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State/Territory Name: Washington

State Plan Amendment (SPA) # WA 24-0032

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

August 27, 2024

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

RE: TN 24-0032

Dear Director Fotinos:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Washington state plan amendment (SPA) to Attachment 4.19-A WA 24-0032, which was submitted to CMS on July 22, 2024. This plan amendment updates the graduate medical education payments for state universities with Level 1 trauma centers, clarification of certified public expenditure and supplemental trauma payments, and removing outdated DRG payment information.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. 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 Tom Caughey at 517-487-8598 or via email at tom.caughey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER 2 4 — 0 0 3 2 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
July 1, 2024

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

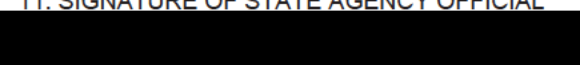
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ 0
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part 1 pages 20, 21, 21a (new)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A Part 1 pages 20 (TN# 19-0028), 21 (TN# 13-15)

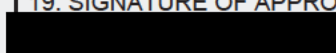
9. SUBJECT OF AMENDMENT
Graduate Medical Education Payments for state universities with Level 1 trauma centers, clarification of Certified Public Expenditure and supplemental trauma payments, and removing outdated DRG payment information

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Charissa Fotinos, MD, MSc
13. TITLE
Medicaid and Behavioral Health Medical Director
14. DATE SUBMITTED
July 22, 2024

15. RETURN TO
State Plan Coordinator
POB 42716
Olympia, WA 98504-2716

FOR CMS USE ONLY
16. DATE RECEIVED
July 22, 2024
17. DATE APPROVED
August 27, 2024

PLAN APPROVED - ONE COPY ATTACHED
18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2024
19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

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**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

8. DRG Exempt Services (cont.)

- g. Services provided in DRG classifications that do not have an Agency relative weight assigned.*

For dates of admission on and after August 1, 2007, services provided in DRGs that do not have an Agency relative weight assigned, are paid using one of the other payment methods (e.g. RCC, per diem, per case rate (effective August 1, 2017, through September 30, 2018, only), "full cost", or cost settlement).

h. Trauma Center Services

Trauma Centers are designated by the State of Washington Department of Health (DOH) into five levels, based on level of services available. This includes Level I, the highest level of trauma care, through Level V, the most basic trauma care. Level of designation is determined by specified numbers of health care professionals trained in specific trauma care specialties, inventories of specific trauma care equipment, on-call and response time minimum standards, quality assurance and improvement programs, and commitment level of the facility to providing trauma related prevention, education, training, and research services to their respective communities.

Level I, II, and III trauma centers receive additional reimbursement from the trauma care fund established by the State of Washington in 1997 to improve the compensation to designated trauma facilities for care to Medicaid trauma patients. The supplemental payment to designated hospitals is in the form of lump-sum payments made quarterly.

The payment an eligible hospital receives from the quarterly payment pool is determined by first summing each hospital's qualifying payments for trauma cases from the beginning of the service year and expressing this amount as a percentage of total payments made by the Agency to all Level I, II, and III hospitals for qualifying services provided during the service year to date. The beginning of the service year is defined as July 1 – the state fiscal year – for which legislative appropriation is made. Each eligible hospital's payment percentage for the service year-to-date is multiplied by the trauma supplemental funds available for the service year-to-date, and then the Agency subtracts previous quarterly payments made to the individual hospital for the service year-to-date to determine that hospital's portion of the current quarterly payment pool.

Effective with dates of service on and after July 1, 2013, the supplemental payments proportion a Level I, II, or III hospital receives will be calculated using the aggregate qualifying trauma care services provided in both fee for service and managed care. Payments for inpatient Medicaid services are not to exceed the upper payment limit (UPL) for federal financial participation for fee for service.

A trauma case qualifies a Level I, II, or III hospital for supplemental trauma payment if the Injury Severity Score (ISS) is 13 or greater for an adult patient or 9 or greater for a pediatric patient (through age 14 only). A transferred trauma case qualifies the receiving hospital for supplemental payment regardless of ISS.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

h. Trauma Center Services (cont.)

The qualifying ISS for adult and pediatric patients are evaluated periodically and may be adjusted based on the Washington State Department of Health's Trauma Registry data and changes to the Abbreviated Injury Scale (AIS) coding system.

Level IV and V trauma centers receive a trauma care grant from the Department of Health using only state funds.

Effective July 1, 2024, hospitals that are owned or operated by an academic medical center are not eligible for these quarterly supplemental trauma payments.

In-state acute care trauma services graduate medical education (GME-T)

Effective July 1, 2024, hospitals owned or operated by an eligible in-state academic medical center classified as Level I trauma centers will receive a supplemental payment to account for increased graduate medical education costs. The total pool will be determined prior to the beginning of the state fiscal year and distributed to eligible academic medical centers. The payment an eligible academic hospital receives from the payment pool is determined by first summing each hospital's qualifying payments for qualified trauma cases from the beginning of the service year and expressing this amount as a percentage of total payments made by the Agency to all Level I academic hospitals for qualifying services provided during the service year to date. The beginning of the service year is defined as July 1 – the state fiscal year for which legislative appropriation is made. Each eligible hospital's payment percentage for the service year-to-date is multiplied by the trauma supplemental funds available for the service year-to-date. The Agency then subtracts previous quarterly payments made to the individual hospital for the service year-to-date to determine that hospital's portion of the current quarterly payment pool.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES**

C. GENERAL REIMBURSEMENT POLICIES (cont.)

i. Inpatient Pain Center Services

Services in Agency-authorized inpatient pain centers are paid using a fixed per diem rate.

9. Transfer Policy

For a hospital transferring a client to another acute care hospital or a facility with sub-acute medical services, for a claim paid using the DRG payment method, a per diem rate is paid for each medically necessary day. The per diem rate is determined by dividing the hospital's payment rate for the appropriate DRG by that DRG's average length of stay.

Except as indicated below:

For dates of admission on and after August 1, 2007, the payment allowed amount to the transferring hospital will be the lesser of: the per diem rate multiplied by the number of medically necessary days at the hospital plus one day, or the appropriate DRG payment allowed amount.