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State/Territory Name: Washington

State Plan Amendment (SPA) #: 16-0019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

September 28, 2016

Dorothy Frost Teeter, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 16-0019.

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 16-0019. This SPA updated the methodology for determining payment rates for skilled nursing services provided in a home setting, and updated the fee schedules for private duty nursing, physical therapy, occupational and speech therapy services.

This SPA is approved with an effective date of July 1, 2016.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at James.Moreth@cms.hhs.gov or (360) 943-0469.

Sincerely,

Digitally signed by David L. Meacham-S

A black rectangular box redacting the signature of David L. Meacham.

David L. Meacham
Associate Regional Administrator

cc:
Ann Myers, SPA Coordinator

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

1. TRANSMITTAL NUMBER:
16-0019

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
July 1, 2016

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:
Section 1902(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 \$298,000
b. FFY 2017 \$1,192,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

~~4.19-B page 19, 23a~~ (P&I)
4.19-B page 19, 23a, 24 (P&I)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

~~4.19-B page 19, 23a~~ (P&I)
4.19-B page 19, 23a, 24 (P&I)

10. SUBJECT OF AMENDMENT

July 1, 2016, Fee Schedule Updates for Private Duty Nursing and Home Health Services

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:
MARYANNE LINDBLAD

14. TITLE:
MEDICAID DIRECTOR

15. DATE SUBMITTED:
7-26-16

16. RETURN TO:

Ann Myers
Office of Rules and Publications
Legal and Administrative Services
Health Care Authority
626 8th Ave SE MS: 42716
Olympia, WA 98504-2716

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
7-26-16

18. DATE APPROVED:
9-28-16

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7-1-16

20. SIGNATURE OF

Digitally signed by David L.
Meacham -5

21. TYPED NAME:
David L. Meacham

22. TITLE:
Associate Regional Administrator

858, cn=David L. Meacham -5
Date: 2016.09.29 10:32:16 -07'00'

23. REMARKS:

9-21-16 : State authorized P&I change to Box 8 and 9

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.)

IX. Other Noninstitutional Services

A. Home Health

1. Home Health Agencies are reimbursed per-visit for services provided by acute nursing staff, physical therapy, occupational therapy, speech, hearing and language disorders therapy staff, and home health aides.

Reimbursement rates are determined using a historical base for the per-visit rates by profession, using the Medicare Metropolitan Statistical Area fees. Rate changes made through the Vendor Rate Increase (VRI) may be made only through the legislative process. Selected rates 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. The Washington State Legislature approved a \$10.00 per hour rate increase for skilled nursing services provided in a home setting, effective for services provided on and after July 1, 2016.

The agency pays the lesser of the usual and customary charge or a fee based on an agency fee schedule for these 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 July 1, 2016. See 4.19-B, I, General, #G for the agency's website where the fee schedules are published.

2. Other Supplies and Services used in the home and other setting

The agency's reimbursement rates include:

- a) Any adjustments or modifications to the equipment that are either required within three months of the delivery date, or are covered under the manufacturer's warranty
- b) Pick-up, delivery, or associated costs such as mileage, travel time, or gas
- c) Telephone calls
- d) Shipping, handling, and postage
- e) Fitting and setting up
- f) Maintenance of rented equipment
- g) Instructions to the client or client's caregiver about the safe and proper use of the equipment and supplies

The equipment, supplies, and services for parenteral nutrition, home infusion therapy, oxygen, and respiratory care are reimbursed using the CMS DMEPOS Fee Schedule less a specified percentage. In April 2012, this specific percentage reduction was established at 3.5 percent as a result of a negotiated agreement with providers. For those items and services that are not listed on CMS DMEPOS Fee Schedule, the agency uses flat fee (based upon market value, other state's fees, budget impacts, etc.) or by-report methodology (based on a percentage of billed charges).

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of these services and supplies. See 4.19-B, I, General, #G for the agency's website where the fee schedules are published.

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.)

IX. Other Noninstitutional Services (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. The Washington State Legislature approved a \$10.00 per hour rate increase for skilled nursing services provided in a home setting, effective for services provided on and after July 1, 2016.

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 July 1, 2016. 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.

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 dates of service on and after July 1, 2016. See 4.19-B, I, General, #G for the agency's website where the fee schedules are published.

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.)

IX. Other Noninstitutional Services (cont.)

K. Hearing Hardware

Payment for purchased hearing aids includes all of the following: a prefitting evaluation; an ear mold; and a minimum of three post-fitting consultations

The agency sets rate for hearing hardware using CMS DMEPOS Fee Schedule less a specified percentage. In April 2012, this specific percentage reduction was established at 3.5 percent as a result of a negotiated agreement with providers. For those items and services not listed on CMS DMEPOS Fee Schedule, the Medicaid agency uses flat fee (based upon market value, other state's fees, budget impacts, etc.) or by-report methodology (based on a percentage of billed charges).

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

L. Prosthetics and Orthotics

The agency does not pay provider separately for services in this category that are included as part of the payment for another treatment program. For example, all items required during an inpatient stay are paid through the inpatient method.

Prosthetics and orthotics are reimbursed using CMS DMEPOS Fee Schedule less a specified percentage. In April 2012, this specific percentage reduction was established at 3.5 percent as a result of a negotiated agreement with providers. For those items and services not listed on CMS DMEPOS Fee Schedule, the agency uses flat fee (based upon market value, other state's fees, budget impacts, etc.) or by-report methodology (based on a percentage of billed charges).

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