



Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

JUN 8 2009

Susan Dreyfus, Secretary
Department of Social and Health Services
Post Office Box 45010
Olympia, Washington 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number #08-027

Dear Ms. Dreyfus:

The Centers for Medicare & Medicaid Services has completed our review of State Plan Amendment (SPA) Transmittal Number #08-027.

This amendment updates Washington's State Plan post-eligibility information for PACE participants. The required revisions were a series of technical corrections to the pre-print, to include correct identification of the post-eligibility section to the most comparable approved 1915(c) waiver in Washington State; COPEs.

This SPA is approved effective November 1, 2008, as requested by the State.

If you have any questions concerning this SPA, please have your staff contact Jan Mertel at (206) 615-2317 or Jan.Mertel@cms.hhs.gov.

Sincerely,

Barbara K. Richards
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc:

Douglas Porter, Assistant Secretary, Health and Recovery Services Administration
Kathy Leitch, Assistant Secretary, Aging and Disability Services Administration

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
08-027

2. STATE
Washington

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
Nov. 1, 2008

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:
a. FFY 2009 \$ (226.00)
b. FFY 2010 \$ (265.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 3 to Attachment 3.1-A, pages 1, 6, and 8, 2, 3 (P+I)
Attachment 2.2-A, page 11 (P+I)
Attachment 4.19-B, page 29 (P+I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 3 to Attachment 3.1-A, pages 1, 6, and 8, 2, 3 (P+I)
Attachment 2.2-A, page 11 (P+I)
Attachment 4.19-B, page 29 (P+I)

10. SUBJECT OF AMENDMENT:

PACE Update

11. 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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

ROBIN ARNOLD-WILLIAMS

14. TITLE:

Secretary

15. DATE SUBMITTED:

11-14-08 (sent) 11-12-08 (signed)

16. RETURN TO:

Ann Myers
Department of Social and Health Services
Health and Recovery Services Administration
626 8th Ave SE MS: 45504
Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

NOV 14 2008

18. DATE APPROVED:

JUN - 8 2009

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

NOV - 1 2008

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Barbara K. Richards

22. TITLE: Associate Regional Administrator

Division of Medicaid &
Children's Health

23. REMARKS:

Pen & ink changes authorized by the state on 4/23/09.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

Agency*	Citation(s)	Groups Covered
IV-A	B. <u>Optional Groups Other Than the Medically Needy</u> (Continued)	
42 CFR 435.217	<u>X</u>	4. A group or groups of individuals who would be eligible for Medicaid under the plan if they were in a NF or an ICF/MR, who but for the provision of home and community-based services under a waiver granted under 42 CFR Part 441, Subpart G would require institutionalization, and who will receive home and community-based services under the waiver. The group or groups covered are listed in the waiver request. This option is effective on the effective date of the State's section 1915(c) waiver under which this group(s) is covered. In the event an existing 1915(c) waiver is amended to cover this group(s), this option is effective on the effective date of the amendment.
	<u>X</u>	5. PACE enrollees

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Name and address of State Administering Agency, if different from the State Medicaid Agency:

I. Eligibility

 The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

Individuals covered are those in the following sections of 42 CFR:
435.236

Note: Spousal impoverishment eligibility rules for individuals with a community spouse described in section 1924 of the Social Security Act apply.

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II C - Compliance and State Monitoring of PACE.)

C. X The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

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Regular Post Eligibility

1. SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1. Allowances for the needs of the:

(A) Individual (check one)

1. The following standard included under the State plan (check one):

- (a) SSI
- (b) Medically Needy
- (c) The special income level for the institutionalized
- (d) Percent of the Federal Poverty Level: %
- (e) Other (specify):

2. The following dollar amount: \$
Note: If this amount changes, this item will be revised.

3. The following formula is used to determine the needs allowance.

- (a) 100% of Federal Poverty Level as a personal needs allowance
- (b) An allowance for the payment of guardianship fees of the individual under a Superior Court order of guardianship as allowed under the WAC
- (c) Earned income for the first \$65 plus one-half of the remaining earned income
- (d) Total needs will not exceed the SIL for the maintenance needs of the waiver

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(B) Spouse only (check one):

- 1. SSI Standard
- 2. Optional State Supplement Standard

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Regular Post Eligibility

- 3. Medically Needy Income Standard
- 4. The following dollar amount: \$_____
- 5. The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.
- 6. The amount is determined using the following formula:

- 7. Not applicable (N/A)

(C) Family (check one):

- 1. AFDC Need Standard
- 2. Medically Needy Income Standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

- 3. The following dollar amount: \$_____
 - Note: If this amount changes, this item will be revised.
- 4. The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.
- 5. The amount is determined using the following formula:

- 6. Other
- 7. Not applicable (N/A)

(2) Medical and remedial care expenses in 42 CFR 435.726.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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Spousal Post Eligibility

3. X State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a) Allowances for the needs of the:

1. Individual (check one)

(A) The following standard included under the State plan (check one):

- 1. SSI
- 2. Medically Needy
- 3. The special income level for the institutionalized
- 4. Percent of the Federal Poverty Level: %
- 5. Other (specify):

(B) The following dollar amount:

(C) X The following formula is used to determine the needs allowance:

- (a) Personal Needs Allowance of 100% of the FPL for a participant who does not reside with a community spouse or the Medically Needy income standard for a participant who does reside with a community spouse
- (b) An allowance for the payment of guardianship fees of the individual under a Superior Court order of guardianship as allowed under the WAC
- (c) Earned income for the first \$65 plus on-half of the remaining earned income
- (d) Total needs will not exceed the SIL for the maintenance needs of the waiver participant

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D. Monitoring of Corrective Action Plans: The State assures it will monitor the effectiveness of corrective actions required to be taken by the PACE organization.

III. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing those with fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

Upper Payment Limit and Rate Methodology

The UPL is based on fee-for-service (FFS) costs derived from: a population of nursing home and HCBS eligibles located in comparable county(s) with comparable age (55 or older), gender, clinical complexity, and care settings. In order to develop the UPL, the data from sub-populations of nursing home and HCBS clients was blended into the final UPL table. In lieu of FFS costs, the capitated managed care mental health rates of the Statewide model for a population comparative to PACE were used, unchanged, as the mental health component of the PACE UPL. Incurred claims were the source data for the UPL calculation. Detailed claims data was obtained from the State's payment system. The State assures CMS that the capitated rates are less than comparable FFS costs as defined by the PACE UPL.

The following four groups, as approved by CMS, will be used to determine payment for PACE:

Medicaid Eligible Only, age 64 and under;
Medicaid Eligible Only, age 65 and above;
Medicaid & Medicare Eligible, age 64 and under;
Medicaid & Medicare Eligible, age 65 and above.

1. X Rates are set at a percent of fee-for-service costs.
A percentage of the UPL was used to establish the rate.
2. Experience-based (contractors/State's cost experience or encounter date) (please describe) – See rate methodology above
3. Adjusted Community Rate (please describe)
4. Other (please describe)

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