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State/Territory Name: Washington

State Plan Amendment (SPA) #: 14-0043

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 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



Financial Management Group

FEB 24 2015

MaryAnne Lindeblad, Medicaid Director
Health Care Authority
Post Office Box 42716
Olympia, Washington 98504-2716

RE: WA State Plan Amendment (SPA) Transmittal Number #14-0043 – Approval

Dear Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-0043. This SPA reduces the sole community health disproportionate share hospital (SCDSH) pool from \$800,000 total computable (TC) per year to \$600,000 TC for SFY 2015.

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 and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 14-0043 is approved effective as of January 1, 2015. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan page.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' RO NIRT Representative at 208-861-9838 or Thomas.Couch@cms.hhs.gov.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-0043	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 January 1, 2015	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 1902(a) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2015: \$100,00 (\$100,060) P&I b. FFY 2016: \$0 (\$400,240)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-A part 1 pg. 57b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Att. 4.19-A part 1 pg. 57b	
10. SUBJECT OF AMENDMENT: Sole Community Disproportionate Share Hospital Payments			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Exempt <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Ann Myers Office of Rules and Publications Legal and Administrative Services Health Care Authority 626 8 th Ave SE MS: 42716 Olympia, WA 98504-2716	
13. TYPED NAME: MARYANNE LINDEBLAD			
14. TITLE: MEDICAID DIRECTOR			
15. DATE SUBMITTED: 12-31-14			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 12-31-14		18. DATE APPROVED: FEB 24 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2015		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin FAN		22. TITLE: Deputy Director, FMC	
23. REMARKS: 1.29.15: State authorizes P&I change to box 7			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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

H. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS (cont.)

9. Sole Community Hospital Disproportionate Share Hospital (SCDSH) Payments

Effective July 23, 2013, a hospital will be considered eligible for a SCDSH payment if:

- a. The hospital is an in-state (Washington) hospital;
- b. The hospital is a rural hospital certified by the Centers for Medicare and Medicaid Services (CMS) as a sole community hospital as of January 1, 2013;
- c. The hospital has less than one hundred and fifty acute care licensed beds in fiscal year 2011;
- d. The hospital qualifies under Section 1923(d) of the Social Security Act; and
- e. The hospital is not a certified public expenditure (CPE) hospital.

Hospitals qualifying for SCDSH payments are paid from a legislatively appropriated pool. This distribution is based on the hospital's Medicaid payments. To determine the hospital's SCDSH payments the agency:

- a. Identifies the sum of the Medicaid payments to the individual hospital during the state fiscal year (SFY) two years prior to the current SFY for which DSH application is being made. These Medicaid payment amounts:
 - (i) Are based on historical data;
 - (ii) Include payments from the agency; and
 - (iii) Include payments reported on the encounter data supplied by the managed care plans.
- b. Divides the total Medicaid payments made to each SCDSH hospital (as identified above) during the most currently available state fiscal year by the sum of the Medicaid payments amounts for all qualifying hospitals during the same period to determine the hospital's percentage. The percentage is then applied to the total dollars in the pool to determine each hospital's payment subject to hospital-specific DSH limits.

Each hospital's total DSH payments will not exceed its DSH limit. The hospital-specific DSH payment limit is defined as the uncompensated cost of furnishing inpatient and outpatient hospital services to Medicaid-eligible individuals and individuals with no insurance or any other creditable third party coverage, in accordance with federal regulations.

Dollars not allocated due to a hospital reaching the DSH limit are reallocated to the remaining hospitals in the SCDSH pool. The payments are made periodically. SCDSH payments are subject to federal regulations and payment limits.

Total funding to the SCDSH program is \$800,000 for state fiscal year (SFY) 2014. For SFY 2015, total funding for the SCDSH program will be \$600,000. For the period January 1, 2015 through June 30, 2015, \$200,000 of this SFY amount is only available to rural hospitals located in Lewis County that meet the requirements in 9 a through e in this section. The Medicaid agency will discontinue SCDSH payments after June 30, 2015.