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State/Territory Name: Washington

State Plan Amendment (SPA) #: 15-0026

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Page
3) Approved SPA Pages
February 01, 2016

Dorothy Frost Teeter, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
Post Office Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 15-0026

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed our review of State Plan Amendment (SPA) Transmittal Number WA 15-0026. This SPA clarified Rural Health Clinic (RHC) encounter limitations and exceptions, clarified the provision of “other ambulatory services,” and identified provider types and qualifications of who may provide RHC services.

This SPA is approved with an effective date of October 1, 2015.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Rick Dawson at rick.dawson@cms.hhs.gov or (206)-615-2387.

Sincerely,

David L. Meacham
Associate Regional Administrator

cc:
Ann Myers, SPA Coordinator
**Transmittal and Notice of Approval of State Plan Material**

**For: Health Care Financing Administration**

**To:** Regional Administrator
Health Care Financing Administration
Department of Health and Human Services

5. Type of Plan Material (Check One):
   - [ ] New State Plan
   - [ ] Amendment to be considered as new plan
   - [x] Amendment

6. Federal Statute/Regulation Citation:
   - 1902(a) of the Social Security Act; 42 CFR part 491 (P&I)
   - 1905(a)(2)(C) of the Social Security Act

7. Federal Budget Impact:
   a. FFY 2016: $0
   b. FFY 2017: $0

8. Page Number of the Plan Section or Attachment:
   - Att. 3.1-A pages 11a (new)
   - Att. 3.1-B pages 12a (new)
   - Att. 4.19-B page 5

9. Page Number of the Superseded Plan Section or Attachment (If Applicable):
   - Att. 4.19-B page 5

10. Subject of Amendment
   - RHC Services and Providers

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

12. Signature of State Agency Official:

13. Typed Name:
    - Maryanne Lindeblad

14. Title:
    - Medicaid Director

15. Date Submitted:
    - 11/10/15

16. Return to:
    - Ann Myers
    - Office of Rules and Publications
    - Legal and Administrative Services
    - Health Care Authority
    - 626 8th Ave SE MS: 42716
    - Olympia, WA 98504-2716

17. Date Received:
    - 11/10/15

18. Date Approved:
    - 02/01/16

19. Effective Date of Approved Material:
    - 10/01/15

20. Signature:

21. Typed Name:
    - David L. Meacham

22. Title:
    - Associate Regional Administrator

23. Remarks:
   - P&I changes authorized by the state on 01/07/16.
   - Box 6 should read "1905(a)(2)(C) of the Social Security Act. (Unable to strikethrough existing language.)
2.b. Rural Health Clinic (RHC) services and other ambulatory services that are covered under the plan and furnished by an RHC.

I. Rural Health Clinics (RHC)

A rural health clinic (RHC) is:
- A provider-based or freestanding facility certified by the secretary under Code of Federal Regulations (CFR), title 42, part 491.
- Located in a rural area designated as a shortage area as defined by the U.S. Census Bureau.

An RHC may be a permanent or mobile unit.

II. Covered services

Covered services in accordance with 1905(a)(2)(B).

III. Other ambulatory services

In addition to all Medicaid-covered core services, RHCs will furnish other ambulatory services included in the state plan.

IV. Core Service Providers

RHC services include services provided by physicians, nurse practitioners, physician assistants, nurse midwives, clinical psychologists, clinical social workers and other ambulatory services included in the state plan. RHC services also include services and supplies that are furnished incidental to professional services furnished by a physician, physician assistant, nurse practitioner, or nurse midwife, and, for visiting nurse care, related medical supplies other than drugs and biologicals.

V. Additional providers

Providers who meet the qualifications in 3.1-A, 5a “Physicians’ Services” and 6d “Other Practitioners’ Services” may provide services in an RHC.
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II. Clinic Services (cont.)

For clients enrolled with a managed care contractor, and effective April 1, 2014, the State anticipates that the managed care contractor will pay each clinic an encounter rate that is at least equal to the PPS rate specific to each clinic.

To ensure that the appropriate amounts are being paid to each clinic, the State will perform an analysis of the managed care contractor’s data at least quarterly and verify that the payments made by the managed care contractor in the previous quarter were in compliance with Section 1902(bb)(5)(A) of the SSA. This process will apply to clinics reimbursed under the APM rate methodology and to clinics reimbursed under the PPS rate methodology.

At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment of the obligated funds.

Covered services for Medicaid-Medicare patients are reimbursed as detailed in Supplement 1 to Attachment 4.19 (B), pages 1, 2, and 3.

Encounters are limited to one per client per day, except when:
- The client needs to be seen by different practitioners with different specialties; or
- The client needs to be seen multiple times on the same day due to unrelated diagnoses.

D. Non-hospital-owned Freestanding Ambulatory Surgery Centers

Freestanding ambulatory surgery centers (ASCs) are reimbursed in a manner similar to Medicare’s ASC reimbursement model in effect prior to January 1, 2008. All ASC procedure codes are fit into one of nine payment groups, with each group having its own payment rate. New procedure codes are associated with the appropriate payment group based on their weights, which are set by CMS under its payment methodology in effect from January 1, 2008, forward. Any new procedure code is put into the payment group containing weights with which it is most similar. The agency pays for the first billed procedure code at 100%, the second at 50% and the third and subsequent procedure codes at zero.

Implantable devices are paid separately. For devices, the ASC bills the agency the amount the facility paid for the device, based on a manufacturer’s invoice. The agency pays the invoiced amount.

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of these services. The agency’s rates were set as of August 1, 2015, and are effective for dates of services on and after that date. See 4.19-B I, General, #G for the agency’s website where the fee schedules are published.