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State/Territory Name: Washington

State Plan Amendment (SPA) #: 14-0013

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, Washington 98104

Division of Medicaid & Children's Health Operations

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

JUL 24 2014

RE: Washington State Plan Amendment (SPA) Transmittal Number 14-0013

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 14-0013. This SPA revised the Treatment Questionnaire (TQ) process and also identified inactive diagnosis codes within the ProviderOne payment system.

This SPA is approved with an effective date of July 1, 2014.

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.

Sincerely,

[redacted]

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

cc:
Ann Myers, SPA Coordinator

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **14-0013**

2. STATE: Washington

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
~~Jan. 1, 2014~~ July 1, 2014 (P&I)

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:
42 CFR 433.138 & 139 (P&I)

7. FEDERAL BUDGET IMPACT:
a. FFY 2014 ~~$233,333~~ $0
b. FFY 2015 ~~$350,000~~ $0 (P&I)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.22-A, pages 2, 3
Attachment 4.22-B, page 1
Appendix A To Attachment 4.22-A page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.22-A, pages 2, 3
Attachment 4.22-B, page 1

10. SUBJECT OF AMENDMENT:
Third Party Liability – Increasing Effectiveness (P&I)

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:
[redacted]

13. TYPED NAME:
MARYANNE LINDEBLAD

14. TITLE:
MEDICAID DIRECTOR

15. DATE SUBMITTED:
5-28-14

16. RETURN TO:
Ann Myers
Office of Rules and Publications
Legal and Administrative Services
Health Care Authority
626 8th Ave SE MS: 42716
Olympia, WA 98504-2716

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 5-28-14

18. DATE APPROVED: JUL 24 2014

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL
[redacted]

21. TYPED NAME: Carol J.C. Peverly

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

23. REMARKS:
6-11-14: State authorizes P&I change to box 4
6-25-14: State authorizes P&I change to box 6 and 7
7-09-14: State authorizes P7I change to box 8 and box 10

FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

REQUIREMENTS FOR THIRD PARTY LIABILITY - IDENTIFYING LIABLE RESOURCES (cont.)

d. SOURCE
State Department of Transportation
PURPOSE
To match names and dates of birth of Medicaid clients with the Washington State Patrol motor vehicle accident records. A report is produced and staff validate whether third party liability is available.
FREQUENCY
Weekly

e. SOURCE
Department of Defense
PURPOSE
To match all Medicaid eligible clients to active duty and reserve armed forces members and dependents found in the Defense Eligibility Enrollment Reporting System (DEERS).
FREQUENCY
Annually

f. SOURCE
HMS, Inc. (Health Management Systems, Inc.)
PURPOSE
To match to the HMS national TPL client database any Medicaid eligible clients and their paid claims which have not been invoiced by the State Agency. HMS identifies and recovers any non-casualty case-related money owed to the State and the federal government that may have been overlooked by the State's internal TPL activities.
FREQUENCY
Monthly

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

REQUIREMENTS FOR THIRD PARTY LIABILITY - IDENTIFYING LIABLE RESOURCES (cont.)

2. Within 30 days of receipt of information from above referenced Data Matches, and within 60 days of receipt of health insurance information, a file is set up in the third party data base to affect claims processing.

   When complete information is received on a data match form or health insurance form, the information is immediately entered into the third party data base.

   When incomplete information is received, state and private health insurance eligibility systems (as they become available) are contacted via telephone, mail, electronic correspondence, and online to obtain complete information to enter into the data base within the time frames described above.

   Contact includes the:

   a. Recipient, absent parent, parent
   b. Employer
   c. Insurance company
   d. Providers
   e. Other governmental agencies

3. As a resource for agency staff, Treatment Questionnaires (TQs) are automatically generated in the MMIS system, based on paid claims with diagnosis codes within the 800 – 999 ICD-9CM series. Some codes are excluded from this range because they do not produce significant recoveries; see Appendix A. The TQs are sent to clients for clarification of the incident that led to the claim. If the client does not respond, additional TQs are generated at 30- and 60- day "aging dates." The MMIS system tracks the TQ aging date based on a system update by agency staff, documenting whether or not a response is received.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

EXCLUDED DIAGNOSIS CODES

718.43 Joint contracture-forearm	912.2 Blister shldr/arm
718.46 Joint contracture-l/leg	912.3 Blister shldr/arm-infected
718.47 Joint contracture-ankle	912.4 Insect bite shldr/arm-not infected
718.9 Derangement of joint NOS	912.5 Insect bite shldr/arm-infected
720.1 Spinal enthesopathy	912.6 FB shldr/arm
720.2 Sacroiliitis NEC	912.7 FB shldr/arm-infected
721 Spondylosis and allied disorders	913.2 Blister forearm
722.6 Disc degeneration NOS	913.3 Blister forearm-infected
723.0 Cervical spinal stenosis	913.4 Insect bite forearm
723.7 Ossification cervical ligament	913.5 Insect bite forearm-infected
724.0 Spinal stenosis NEC	913.6 FB forearm
724.00 Spinal stenosis, unspecified region	913.7 FB forearm-infected
724.01 Spinal stenosis thoracic	914.2 Blister hand
724.02 Spinal stenosis lumbar region	914.3 Blister hand-infected
724.3 Sciatica	914.4 Insect bite hand
724.4 Lumbosacral neuritis NEC	914.5 Insect bite hand-infected
724.6 Disorders of sacrum	914.6 FB hand
724.7 Disorders of coccyx	914.7 FB hand-infected
724.8 Other back symptoms	915.2 Blister finger
863.45 Rectum injury-closed	915.3 Blister finger-infected
863.55 Rectum injury-open	915.4 Insect bite finger
878 Open wound of genital organs (external)	915.6 FB finger
879.0 Open wound of breast-uncomplicated	915.7 FB finger-infected
879.1 Open wound of breast-complicated	916.2 Blister hip & leg
8870 Amputation below elbow, unilateral	916.3 Blister hip & leg-infected
887 Traumatic amputation of arm and hand	916.5 Insect bite hip/leg-infected
895 Traumatic amputation of toes	916.6 FB hip/leg
896 Traumatic amputation of foot	916.7 FB hip/leg-infected
897 Traumatic amputation of legs	917.2 Blister foot/toe
905.9 Late effect of traumatic amputation	917.3 Blister foot/toe-infected
909 Late effects of other & unspecified external causes	917.4 Insect bite foot/toe-infected
910.2 Blister-not infected	917.5 Insect bite foot/toe
910.3 Blister-infected	917.6 FB foot/toe
910.4 Insect bite-non venomous, no infection	919.2 Blister NEC
910.5 Insect bite-non venomous, infected	919.6 Superficial FB NEC
910.6 FB head (splinter)	919.7 Superficial FB NEC-infected
910.7 FB head (splinter)-infected	922.4 Contusion genital organs
911.2 Blister trunk	924.3 Contusion of toe
911.3 Blister trunk-infected	926.0 Crushing injury of external genitalia
911.6 FB trunk	**930-939** Effects of foreign body entering through orifice
911.7 FB trunk-infected (splinter)	947.4 Burns of vagina/uterus

Bold = entire range

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

Requirement for Third Party Liability – Payment of Claims

1. The method to determine compliance with requirements of Section 433.139(b)(3)(ii)(c) is as follows: The State Plan as referenced herein requires providers to bill third parties. In a case where medical support is being enforced by the state Title IV-D Agency, the provider will be required to submit written documentation that he has billed the third party and has not received payment from the third party. It must be at least 30 days from the date of service before the state will pay.

   The same method is used to meet the requirements contained in Section 433.139(b)(3)(i).

   State laws are in effect that require third parties to comply with the provisions of 1902(a)(25)(I) of the Social Security Act, including those which require third parties to provide the state with coverage, eligibility, and claims data.

2. All claims for medical services are cost-avoided if there is a TPL file in the master eligibility file indicating health insurance coverage. Health insurance and casualty claims are generally pursued for collection. However, the cost-effectiveness threshold for pursuit is $50 for a casualty case.

3. The state Medicaid Agency will seek recovery from the third party within 60 days after the end of the month in which payment was made. This does not apply to exceptions for Good Cause or Confidential Services cases. Good Cause and Confidential Services cases include Title IV-D domestic violence cases and certain clients with STD/HIV, pregnancy, or abortion-related services/diagnosis. The Agency will also seek recovery within 60 days of the date the Agency learns of the existence of a third party or when benefits become available.

4. When the Agency has determined a sum certain receivable amount has been validated and the third party fails to make payment, after 90 days the Agency refers the case to the Department of Social and Health Services' Office of Financial Recovery for formal collection activities. These include skip tracing, payment demands, negotiating debts and repayment agreements, and enforcement action, including legal action. "Sum certain receivable" is when a liable third party (regardless of the third party resource type) and predetermined settlement or recovery has been validated through either court settlement or explanation of benefits (EOBs) and remittance advices (RAs).

5. The Agency contracts with HMS Inc.(Health Management Systems, Inc.) to match to the HMS national TPL client database, any Medicaid eligible clients and their paid claims which have not been invoiced for recovery by the Agency. HMS identifies and recovers any money owed to the state and the federal government that may have been overlooked by the state's internal TPL activities.