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State/Territory Name: Washington

State Plan Amendment (SPA) # WA 21-0016-A

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

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

RE: Washington State Plan Amendment (SPA) 21-0016-A

Dear Ms. Fontinos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0016-A effective for services on or after July 1, 2021. This SPA plans to update sole community hospitals per diem factor and in state hospital's specific conversion factor for an additional two years

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 21-0016-A 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,



For
Rory Howe
Director

Enclosure

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

1. TRANSMITTAL NUMBER:
21-0016A

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, 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 • **FFY 2021=\$402,539**
b. FFY 2022 \$0 • **FFY 2022=\$961,969**
• **FFY 2023=\$733,228**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A Part 1 page 26a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
Attachment 4.19-A Part 1 page 26a

10. SUBJECT OF AMENDMENT:

Sole Community Inpatient Hospital Rates

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 Lindeblad

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

7/19/2021

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
7-19-2021

18. DATE APPROVED: 10/13/2021

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:

The state authorizes the following P&I changes to box 7 of the 179 form:

- FFY 2021=\$402,539
- FFY 2022=\$961,969
- FFY 2023=\$733,228

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

- (d) Reduce preventable emergency room (ER) visits. Hospitals will develop and submit a plan to the agency addressing five sections of possible ER intervention, community partnerships, data reporting, strategic plan for prevention of visits, ER visit follow-up, and participation in continuing education. Each section may be approved or not approved by the agency. A hospital will be awarded 10 points for all five sections begin approved, five points for four sections, three points for three sections, no points for two sections or less. Psychiatric, rehabilitation, and cancer hospitals are not included in this measurement.
- (e) Patient discharges with prescriptions for multiple antipsychotic medications. Documentation must appear in the medical record with appropriate justification for discharging the patient with two or more routine antipsychotic medication prescriptions. A hospital will be awarded 10 points for 31% or greater medical records with appropriate justifications, five points for 21-30%, three points for 11-20%, and no points for 10% or less. Hospitals that do not have behavioral health units are not included in this measurement.

For dates of admission July 1, 2014, and after, a quality incentive payment of “an additional one percent increase in inpatient hospital rates” will be added to inpatient hospital payments for all qualifying non-critical access hospital providers in accordance with Chapter 74.60 RCW.

Effective July 1, 2014, quality measures for the quality incentive payment for inpatient hospitals are listed at <http://www.hca.wa.gov/medicaid/hospitalpymt/Pages/inpatient.aspx>

21. Rate enhancement for Sole Community Hospitals

Effective January 1, 2015, through June 30, 2018, the agency multiplies an in-state hospital's specific conversion factor and per diem rates by 1.25 if the hospital meets all of the following criteria.

To qualify for the rate enhancement, the hospital must:

- (a) Be certified by CMS as a sole community hospital as of January 1, 2013
- (b) Have a level III adult trauma service designation from the Washington State Department of Health as of January 1, 2014
- (c) Have less than one hundred fifty acute care licensed beds in fiscal year 2011
- (d) Be owned and operated by the state or a political subdivision
- (e) Not participate in the certified public expenditures (CPE) payment program defined in WAC 182-550-4650
- (f) As of July 1, 2021, accept single bed certification patients under RCW 71.05.745

Effective July 1, 2018, through June 30, 2023, for hospitals that meet the above criteria for sole community hospitals, the agency multiplies an in-state hospital's specific conversion factor and per diem rates by 1.50.

Effective July 1, 2023, the agency will revert to multiplying all qualifying sole community hospitals' in-state hospital-specific conversion factor and per diem rates by 1.25.