Washington State Health Care Authority

WISe two-tiered rate

Frequently asked questions (FAQ)

This document answers frequently asked questions from WISe providers about the upcoming two-tiered rate payment model and what it means for billing, service expectations, and implementation. HCA's guiding principles about this change are fiscal accountability and adherence to the 10.5 hours model.

Under the two-tiered rate payment, HCA expects WISe providers to **continue to submit ALL encounters for WISe services with a U8 modifier.** Submission of the first encounter with a U8 modifier will trigger the first portion of the service-based enhancement (SBE). Providers will submit a T1041 code (with a U8 modifier) at the time when the client receives 10.5 hours to receive the second portion of the SBE.

This FAQ is meant to help WISe providers understand the upcoming two-tiered rate model and be prepared for conversations during meetings, site visits, or technical assistance sessions.

Why are we being asked to submit all encounters starting in March 2026?

WISe providers are already required to submit all encounters under the WISe manual and SERI guide. However, not all encounters are currently being reported consistently.

Beginning in March 2026, all WISe providers must submit every encounter using the U8 modifier. HCA will randomly review some cases to make sure the data is complete and accurate.

The encounter data collected from March 2026 through summer 2027 will be used by Milliman to help develop the new two-tiered rate structure.

Why is HCA changing the payment model?

Changing to a two-tiered payment model is to improve fiscal accountability and have payment better match services provided, promoting contractual service intensity expectations and ensuring that the youth/family is receiving the medically necessary intensive services that they qualify for.

Does the two-tiered rate structure apply to fee-for-service?

No.

At this time, the tiered rate applies only to Managed Care and billing is handled between MCOs and their contracted providers. Fee-for-service is a separate payment structure.

How do providers change from a monthly average of 10.5 hours to individually monitoring for payment?

The MCO contract language still notes that there is an expectation to average 10.5 hours per month (7.4.14.2.) This change in payment provides a payment structure to encourage this taking place, that service hours are provided.

How will the rate be split between tiers?

We don't know yet how the rate will be split. Milliman, our actuarial partner, will recommend the rate structure after analyzing encounter data submitted in the next year.

How do providers confirm 10.5 monthly hours to trigger the second payment?

Agencies will need to track WISe service hours for each youth every month. Once a youth has received 10.5 encounterable hours with a U8 modifier in a month, the provider will submit the T1041 code for that month.

Provider submission of the T1041 code will trigger the second payment. By submitting the T1041 code, the provider is attesting that they have provided at least 10.5 encounterable hours of service to that youth/family in that month.

Can the 10.5-hour monthly service intensity requirement be removed?

No.

The Contractor must maintain the WISe service intensity requirement at a monthly average of 10.5 hours for children and youth participating in WISe for each contracted RSA. See the contract citation in IMC Contract 7.4.14.2 and IFC Section 7.4.13.2.

The 10.5 average monthly hour service intensity requirement is part of:

- The IMC/IFC contracts
- The WISe manual
- The T.R. settlement agreement

The contract references an average of 10.5 hours monthly. Why are we moving to a minimum of 10.5 hours per month?

This shift ensures consistent service intensity and aligns with the expectations in the legal settlement, contract, and the WISe model. It also supports clearer, more consistent payment triggers.

Will HCA provide technical assistance?

Yes.

HCA will offer technical assistance to help providers adjust to the new payment model.

Can the rate be based on Child and Adolescent Needs and Strengths (CANS) scores?

No.

The rate is tied to 10.5 hours of service per month, not to the CANS.

Two MCOs use T1041 to trigger payment. Can T1041 with an XE modifier trigger a second payment?

No.

HCA has researched this option extensively, and the code does not allow it, see more information below.

Can T1041 be billed more than once a month?

No.

T1041 is a per-month code. It cannot be billed multiple times in the same month.

From AAPC Codify: T1040-T1041 Behavioral Health Services T1040 Medicaid certified community behavioral health clinic services, per diem T1041 Medicaid certified community behavioral health clinic services, per month, Medicaid certified community behavioral health clinic services, per month.

What if a youth is stepping down and does not receive 10.5 hours in a month?

The first payment will be delivered after a U8 encounter. If the youth does not meet the required service intensity that month, the second payment will not be issued.

If a youth does not need 10.5 hours per month, should their WISe eligibility be reevaluated?

Youth needs should be guided by:

- Medical necessity
- CANS results
- Mental health diagnosis
- Ongoing discussions with youth and families

Providers should start discharge planning at time of admission and revisit individualized treatment plan goals regularly to determine if a less intensive level of care is more appropriate.

Would HCA consider regional rates due to cost differences?

There are already regional rate differences built into the actuarial calculations. HCA's actuarial agent will determine if and how regional rates will be addressed in a tiered structure.

Does HCA expect the WISe budget to stay the same?

The budget may change over time. The two-tier rate change is occurring to increase fiscal accountability-for-service instead of invoice billing. We expect the change to a two-tiered rate to be close to budget neutral. We don't expect to reduce expenditure.

What are the implications for provider network stability, especially in rural areas?

HCA is committed to maintaining a strong WISe network and will:

- Provide technical assistance
- Apply lessons learned from other programs
- Support provider retention whenever possible
- Continue offering remote and virtual options for engagement when that is the preference of the WISe participant and family.

What other payment model options were considered?

HCA considered additional tiers and received feedback from MCOs that that would not work operationally.

Has HCA considered the New Journeys payment model?

Yes.

WISe consulted with New Journeys and incorporated lessons from their model into the two-tiered structure.

Key dates and contacts

- The tentative go-live date is January 2028.
- For questions email hcadbhr.wise@hca.wa.gov