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State/Territory Name:WA

State Plan Amendment (SPA) #: 23-0049

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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

March 12, 2024

Susan Birch, Interim Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 23-0049

Dear Interim Director Birch:

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 December 21, 2023. This SPA updated the fee schedule effective dates for several Medicaid programs and services.

Based upon the information provided by the state, we have approved the amendment with an effective date of October 1, 2023. 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

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 4 9

2. STATE

WA

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

October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

1902(a) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B pages 16-1, 23a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.19-B pages 16-1 (TN#~~22-0033~~), 23a
(TN#20-0024) 23-0046

9. SUBJECT OF AMENDMENT

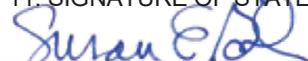
October 2023 Rate Updates

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



12. TYPED NAME

Susan E. Birch, MBA, BSN, RN

13. TITLE

Director and acting Medicaid Director

14. DATE SUBMITTED

December 21, 2023

15. RETURN TO

State Plan Coordinator
POB 42716
Olympia, WA 98504-2716

FOR CMS USE ONLY

16. DATE RECEIVED 12/21/23

17. DATE APPROVED

March 12, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

10/1/23

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, DRR

22. REMARKS

P&I change to box 8 to change TN# to 23-0046

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

VIII. Institutional Services (cont)

A. Outpatient hospital services (cont)

- iii. Uses the wage index information established and published by the Centers for Medicare and Medicaid Services (CMS) at the time the OPSS rates are set for the upcoming year. Wage index information reflects labor costs in the cost-based statistical area (CBSA) where a hospital is located.
- iv. Calculates the hospital-specific graduate medical education (GME) by dividing the direct GME cost reported on worksheet B, part 1, of the CMS cost report by the adjusted total costs from the CMS cost report.
- v. Uses the EAPG software to determine the following discounts:
 - Multiple Surgery/Significant Procedure – 50%
 - Bilateral Pricing – 150%
 - Repeat Ancillary Procedures – 50%
 - Terminated Procedures – 50%
- vi. Establishes a policy adjustor of 1.35 for services to clients age 17 and under, and establishes a policy adjustor of 1.10 for chemotherapy and combined chemotherapy/pharmacotherapy groups. These policy adjustors are not exclusive.

The statewide standardized conversion factor and all hospital-specific adjustments are effective October 1, 2023. See 4.19-B, I, General, #G for the agency's website where the fee schedule and conversion factors are published.

- c. Effective for dates of admission on or after January 1, 2024, supplemental payments will be paid for outpatient Medicaid services not to exceed the upper payment limit as determined by the available federal financial participation for fee-for-service claims. The supplemental payment is based on the distribution amount mandated by the legislature to the following hospital categories:
 - Prospective Payment hospitals other than psychiatric or rehabilitation hospitals
 - Psychiatric hospitals
 - Rehabilitation hospitals
 - Border hospitals.

The payment is calculated by applying the Medicaid fee-for-service rates to each hospital's Medicaid and CHIP outpatient fee-for-service claims and Medicaid and CHIP managed care encounter data for the base year. This sum is divided by the aggregate total of all hospitals within each category to determine the individual hospital pro rata share percentage. The individual hospital payment is the pro rata percentage multiplied by the amount mandated to be distributed by the Legislature within each hospital category.

The payment will be made quarterly, by dividing the total annual disbursement amount by four (4) to calculate the quarterly amount.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

POLICY AND METHODS USED IN ESTABLISHING PAYMENT RATES FOR EACH OF THE OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN (cont.)

I. Private Duty Nursing Services

Private duty nursing services consist of four or more hours of continuous skilled nursing services provided in the home to eligible clients who are 17 years of age or younger with complex medical needs that cannot be managed within the scope of intermittent home health services. The agency will authorize private duty nursing services up to a maximum of 16 hours per day, restricted to the least costly, equally effective amount of care.

Nursing rates for services provided in the home setting are flat rates and based on comparable nursing rates.

Rate changes made through the Vendor Rate Increase (VRI) may be made only through the legislative process. Selected rate changes may also be adjusted through a special appropriation directed by the Washington State Legislature. The agency may set rates outside of the legislative process if the agency determines such actions are necessary to maintain access to critical services.

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of these services. The fee schedule is effective for services provided on and after October 1, 2023. See 4.19-B, I, General, #G for the agency's website where the fee schedules are published.

J. Physical therapy, occupational therapy, and services for Individuals with speech, hearing and language disorders

The agency does not pay separately for therapy services that are included as part of payment for other treatments or programs.

The Medicaid Agency pays the lesser of the usual and customary charge or a fee based on a Medicaid Agency fee schedule for these services. Maximum allowable fees are developed using the Resource Based Relative Value Scale (RBRVS) methodology. Rates are established and updated using the RBRVS methodology as adopted in the Medicare Fee Schedule Data Base (MFSDB). In this methodology, the State uses CMS-established relative value units (RVU) multiplied by the Geographic Practice Cost Indices (GPCI) and the conversion factors, both of which are specific to Washington. Current conversion factors and descriptions are found in Supplement 3 to Attachment 4.19-B.