

## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) # WA 23-0029**

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**

December 7, 2023

Sue Birch, Acting Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) 23-0029

Dear Director Birch:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0029 effective for services on or after January 1, 2024. The purpose is to update the services payable in addition to the Administrative Day rate.

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. We hereby inform you that Medicaid State plan amendment 23-0029 is approved effective January 1, 2024. 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,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe  
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER _____	2. STATE _____
--------------------------------	-------------------

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  
XIX XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY \_\_\_\_\_ \$ \_\_\_\_\_  
b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
(TN# 21-0031)

9. SUBJECT OF AMENDMENT

10. 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  
OTHER, AS SPECIFIED: Exempt

11. SIGNATURE OF STATE AGENCY OFFICIAL  
*Chami Foti MD, MSc*

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

**FOR CMS USE ONLY**

16. DATE RECEIVED  
October 26, 2023

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
January 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL  
*Rory Howe*

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, FMG

22. REMARKS

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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

## C. GENERAL REIMBURSEMENT POLICIES (cont.)

## 10. Readmission Policy (cont)

Effective January 1, 2018, readmissions occurring within 14 days of discharge, to the same or a different hospital that group to the same medical diagnostic category, may be reviewed to determine if the second admission was necessary or avoidable. If the second admission is determined to be unnecessary, reimbursement will be denied. If the admission was avoidable, the two admissions may be combined and a single DRG payment made. If two different DRG assignments are involved, reimbursement for the appropriate DRG will be based upon a utilization review of the case.

## 11. Administrative Days Policy

Administrative days are those days of hospital stay wherein an acute inpatient level of care is no longer necessary, and an appropriate non-inpatient hospital placement is not available.

Administrative days are reimbursed at the statewide average Medicaid nursing home per diem rate. Pharmaceuticals and other medically necessary ancillary services as determined by the agency are reimbursed using the ratio of cost to charges method.

When a hospital admission is solely for a stay until an appropriate sub-acute placement can be made or for a postpartum parent rooming with an infant being monitored for NAS/NOWS, the hospital may be reimbursed at the Administrative Day per diem rate and the cost of pharmaceuticals dispensed to the post-partum parent from the date of admission. The Administrative Day rate is adjusted November 1. For DRG-exempt cases, administrative days are identified during the length of stay review process.