fee schedule	Sec 211(49)
Lower-level BH (non-BHA)	January 2024	7%	MCOs to pay no less than the FFS fee schedule	Sec 211(51)
Developmental Screening	January 2024	100%	MCOs to pay no less than the FFS fee schedule	NA <sup>3</sup>
Home and Birthing Center	January 2024	\$2,500 for Birthing Center Facility Fee, \$500 for kit	MCOs to pay no less than the FFS fee schedule	Sec 211(77)
Kidney Dialysis	January 2024	30%	MCOs to pay no less than the FFS fee schedule	Sec 211(80)
Pediatric Palliative Care	January 2024	Average 158%	MCOs to pay no less than the FFS fee schedule	Sec 211(57)
Newborn screening fee	January 2024	\$15.73 increase	MCOs to pay no less than the FFS fee schedule	NA <sup>4</sup>
MCO BH (BHA-Non-Hospital)	January 2024	15%	MCOs to increase rates by 15%	Sec 215(44)

### Applied behavior analysis (ABA)

Sec. 211(49) – The 2023-25 operating budget includes funding to increase ABA rates. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule for 0362T and 0373T by 20%. All other ABA codes will be increased by 15% excluding Q3014. HCA will use a state directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider’s specific impact will depend on the current reimbursement levels they are receiving from their MCO partners and how much that varies from the updated FFS fee schedule. A provider will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

<sup>3</sup> This rate increase is included in the Agency’s Budget as line item, but not listed as a specific proviso.

<sup>4</sup> This rate increase is included in the Agency’s Budget as line item, but not listed as a specific proviso.

## Behavioral health provider rate (lower-level, non-behavioral health agency (BHA))

Sec. 211(51) The 2023-25 operating budget includes funding to increase certain lower-level behavioral health services performed in non-BHA settings. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule by 7% or up to Medicare (whichever is less) for:

- 90785
- 90791
- 90832
- 90833
- 90834
- 90836
- 90837
- 90838
- 90845
- 90846
- 90847
- 90849
- 90853
- 96156
- 96158
- 96159
- 96164
- 96165
- 96167
- 96168
- 96170
- 96171
- H0004
- H0023
- H0036
- H2015

HCA will use a state directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider's specific impact will depend on the type of contract arrangement they have with their MCO partners. For providers on a FFS payment arrangement, they will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

## Developmental screening rates

The 2023-25 operating budget includes funding to increase rates for developmental screenings. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule for 96110, 96127, 96160 and 96161 by 100%. HCA will use a state directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider's specific impact will depend on the type of contract arrangement they have with their MCO partners. For providers on a FFS payment arrangement, they will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

## Home and birthing center rates

*Sec. 211(77)* - The 2023-25 operating budget includes funding to increase the birth center facility fee and home birth kit rate. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule for 59409-SU to \$2,500 and S8415 to \$500. HCA will use a state-directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider's specific impact will depend on the current reimbursement levels they are receiving from their MCO partners and how much that varies from the updated FFS fee schedule. A provider will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

## Kidney dialysis rates

*Sec. 211(80)* - The 2023-25 operating budget includes funding to increase kidney dialysis rates. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule for revenue code 0821 (when billed with procedure code 90999) 0831, 0841 and 0851 by 30% above the composite rate. HCA will use a state directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider's specific impact will depend on the current reimbursement levels they are receiving from their MCO partners and how much that varies from the updated FFS fee schedule. A provider will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

## Pediatric palliative care

*Sec. 211(57)* - The 2023-25 operating budget includes funding to increase pediatric palliative care rates. This rate increase is effective January 1, 2024.

### Implementation details

HCA will increase the FFS fee schedule for revenue code 0659 up to the Medicare hospice rates that were in effect October 1, 2022. There is some level of county variation but on average this represents a 158% rate increase. HCA will use a state directed payment to require MCOs to pay no less than the updated FFS fee schedule.

### Provider impact

A provider's specific impact will depend on the current reimbursement levels they are receiving from their MCO partners and how much that varies from the updated FFS fee schedule. A provider will receive no less than the updated fee schedule amount. We encourage providers to work with their MCO partners to understand how the rate increase will impact their reimbursement rates.

## Newborn screening fee rate increase

The 2023-25 operating budget includes funding to increase the newborn screening fee required by the Department of Health effective January 1, 2024.

### Implementation details

MCOs are to increase the current reimbursement level for the newborn screening (procedure code S3620) by \$15.73 effective January 1, 2024.

### Provider impact

Providers should see an increase of at least \$15.73 from the current MCO reimbursement levels.

## MCO behavioral health rate (behavioral health agency<sup>5</sup>)

*Sec. 215(44)* The 2023-25 Operating budget includes funding to increase behavioral health rates for non-hospital inpatient, residential and outpatient providers. This rate increase is effective January 1, 2024 and applies to all community behavioral health (CBH) services (including WISE, New Journeys, and opioid treatment program - H0020, but excluding hospital inpatient services) provided through behavioral health portion of the MC rates.

### Implementation details

HCA will increase the behavioral health portion of the MCO rates by 15% using a state directed payment. This means that MCOs will be required to pass that rate increase on to providers. Hospital inpatient services will be EXCLUDED<sup>6</sup> from this rate increase. This rate increase will be implemented similarly to the 2% BH rate increase effective April 1, 2021 and the 7% BH rate increase effective January 1, 2023.

WISE and New Journeys case rates will also receive the 15% rate increase. This increase will be on top of the 2% increase implemented April 1, 2021, the 7% increase implemented January 1, 2023 and enhancement funds which are considered part of the base. As noted above, the 15% rate increase also applies to all CBH services delivered by BHAs including PACT, Medicaid crisis, OPT, IRT and Peer Respite services. MCOs will be directed to pay 15% above what they had been paying December 31, 2023.

### Provider impact

A provider's specific impact will depend on the type of contract arrangement they have with their MCO partners. MCOs contract with providers in a variety of different ways. Examples include reimbursement based on a fee schedule, budget-based arrangements, capitated contracts, percent of premium arrangements etc. Providers on fee schedule, budget based, or capitated contracts (depending on the specifics) will see their reimbursement increased by the directed payments.

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<sup>5</sup> In a limited number of situations, an entity licensed as a BHA, who predominantly preforms services under the physical health contract, may not be eligible for this BHA rate increase. Providers should contact their MCOs for additional clarification around their unique contract.

<sup>6</sup> Inpatient Hospitals are excluded from this rate increase for CY2024. [See the Inpatient Prospective Payment System Fee Schedule to view the list of excluded facilities.](#)

The impact for providers on a percent of premium contract will vary depending on which region they are operating in and the specific arrangement they have with their MCOs. The directed payment will be comingled with other changes to the MCO rates (program changes, trend factors, utilization, and costs changes). In that case, the provider's reimbursement change could be more or less than just the specific directed payment. HCA encourages providers and MCOs to work together to understand how their specific contracts will be changing. This rate increase does not apply to non-BHAs.

## Frequently asked questions

### What is a state directed payment?

CMS Medicaid managed care rules allow states to require MCOs to pay providers according to specific rates or methods. States can direct MCO rates in three main ways:

1. Require MCOs to pay a minimum fee schedule
2. Require MCOs to pay a maximum fee schedule
3. Require MCOs to change rates by a uniform percent or dollar amount

In this case, HCA is submitting a state directed payment to CMS that requires MCOs to increase rates by a flat percentage or a dollar amount.

### How long is this rate increase effective?

The budget provided funding on an on-going basis. The legislature may make different decisions in the future.

### Will previous rate increases continue in 2024?

Rate increases authorized in prior budget years will continue in 2024.

### When will I see the rate increase?

Providers should see the rate increase accounted for in their MCO payments for services incurred beginning January 1, 2024. HCA encourages providers to work directly with their MCO partners on any necessary contract amendments or updates.

### How will HCA confirm that providers received the rate increase?

RCW 71.24.885 requires HCA to verify that targeted CBH provider rate increases have been passed through to providers. HCA and Milliman, HCA's actuary, will continue to monitor the encounter data (for encounter-based payments) and supplemental data received directly from MCOs (for non-encounter based payments) to evaluate whether providers received the anticipated rate increases for eligible services. Additionally, providers may reach out to the managed care mailbox for any concerns. HCA has a timely and accurate payment accountability process.

## Are providers already receiving an enhanced rate (e.g. FQHC) eligible for the rate increase?

These rate increases only apply to encounter eligible services delivered by providers that are not already paid at an enhanced encounter rate or are eligible for supplemental payments (examples: FQHC/RHC, FQHC licensed as BHA, tribal facilities, tribal FQHC, PAP/ODP, physician services for trauma care).

## What is the difference between the BH provider rate increase and the MCO BH rate increase?

The BH provider rate increase applies to non-BHAs. The MCO BH rate increase applies to BHAs (excluding hospital inpatient services).

## What is the basis for HCA's implementation decisions?

HCA basis implementation decisions on the directives provided in the state operating budget. The legislature provides additional guidance for each rate increase through provisos in section 211 (Physical Health) and section 215 (Behavioral Health). [See the enacted budget bill.](#)

## Where can I find the FFS fee schedules?

Fee-for-service fee schedules are available on the [provider billing guides and fee schedules page](#).

## Who do I contact about operationalizing these rate increases?

### Amerigroup

- Caitlin Safford: [Caitlin.Safford@amerigroup.com](mailto:Caitlin.Safford@amerigroup.com)
- Preston Cody: [Preston.Cody@amerigroup.com](mailto:Preston.Cody@amerigroup.com)

### Community Health Plan of Washington (CHPW)

- Courtney Ward: [Courtney.ward@chpw.org](mailto:Courtney.ward@chpw.org)

### Coordinated Care of Washington (CCW)

- Kate Mundell: [Mary.Mundell@coordinatedcarehealth.com](mailto:Mary.Mundell@coordinatedcarehealth.com)
- Jess Molberg: [Jessica.L.Molberg@coordinatedcarehealth.com](mailto:Jessica.L.Molberg@coordinatedcarehealth.com)

### Molina Healthcare of Washington

- Jennifer Morgan: [Jennifer.Morgan@molinahealthcare.com](mailto:Jennifer.Morgan@molinahealthcare.com)

### UnitedHealthcare

- Jennifer Emery-Morelli: [jennifer\\_emery-morelli@uhc.com](mailto:jennifer_emery-morelli@uhc.com)

### King County Integrated Care Network (KCICN)

- Isabel Jones: [IJones@kingcounty.gov](mailto:IJones@kingcounty.gov)