

## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 20-0018**

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**

September 18, 2020

MaryAnne Lindeblad  
Medicaid Director  
Washington State Health Care Authority  
P.O. Box 45502  
Olympia, WA 98504-5010  
RE: Washington State Plan Amendment (SPA) 20-0018

Dear Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 20-0018 effective for services on or after July 1, 2020. This state plan amendment directs the Health Care Authority to increase psychiatric per diem rates for community hospitals that serve patients in long-term commitments of 90 days or longer.

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 20-0018 is approved effective July 1, 2020. 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.

For  
Rory Howe  
Acting Director

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: <b>20-0018</b>	2. STATE Washington
		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, 2020	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> 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 2020 \$ 1,504,507 b. FFY 2021 \$ 6,018,028	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-A Part 1 page 39a, 39b (new)		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 Per Diem Rates			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Exempt <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
OFFICIAL: 		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	
13. TYPED NAME: MaryAnne Lindeblad			
14. TITLE: Director			
15. DATE SUBMITTED: June 30, 2020			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: 9/18/20	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/20		20. SIG:  For	
21. TYPED NAME: Rory Howe		22. TITLE: Acting Director, FMG	
23. REMARKS: Box 7 dollar amounts are actual numbers.			

## 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 to \$1,050.00 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. The agency set the rate increases for qualifying providers so as not to exceed the amounts provided by the legislature.
- ✓ Effective for dates of admission beginning July 31, 2019 through June 30, 2020, long-term psychiatric per diems were set at \$1,171 or the hospital-specific psychiatric per diem rate, whichever is greater as directed by the Legislature. 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.

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

State WASHINGTON

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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.