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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,

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

Rory Howe
Acting Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 21-0017	2. STATE Washington
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE July 1, 2021	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 1902(a) of the Social Security Act	7. FEDERAL BUDGET IMPACT: a. FFY 2021 \$280,000 b. FFY 2022 \$1,120,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Part 1 page 39b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A Part 1 page 39b


10. SUBJECT OF AMENDMENT:
Inpatient Psychiatric Per Diem Rate

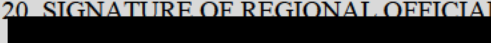
11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Exempt

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Ann Myers Rules and Publications Division of Legal Services Health Care Authority 626 8 th Ave SE MS: 42716 Olympia, WA 98504-2716
13. TYPED NAME: MaryAnne Lindeblad	
14. TITLE: Medicaid Director	
15. DATE SUBMITTED: 7/12/2021	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: July 12, 2021	18. DATE APPROVED: September 29, 2021
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL: For 
21. TYPED NAME: Rory Howe	22. TITLE: Acting Director, Financial Management Group

23. REMARKS:

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.