

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

October 12, 2021

Susan Birch, Director
DR. Charissa Fotinos, Acting Medicaid Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 21-0016-B

Dear Ms. Birch and Ms. Fontinos:

We have reviewed the proposed Washington state plan amendment (SPA) to attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 19, 2021. This plan amendment extended the temporary rate increase of 150 percent of the hospital's fee-for-service rates that was originally implemented effective July 1, 2018, which is now extended through June 30, 2023, to then be returned to the payment levels and methodology for these hospitals that were in place as of January 1, 2018.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst James Moreth at James.Moreth@cms.hhs.gov or (206) 615-2043.

Sincerely,

Todd McMillion

Todd McMillion
Director

Enclosures

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

VIII. Institutional Services (cont)

A. Outpatient hospital services (cont)

Rate enhancement for Sole Community Hospitals

Effective January 1, 2015, through June 30, 2018, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.25 if the hospital meets all of the following criteria.

To qualify for the rate enhancement, the hospital must:

- Be certified by CMS as a sole community hospital as of January 1, 2013
- Have a level III adult trauma service designation from the Washington State Department of Health as of January 1, 2014
- Have less than one hundred fifty acute care licensed beds in fiscal year 2011
- Be owned and operated by the state or a political subdivision
- As of July 1, 2021, accept single bed certification patients according to RCW 71.05.745

Effective July 1, 2018, through June 30, 2023, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.50 if the hospital meets all of the above criteria for sole community hospitals.

Effective July 1, 2023, the agency will revert to multiplying an in-state hospital's specific EAPG conversion factor by 1.25.

Rate enhancement for low volume, small rural hospitals

Effective October 2, 2020, through June 30, 2021, the agency multiplies an in-state hospital's specific EAPG conversion factor by 1.50 if the hospital meets all of the following criteria:

- (a) Has less than seventy (70) available acute care beds, as reported in the hospitals 2018 DOH year-end report;
- (b) Is not currently designated as a critical access hospital;
- (c) Does not meet the current federal eligibility requirements for designation as a critical access hospital;
- (d) Is not participating in the certified public expenditure full cost reimbursement program; and
- (e) Has combined Medicare and Medicaid inpatient days greater than eighty (80) percent of total days as reported in the hospital's 2018 cost report.

Effective July 1, 2021, the agency will revert to the payment level and methodology for low volume, small rural hospitals' that was in place as of September 30, 2020.