



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

OCT 05 2011

Douglas Porter, Director
Health Care Authority
Post Office Box 45502
Olympia, Washington 98504-5502

RE: Washington State Plan Amendment (SPA) Transmittal Number 11-008

Dear Mr. Porter:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Washington State Plan Amendment (SPA) Transmittal Number 11-008.

This amendment enacts a 7 percent reduction in Personal Care Service (PCS) rates for all 17 levels of Medicaid rates paid to Licensed Boarding Homes that have contracts to provide Assisted Living, Adult Residential Care, and Enhanced Adult Residential Care services.

This SPA also contains a sunset date for the current PCS reimbursement methodology of December 31, 2011. After December 31, 2011, the State will no longer be able to claim Federal Financial Participation (FFP) for PCS until a new SPA is submitted and approved by CMS with an acceptable PCS payment methodology.

This SPA is approved effective April 1, 2011, as requested by the State.

If you have any questions concerning this SPA, please contact me, or have your staff contact Mary Jones at (360) 486-0243 or Mary.Jones2@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Carol J.C. Peverly.

Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

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

1. TRANSMITTAL NUMBER:
11-08

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
April 1, 2011

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:

7. FEDERAL BUDGET IMPACT:

a. FFY 2011 ~~(\$1,573,000)~~ **(\$1,561,000) (P&I)**

b. FFY 2012 (unknown)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B pg 31

Attachment 3.1-A, page 65 (P&I)

Attachment 4.19-B, page 32 (P&I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B pg 31

Attachment 3.1-A, page 65 (P&I)

Attachment 4.19-B, page 32 (P&I)

10. SUBJECT OF AMENDMENT:

Effective Date for Licensed Boarding Home Rates

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:

Susan N. Dreyfus

14. TITLE:

Secretary

15. DATE SUBMITTED:

3/16/11

16. RETURN TO:

Ann Myers

Department of Social and Health Services

Medicaid Purchasing Administration

626 8th Ave SE MS: 45504

POB 5504

Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

MARCH 16 2011

18. DATE APPROVED:

OCT 05 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVAL: **APR 01 2011**

20. SIGNATURE OF REGIONAL OFFICIAL:

Associate Regional Administrator

Division of Medicaid &

Children's Health

4/28/11 - Pen & Ink change(s) authorized by the State.

7/7/11 - Pen & Ink change(s) authorized by the State.

8/23/11 - Pen & Ink change(s) authorized by the State.

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.)

XV. Personal Care Services

State-developed fee schedule rates are the same for both governmental and private providers of the same service (nursing facilities operated by the State of Washington, Dept. of Veterans' Affairs). The fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://adsaweb/management/orm>

A. Payment for services

Services are provided by these provider types:

- State-licensed agencies providing personal care services, consisting of licensed home-care agencies and licensed adult residential care providers who are contracted with the Medicaid Agency. Home health agencies providing personal care services do not require Medicare certification;
- Adult residential care providers who are licensed by Department of Health (DOH) according to DOH Revised Code of Washington (RCW) and Washington Administrative Code (WAC) as follows:
 - Boarding homes – chapter 18.20 RCW and chapter 388-78A WAC. Must be licensed as a boarding home. Care givers must be at least 18 years of age, successfully complete a criminal history background check, complete training requirements outlined in chapter 388-112 WAC and be authorized to work in the United States.
 - Adult family home – chapter 70.128 RCW and chapter 388-76 WAC. Must be licensed as an adult family home. Provider/resident manager must be at least 21 years of age and have a high school diploma or general education development certificate. Care givers must be at least 18 years of age. Provider/resident manager and care givers must successfully complete a criminal history background check, maintain current CPR and first aid certificate, complete training requirements outlined in chapter 388-112 WAC, and be authorized to work in the United States.
- Individual providers of personal care, who:
 - Must be age 18 or older;
 - Are authorized to work in the United States;
 - Are contracted with the Medicaid Agency; and
 - Have passed a Medicaid Agency-specified background check.

Payment for agency-provided services is at an hourly unit rate, and payment for residential-based services is at a daily rate. Each agency will submit monthly billings to the Social Services Payment System (SSPS), administered by the State for personal care services provided in each service area.

Payment for an individual provider's services is made directly to the provider via the SSPS. Individual providers of personal care services are under contract to the Medicaid Agency.

No payment is made for services beyond the scope of the program or hours of service exceeding the Medicaid Agency's authorization. Payments to residential providers are for personal care services only, and do not include room and board services that are provided. Payment is made only for the services described in Attachment 3.1-A, section 26.

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.)

XV. Personal Care Services (cont)

B. Service Rates

The payment methodology described below will sunset on December 31, 2011.

The fee schedule was last updated April 1, 2011, to be effective for dates of service on and after April 1, 2011.

Effective Jan. 1, 2008, the standard hourly rate for individual-provided personal care is based on comparable service units and is determined by the State legislature, based on negotiations between the Governor's Office and the union representing the workers.

The rate for personal care services consists of two different components of personal care costs. The first component reimburses directly for personal care services provided to medical assistance beneficiaries. The second component is based on cost and reimburses for caregiver training and health insurance of individual personal care providers and personal care workers employed by agencies.

Payment for agency-provided personal care services and individual care providers is based on an hourly unit rate, and payment for residential-based services is based on a multi-hour rate system that considers the client's level of need. Each agency and individual provider will submit monthly billings to the State's payment system. The multi-hour rate for personal care services provided in a residential-based setting varies, based on the classification group in which the beneficiary is assigned. Each beneficiary is assigned to a classification group based on the State's assessment of their personal care needs. Each classification group also considers the number of hours of service needed by the beneficiary on a daily basis.

Payment provided to agencies and on behalf of individual providers for the caregiver training component of personal care is based on cost. This payment is made separately from the payment for hourly unit payment for individual and agency providers. The multi-hour rate paid to residential-based providers does not include any consideration of cost for room and board or facility cost and the residential providers are not reimbursed separately for any caregiver training or health insurance costs. With regard to personal care workers employed by agencies, this cost is first allocated by the home care agency based on a proportion of Medicaid Agency clients in the home care agency to total client population in the home care agency. With regard to individual providers, the individual provider is paid through the State's payment system for actual time spent in training. The cost of training the individual provider is allocated based on a proportion of Medicaid Agency-individual personal care providers to total classroom participants. These costs are further allocated based on a proportion of Medicaid Agency-medical assistance clients to total Medicaid Agency clients. This allocation is performed on a monthly basis; however, the data used within the allocation is on a two-month lag.