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State/Territory Name: Washington

State Plan Amendment (SPA) #: 16-0014

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

August 2, 2016

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

RE: Washington State Plan Amendment (SPA) Transmittal Number 16-0014.

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number WA 16-0014. This SPA updated the conversion factors used to set payment rates for a number of Medicaid programs.

This SPA is approved with an effective date of July 1, 2016.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at (360) 943-0469 or James.Moreth@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Frank Schneider
Acting Associate Regional Administrator

cc:
Ann Myers, SPA Coordinator

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

1. TRANSMITTAL NUMBER:
16-0014

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
July 1, 2016

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 1 (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 2016 \$.00
b. FFY 2017 \$.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 3 to Attachment 4.19-B, Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
Supplement 3 to Attachment 4.19-B, Page 1

10. SUBJECT OF AMENDMENT:

Conversion Factors Update

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Exempt
 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:
Director

15. DATE SUBMITTED: 7-12-16

16. RETURN TO:

Ann Myers
Rules and Publications
Division of Legal Services
Health Care Authority
626 8th Ave SE MS: 42716
Olympia, WA 98504-2716

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
7/12/16

18. DATE APPROVED:
8/2/16

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7/1/16

20. SIGNATURE OF REG [REDACTED]
22. TITLE:
Acting Associate Regional Administrator

21. TYPED NAME:
Frank Schneider

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: WASHINGTON

Conversion Factors

Maximum allowable fees are established and updated using the Resource Based Relative Value Scale (RBRVS) methodology as adopted in the Medicare Fee Schedule Data Base (MFSDDB). The MFSDDB relative value units (RVU) are established by CMS, and have three components: work, practice expense, and malpractice. These RVUs are geographically adjusted (multiplied) each year by the statewide average geographic practice cost indices (GPCI) for Washington State, as published annually in the Federal Register. The adjusted RVUs are then multiplied by a service-specific conversion factor to derive a fee for each procedure.

Washington calculates the conversion factor through modeling. Modeling is the process of projecting fees into the coming year by using the previous full fiscal year's utilization data. The agency establishes budget neutrality each year when determining its conversion factors. If there is a mandate by the legislature, the conversion factor will then increase or decrease based on that mandate.

The agency has unique conversion factors for: adult primary health care, including E&M office visits; anesthesia services; children's primary health care services, including office visits and EPSDT screens; laboratory services; maternity services, including antepartum care, deliveries, and postpartum care; and all other services (e.g., radiological services, surgical services, consultations, etc.).

The programs listed in Attachment 4.19-B may fall into one or more categories of the conversion factors listed below, depending on the covered codes for that particular program. Each conversion factor category follows the corresponding sections of the CPT and HCPCS code books.

Conversion factors as of July 1, 2016:

Adult primary health: 19.22
Anesthesia services: 21.2
Children's primary health: 28.96
Laboratory services: 0.80
Maternity services: 34.63
All other services: 21.23