

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP, and Survey & Certification**

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Mr. Wayne Turnage  
Director  
Department of Health Care Finance  
899 N. Capitol St. NE  
Washington, DC 20002

MAR 28 2010

RE: State Plan Amendment (SPA) 10-005

Dear Mr. Turnage:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-005. This amendment modifies the District's prospective payments system to replace the fifteen year old rate setting methodology with an All-Patient diagnosis-related group (APDRG) and places distinct part rehab hospitals under the APDRG. The SPA also establishes District of Columbia's reimbursement methodology for out-of-state hospitals with the exception of specialty hospitals providing long-term care to children and adolescents; these facilities will be reimbursed on a per diem basis.

We conducted our review of this amendment according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. I am pleased to inform you that Medicaid State plan amendment 10-005 is approved effective April 1, 2010. I have enclosed the approved HCFA-179 and the amended state plan pages.

If you have any questions, please call Gary Knight at (304) 347-5723.

Sincerely,

Cindy Mann  
Director  
Center for Medicaid, CHIP, and Survey & Certification

Enclosures