

Table of Contents

State/Territory Name: WA

State Plan Amendment (SPA) #:19-0019

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

July 25, 2019

Susan Birch, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
626 8th Avenue SE
Post Office Box 45502
Olympia, Washington 98504-5502

RE: State Plan Amendment (SPA) WA-19-0019

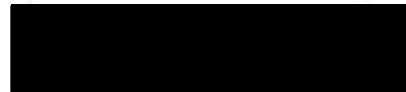
Dear Ms. Birch and Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 19-0019. This amendment proposes to temporarily increase (from May 8, 2019 through June 30, 2019) inpatient psychiatric per diem rates.

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 implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of May 8, 2019. We are enclosing the CMS-179 and the amended approved plan page.

If you have any questions, please call Tom Couch at (208) 861-9838.

Sincerely,



Kristin Fan
Director

cc:
Hamilton Johns
Tom Couch

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:
19-0019

2. STATE
Washington

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

4. PROPOSED EFFECTIVE DATE
~~April 24, 2019~~ **May 8, 2019**

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 2019 \$120,613
b. FFY 2020 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A Part 1 page 39a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 4.19-A Part 1 page 39a

10. SUBJECT OF AMENDMENT:
Psychiatric Inpatient 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 8th Ave SE MS: 42716
Olympia, WA 98504-2716

13. TYPED NAME:
MaryAnne Lindeblad

14. TITLE:
Director

15. DATE SUBMITTED:


FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: **JUL 25 2019**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
MAY 08 2019

20. SIGNATURE OF REGIONAL OFFICIAL:


21. TYPED NAME: **Kristin Fan**

22. TITLE: **Director, FMG**

23. REMARKS:
7/30/19-State authorized a P&I change to block #4.

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 on or after July 1, 2013, per diem rates for specialty services will decrease by eleven and fifty one-hundredths (11.50%) from the rates that were established for dates of admission on and after February 1, 2010. This rate adjustment is in accordance with Chapter 74.60 RCW, as amended by the Legislature in 2013. The July 1, 2013, rates will be equal to the July 1, 2009, rates.
- ✓ Effective for dates of admission on or after July 1, 2014, psychiatric rates were rebased at cost using the same methods as described above, based on cost information for hospital fiscal years ending in 2013. The Agency applied a budget adjuster so that aggregate inpatient payments would remain constant after the rebased costs were determined. The Agency increased funding by psychiatric services by \$3,500,000.
- ✓ Effective for dates of admission on and after October 1, 2017, psychiatric per diem rates were increased as directed by the legislature. The increase was applied to any hospital with 200 or more psychiatric bed days. The increase was prioritized for hospitals not currently paid based on provider-specific costs using a similar methodology to set rates for existing inpatient facilities utilizing cost report information for hospital fiscal years ending in 2016. To distribute the funds for each fiscal year, free-standing psychiatric hospitals were given 68.15% of the statewide average cost per day. All other hospitals were given the greater of 78.41% of their provider-specific cost, or their current Medicaid psychiatric per diem rate. Rate increases for providers were set so as not to exceed the amounts provided by the legislature. The agency will conduct annual reviews for updated cost information to determine whether new and/or existing providers meet the 200+ bed criteria. The agency will apply the same cost percentage criteria for future rebasing of the psychiatric per diem rates.
- ✓ Effective for dates of admission beginning May 8, 2019 through June 30, 2019, psychiatric per diem rates were increased as directed by the legislature. The increase was applied to any hospital that is designated as a rural hospital by the Department of Health (DOH), has less than fifty staffed acute care beds as reported by DOH, is not participating in the certified public expenditure full cost reimbursement program, and has combined Medicare and Medicaid inpatient days greater than fifty percent of total days. Rate increases for providers were set so as not to exceed the amounts provided by the legislature.
- For non-distinct psychiatric unit hospitals with less than 200 psychiatric days:
 - ✓ The hospital's specific per diem rates were defined as the greater of the two statewide-standardized average operating and capital costs adjusted by the wage differences, indirect medical education, and direct medical education calculation. The two statewide-standardized average operating and capital costs determination processes were described in the "Statewide-standardized average operating and capital cost per day calculation" section.
 - ✓ Effective for dates of admission on or after February 1, 2010, the psychiatric per diem rates for prospective payment system hospitals will be increased by thirteen percent.