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State/Territory Name: Washington

State Plan Amendment (SPA) #: 21-0025

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 & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

October 21, 2021

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

RE: Washington State Plan Amendment (SPA) Transmittal Number 21-0025

Dear Ms. Birch and Ms. Fontinos:

We have reviewed the proposed Washington state plan amendment (SPA) to attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 9, 2021. This plan amendment updated the reference to the location of air ambulance transportation rates. The website was no longer valid. The state replaced that cite with a cross-reference to the State Plan section that contains the correct website.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst James Moreth at James.Moreth@cms.hhs.gov or (206) 615-2043.

Sincerely,



Todd McMillion
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
21-0025

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, 2020 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 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-B page 20a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
Attachment 4.19-B page 20a

10. SUBJECT OF AMENDMENT:

Air Ambulance Transportation Rates Website Update

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Charissa Fotinos, MD

14. TITLE:

Interim Medicaid Director

15. DATE SUBMITTED:

August 9, 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:
August 9, 2021

18. DATE APPROVED:
October 21, 2021

PLAN APPROVED – ONE COPY ATTACHED

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

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Todd McMillion

22. TITLE:

Director, Division of Reimbursement Review

23. REMARKS:

P&I change to box 4 to correct effective date to 7/1/21

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. C. Other Noninstitutional Services (cont.)

Eligible air ambulance providers will be cost reconciled to equal the cost of services provided during the fiscal period beginning July 1, 2010 through June 30, 2011, and for subsequent 12 month fiscal periods. Eligible providers are:

1. Operated by or affiliated with a public entity; and
2. "Major Air Ambulance Providers" whose service area covers all counties in the State of Washington. Cost will be determined by the Medicaid agency using a CMS-approved cost identification process in accordance with Medicare cost allocation principles. Cost for each Major Air Ambulance Provider will be identified and compared to the direct vendor payments based on fee-for-service. Based on this comparison, additional payment or recovery of payment will be made to assure that the total of payment equals cost.

(a) Annual Cost Report Process

During the state fiscal year, each Major Air Ambulance Provider must complete an annual Major Air Ambulance Provider cost report. The cost report will document the provider's total CMS-approved, Medicaid-allowable, direct and indirect costs of delivering Medicaid coverable services using a CMS-approved cost-allocation methodology. Reported personnel costs including wages, salaries, and fringe benefits must be exclusively attributable to air ambulance services provided. Total direct and indirect costs will be divided by the number of total transports to determine an average cost per trip. The average cost per trip will be multiplied by the number of paid Medicaid trips for the cost reporting year to determine Medicaid's allocable air ambulance costs.

(b) Cost Reconciliation Process

Annual direct vendor payments based on fee-for-service will be reconciled to total CMS-approved Medicaid-allowable costs calculated on page 20a section C(a). The total Medicaid-allowable scope of costs are compared to the direct vendor payments based on fee-for-service paid to the Major Air Ambulance Provider as documented in the Medicaid Management Information System (MMIS), resulting in a cost reconciliation.

(c) Cost Settlement Process

- Each Major Air Ambulance Provider will receive payments in an amount equal to the greater of (i) direct vendor payments based on fee-for-service, or (ii) total CMS-approved Medicaid-allowable costs for air ambulance services calculated in accordance with page 20a section C(a).
- If a Major Air Ambulance Provider's direct vendor payments based on fee-for-service exceed the provider's certified cost for air ambulance services provided to Medicaid clients, no cost settlement will be finalized and the direct vendor payments will be the final payments.
- If the certified cost of a Major Air Ambulance Provider exceeds the direct vendor payments based on fee-for-service, the Medicaid agency will pay the difference to the provider.

Except as otherwise noted in the Plan, state-developed fee schedule rates are the same for both governmental and private providers of air ambulance services. The Medicaid agency's fee schedule rate was set as of July 1, 2006, and is effective for services provided on or after that date. See 4.19-B I, General, #G, for the agency's website where the fee schedules are published.