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**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 13-37**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) HCFA 179
- 3) Approved SPA Pages

**Division of Medicaid & Children's Health Operations**

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**12/06/13**

Dorothy Frost Teeter, Director  
MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
Post Office Box 45502  
Olympia, Washington 98504-5010

**RE: Washington State Plan Amendment (SPA) Transmittal Number 13-037**

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number WA 13-037. This amendment changed the method of reimbursing Rural Health Centers (RHCs) for their Managed Care clients. Instead of the Health Care Authority (HCA) paying the monthly enhancements to the RHCs for their Managed Care clients, the Managed Care plans will pay the RHCs at each clinic's full encounter rate. This SPA is approved with the effective date of November 1, 2013.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at (360) 943-0469 or [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov).

Sincerely,

/s/

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

cc:

Ann Myers, SPA Coordinator  
,

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

**TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**1. TRANSMITTAL NUMBER:  
13-37**

**2. STATE  
Washington**

**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)**

**4. PROPOSED EFFECTIVE DATE  
November 1, 2013**

**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 2014 \$0

b. FFY 2015 \$0

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

Att. 4.19-B pg 5

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Att. 4.19-B pg 5

**10. SUBJECT OF AMENDMENT**

RHC Enhanced Payments

**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:**

MARYANNE LINDEBLAD

**14. TITLE:**

MEDICAID DIRECTOR

**15. DATE SUBMITTED:**

10-8-13

**16. RETURN TO:**

Ann Myers

Office of Rules and Publications

Legal and Administrative Services

Health Care Authority

626 8<sup>th</sup> Ave SE MS: 42716

Olympia, WA 98504-2716

**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:**

10/08/13

**18. DATE APPROVED:**

12/06/13

**PLAN APPROVED - ONE COPY ATTACHED**

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**

11/01/13

**20. SIGNATURE OF REGIONAL OFFICIAL:**

/s/

**21. TYPED NAME:**

Carol J.C. Peverly

**22. TITLE: Associate Regional Administrator Division of Medicaid  
and Children's Health**

**23. REMARKS:**

## 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.)

## II. Clinic Services (cont.)

For clients enrolled with a managed care contractor, and effective April 1, 2014, the State anticipates that the managed care contractor will pay each clinic an encounter rate that is at least equal to the PPS rate specific to each clinic.

To ensure that the appropriate amounts are being paid to each clinic, the State will perform an analysis of the managed care contractor's data at least quarterly and verify that the payments made by the managed care contractor in the previous quarter were in compliance with Section 1902(bb)(5)(A) of the SSA. This process will apply to clinics reimbursed under the APM rate methodology and to clinics reimbursed under the PPS rate methodology.

At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment of the obligated funds.

Covered services for Medicaid-Medicare patients are reimbursed as detailed in Supplement 1 to Attachment 4.19 (B), pages 1, 2, and 3.

## C. Non-hospital-owned Freestanding Ambulatory Surgery Centers

Freestanding ambulatory surgery centers (ASC) are reimbursed a facility fee based on Medicare's Grouper, except for procedures Medicare had not grouped; in which case, the Medicaid Agency groups the service to a like procedure that Medicare has grouped.

All procedures that the department reimburses to an ASC are assigned a grouper of one through eight (1 – 8). Each of these groupers is assigned a set fee. The Agency pays the lesser of the usual and customary charge or the grouper fee based on a department fee schedule.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of non-hospital-owned freestanding ASC services. The Agency's rates were set as of April 1, 2009, and are effective for dates of services on and after that date. All rates are published on the Agency's website.