

## **Table of Contents**

**State/Territory Name: WA**

**State Plan Amendment (SPA) #: 21-0029**

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**

February 2, 2022

Dr. Charissa Fotinos, Acting Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) 21-0029

Dear Ms. Fontinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0029 effective for services on or after October 1, 2021. The purpose of this SPA is regarding Medicare cost reports. This SPA clarifies that HCA requirements to audit the cost report data used for rate setting. The SPA also clarifies that any HCA division with audit authority will audit hospital billings, as well as other financial and statistical records, and rebase the Medicaid payment system on a periodic basis.

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 21-0029 is approved effective October 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,



Rory Howe  
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**21-0029**

2. STATE  
Washington

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 1, 2021

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 \$0  
b. FFY 2022 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-A, Part I, page 60

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Attachment 4.19-A, Part I, page 60

10. SUBJECT OF AMENDMENT:

Medicare Cost Reports

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:

13. TYPED NAME:  
Charissa Fotinos, MD, MSc

14. TITLE:  
Acting Medicaid Director

15. DATE SUBMITTED: November 8, 2021

16. RETURN TO:

Ann Myers  
Rules and Publications  
Division of Legal Services  
Health Care Authority  
626 8<sup>th</sup> Ave SE, MS: 42716  
Olympia, WA 98504-2716

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
November 8, 2021

18. DATE APPROVED:  
February 2, 2022

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
October 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:  
Rory Howe

22. TITLE:  
Director, Financial Management Group

23. 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.)**

## J. ADMINISTRATIVE POLICIES (cont.)

## 2. Uniform Cost Reporting Requirements (cont.)

This reporting delay may be granted when the hospital provider provides HRSA a copy of the written notice from Medicare that granted the delay in Medicare cost report (CMS 2552) reporting to the Medicare fiscal intermediary. The hospital provider should submit a written extension request to HRSA, along with the copy of the written notice from Medicare, at least ten calendar days prior to HRSA's established due date for receiving the Medicare cost report (CMS 2552).

If a hospital provider submits to HRSA a copy of an improperly completed Medicare cost report (CMS 2552) or a copy that is not the official Medicare cost report (CMS 2552) that has already been submitted for the fiscal year to the Medicare fiscal intermediary, or if the cost report is received after HRSA's established due date or approved extension date, HRSA may withhold all or part of the payments due the hospital until HRSA receives a copy of a properly completed Medicare cost report (CMS 2552) that has been submitted for that fiscal year to the Medicare fiscal intermediary.

For CAH and CPE hospitals, hospitals are also required to submit the final cost report approved by Medicare, within 60 days of Medicare approval.

In addition, hospitals are required to submit other financial information as requested by HRSA to establish rates.

## 3. Financial Audit Requirements

Cost report data used for rate setting may be periodically audited.

Hospital billings and other financial and statistical records will be periodically audited by the agency.

## 4. Rebasing &amp; Recalibration

The Medicaid agency will rebase the Medicaid payment system on a periodic basis using each hospital's Medicare cost report (CMS 2552) for its fiscal year ending during the base year selected for the rebasing.