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**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 21-0015**

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 AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

August 23, 2021

MaryAnne Lindeblad  
Medicaid Director  
Washington State Health Care Authority  
P.O. Box 45502  
Olympia, WA 98504-5010  
RE: Washington State Plan Amendment (SPA) 21-0015

Dear Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0015 effective for services on or after July 1, 2021. This state plan amendment updates the current total amount of the Small Rural Disproportionate Share Hospital (SRDSH) "payment pool" through which SRDSH payments are made.

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 21-0015 is approved effective July 1, 2021. We are enclosing the CMS-179 (HCFA 179) and the amended plan pages.

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

Sincerely,

A solid black rectangular box redacting the signature of the sender.

For  
Rory Howe  
Acting Director

Enclosure



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

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

## H. DISPROPORTIONATE SHARE PAYMENTS (cont.)

## 4. Small Rural Disproportionate Share Hospital (SRDSH) Payment (cont.)

Each hospital's total DSH payments will not exceed its DSH limit. The hospital-specific DSH payment limit is defined as the uncompensated cost of furnishing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no insurance or any other creditable third-party coverage, in accordance with federal regulations.

Dollars not allocated due to a hospital reaching the DSH limit are reallocated to the remaining hospitals in the SRDSH pool. The payments are made periodically. SRDSH payments are subject to federal regulation and payment limits.

Total funding to the SRDSH program equals \$3,818,000 per state fiscal year (SFY) beginning SFY 2021.

## 5. Small Rural Indigent Assistance Disproportionate Share Hospital (SRIADSH) Payment

Effective July 1, 2007, hospitals will be considered eligible for a SRIADSH payment if:

- a. The hospital is an in-state (Washington) hospital;
- b. The hospital is a small, rural hospital, defined as a hospital with fewer than 75 acute beds and located in a city or town with a non-student population of no more than 17,806 in calendar year 2008, as determined by population data reported by the Washington State Office of Financial Management population of cities, towns, and counties used for the allocation of state revenues. This non-student population is used for SFY 2010, which begins July 1, 2009. For each subsequent SFY, the non-student population is increased by two percent;
- c. The hospital qualifies under Section 1923(d) of the Social Security Act;
- d. Effective July 1, 2007, the hospital provided services to charity patients during the calculation base year; and
- e. The hospital is not a Certified Public Expenditure (CPE) hospital.

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