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State/Territory Name: Washington

State Plan Amendment (SPA) # WA 21-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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

September 29, 2021

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

RE: Washington State Plan Amendment (SPA) 21-0017

Dear Ms. Fontinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0017 effective for services on or after July 1, 2021. This SPA plans to implement changes to the inpatient psychiatric per diem rate for hospitals licensed under chapter as free-standing psychiatric hospitals providing long-term civil commitment services.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 21-0017 is approved effective July 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

Francis T. McCullough

For

Rory Howe
Acting Director

Enclosure

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

E. PER DIEM, PER CASE, AND RCC PAYMENT METHODS (cont.)

1. i. PER DIEM RATE (cont.)

- ✓ Effective for dates of admission beginning July 1, 2020
Hospitals that have a 12-month Medicare cost report on file, their psychiatric per diem will be the greater of their costs or \$940. If the hospital does not have a 12-month cost report available, their long-term psychiatric per diem rate will be set at the greater of either the average of all in-state provider-specific long-term psychiatric per diem rates or their current short-term psychiatric per diem. The increase is applied to any hospital that accepts patients committed to a psychiatric facility for a period of 90 days or greater. The Agency set the rate so as not to exceed the amounts provided by the Legislature.

- ✓ Effective for dates of admission beginning July 1, 2021

Acute Care Hospitals with distinct psychiatric units

- Hospitals that have a 12-month Medicare cost report on file with at least 200 psychiatric bed days, will receive a long term psychiatric per diem rate equivalent to their costs documented on their Medicare cost report on file with the agency.
- Hospitals that do not have a 12-month cost report with at least 200 bed days, will receive a long-term psychiatric per diem rate equivalent to the greater of either the average of all acute care hospital's providing long term psychiatric services in-state provider-specific long-term psychiatric per diem rates or their current short-term psychiatric per diem. The increase is applied to any hospital that accepts patients committed to a psychiatric facility for a period of 90 days or greater. The Agency set the rate so as not to exceed the amounts provided by the Legislature.

Free Standing Psychiatric hospitals

- Hospitals without an existing long-term Rate, will receive a per diem rate equivalent to either the greater of their short-term rate or the statewide average long term psychiatric rate for free standing psychiatric hospitals.
- Hospitals that have an existing long term per diem will continue to receive the \$940 established for July 1, 2021. In addition to the \$940 per diem rate, the hospital may submit supplemental cost data with their cost reports to the authority for consideration. If approved, the appropriate adjustments to the Medicaid inpatient psychiatric per diem payment rate of the hospital will be made. Adjustment of costs may include any of the following:
 - Costs associated with professional services and fees not accounted for in the hospital's Medicare cost report or reimbursed separately.
 - Costs associated with the hospital providing the long-term psychiatric patient access to involuntary treatment court services that are not reimbursed separately.
 - Other costs associated with caring for long-term psychiatric patients that are not reimbursed separately.

The Agency sets the rate so as not to exceed the amounts provided by the Legislature.