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State/Territory Name: Washington

State Plan Amendment (SPA) # WA 22-0025

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

July 20, 2022

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

RE: Washington State Plan Amendment (SPA) 22-0025

Dear Ms. Fontinos:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 22-0025 effective for services on or after April 1, 2022. The purpose is to update the statutory reference authorizing a hospital opting out of the inpatient "Full Cost" Payment Program if the hospital meets the criteria for the inpatient rate enhancement. The reference to WAC 182-550-3830 is outdated and is being replaced with RCW 74.09.5225.

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. We hereby inform you that Medicaid State plan amendment 22-0025 is approved effective April 1, 2022. 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,



Rory Howe
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 2 2 — 0 0 2 5 2. STATE WA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
April 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
1902(a) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part 1 page 3

8. PAGENUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)
Attachment 4.19-A Part 1 page 3

9. SUBJECT OF AMENDMENT
Update Inpatient Hospital State Statute Cross-Reference

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL
 Jason McGill for

15. RETURN TO
State Plan Coordinator
Office of Rules & Publications
Health Care Authority
POB 42716
Olympia, WA 98504

12. TYPED NAME
Charissa Fotinos, MD, MSc

13. TITLE
Acting Medicaid Director

14. DATE SUBMITTED
May 9, 2022


FOR CMS USE ONLY

16. DATE RECEIVED
May 9, 2022

17. DATE APPROVED
July 20, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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

A. INTRODUCTION (cont.)

Other payment methods used include fixed per diem, cost settlement, per case rate (effective August 1, 2017, through September 30, 2018, only, for Medicaid agency-approved bariatric surgery), disproportionate share hospital (DSH), and proportionate share hospital. All are prospective payment methods except the cost settlement payment method used to reimburse critical access hospitals. The DRG, full cost, per diem, and RCC payment methods are augmented by trauma care payment methods at state-approved trauma centers. The trauma care enhancement provides reimbursement to Level I, II, and III trauma centers through lump-sum supplemental payments made quarterly.

A fixed per diem payment method is used in conjunction with the LTAC program. A cost settlement payment method is used to reimburse hospitals participating in the state's Title XIX Critical Access Hospital (CAH) program.

Effective for admissions on and after July 1, 2005, participating public hospitals located in the State of Washington that are not Agency-approved and DOH-certified as CAH, are paid using the "full cost" payment method for inpatient covered services as determined through the Medicare Cost Report, using the Agency's Medicaid RCC to determine cost. Each public hospital district, for its respective non-CAH participating public hospital district hospital(s), the Harborview Medical Center, and the University of Washington Medical Center, provide certified public expenditures which represent the costs of the patients' medically necessary care.

A hospital may opt-out of the inpatient "Full Cost" Payment Program if the hospital meets the criteria for the inpatient rate enhancement under RCW 74.09.5225 or is not eligible for public hospital disproportionate share hospital (PHDSH) payments under WAC 182-550-5400. To opt-out, the hospital must submit a written request to opt-out to the agency's Chief Financial Officer by July 1st in order to be effective for January 1st of the following year.

Hospitals and services exempt from the DRG payment methods are reimbursed under the per diem, per case rate, (effective August 1, 2017, through September 30, 2018, only); RCC, "full cost", cost settlement, or fixed per diem payment method for dates of admission on or after August 1, 2007. For dates of admission before August 1, 2007, reimbursement is under, RCC, "full cost" methods, and a base community psychiatric hospitalization payment rate used to determine the allowable for certain psychiatric claims.