



# PROPOSED RULE MAKING

## CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Health Care Authority, Washington Apple Health

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as <u>WSR 15-07-046</u> ; or | <input checked="" type="checkbox"/> Original Notice       |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or                  | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).                         | <input type="checkbox"/> Continuance of WSR _____         |

Title of rule and other identifying information: (Describe Subject)

182-550-4690, Authorization requirements and utilization review for hospitals eligible for CPE payments.

**Hearing location(s):**

Health Care Authority  
Cherry Street Plaza Building; Conf Rm  
626 - 8<sup>th</sup> Avenue, Olympia WA 98504

Metered public parking is available street side around building. A map is available at:  
[http://www.hca.wa.gov/documents/directions\\_to\\_csp.pdf](http://www.hca.wa.gov/documents/directions_to_csp.pdf)  
or directions can be obtained by calling: 360-725-1000

Date: **December 22, 2015** Time: **10:00 a.m.**

**Date of intended adoption:** Not sooner than **December 23, 2015**  
(Note: This is **NOT** the **effective** date)

**Submit written comments to:**

Name: HCA Rules Coordinator  
Address: PO Box 45504, Olympia WA, 98504-5504  
Delivery: 626 – 8<sup>th</sup> Avenue, Olympia WA 98504  
e-mail [arc@hca.wa.gov](mailto:arc@hca.wa.gov)  
fax (360) 586-9727

by: **December 22, 2015**

**Assistance for persons with disabilities:** Contact  
Amber Lougheed by e-mail: [amber.lougheed@hca.wa.gov](mailto:amber.lougheed@hca.wa.gov)  
or at (360) 725-1349

TTY (800) 848-5429 or 711

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

The agency is striking WAC 182-550-4690(3)(b), which states the agency performs utilization reviews on seven-day readmissions for claims that qualified for diagnosis related group payment before July 1, 2005.

The agency is also striking subsection (5)(c), which refers to WAC 182-550-3000 for inpatient hospital claims that involve a client's seven-day readmission.

This amendment aligns with amendments proposed under WSR 15-19-159, which will implement a population-based, data-driven approach to reduce hospital readmission rates and related costs.

**Statutory authority for adoption:** RCW 41.05.021, 41.05.160

**Statute being implemented:** RCW 41.05.021, 41.05.160

**Is rule necessary because of a:**

- |                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

**DATE**  
November 13, 2015

**NAME** (type or print)  
Wendy Barcus

**SIGNATURE**

**TITLE**  
HCA Rules Coordinator

**CODE REVISER USE ONLY**

**OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED**

**DATE: November 13, 2015**

**TIME: 1:28 PM**

**WSR 15-23-060**

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

N/A

**Name of proponent:** Health Care Authority

- Private
- Public
- Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Melinda Froud	P.O. Box 42716, Olympia, WA 98504-2716	(360) 725-1408
Implementation....Gail Kreiger	P.O. Box 45506, Olympia, WA 98504-5506	(360) 725-1681
Enforcement.....Gail Kreiger	P.O. Box 45506, Olympia, WA 98504-5506	(360) 725-1681

**Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?**

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No. Explain why no statement was prepared.

The proposed filing does not create a disproportionate impact on small businesses.

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No: Please explain:

RCW 34.05.328 does not apply to Health Care Authority rules unless requested by the Joint Administrative Rules Review Committee or applied voluntarily.

**WAC 182-550-4690 Authorization requirements and utilization review for hospitals eligible for CPE payments.** This section does not apply to psychiatric certified public expenditure (CPE) inpatient hospital admissions. See WAC 182-550-2600.

(1) CPE inpatient hospital claims submitted to the medicaid agency must meet all authorization and program requirements in WAC and current agency-published issuances.

(2) The agency performs utilization reviews of inpatient hospital:

(a) Admissions under the requirements of 42 C.F.R. 456, subparts A through C; and

(b) Claims for compliance with medical necessity, appropriate level of care and the agency's (or an agency designee's) established length of stay (LOS) standards.

(3) For CPE inpatient admissions before August 1, 2007, the agency performs utilization reviews(~~(+~~

~~(a))~~) using the professional activity study (PAS) length of stay (LOS) standard in WAC 182-550-4300 on claims that qualified for ratio of costs-to-charges (RCC) payment before July 1, 2005.

~~((b) On seven day readmissions according to the diagnosis related group (DRG) payment method described in WAC 182-550-3000 for claims that qualified for DRG payment before July 1, 2005.))~~

(4) For claims identified in this subsection, the agency may request a copy of the client's hospital medical records and itemized billing statements. The agency sends written notification to the hospital detailing the agency's findings. Any day of a client's hospital stay that exceeds the LOS standard:

(a) Is paid under a non-DRG payment method if the agency determines it to be medically necessary for the client at the acute level of care;

(b) Is paid as an administrative day (see WAC 182-550-1050 and 182-550-4500(8)) if the agency determines it to be medically necessary for the client at the subacute level of care; and

(c) Is not eligible for payment if the agency determines it was not medically necessary.

(5) For CPE inpatient admissions after July 31, 2007, CPE hospital claims are subject to the same utilization review rules as non-CPE hospital claims.

(a) LOS reviews may be performed under WAC 182-550-4300.

(b) All claims are subject to the agency's medical necessity review under WAC 182-550-1700(2).

~~((c) For inpatient hospital claims that involve a client's seven day readmission, see WAC 182-550-3000.))~~