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State/Territory Name: Washington

State Plan Amendment (SPA) #: 16-0023

This file contains the following documents in the order listed:

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

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

NOV 01 2016

MaryAnne Lindeblad, Medicaid Director
Health Care Authority
Post Office Box 42716
Olympia, Washington 98504-2716

RE: WA State Plan Amendment (SPA) Transmittal Number #16-0023 – Approval

Dear Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-0023. This SPA eliminates the psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) program from the Medicaid State plan effective July 1, 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 16-0023 is approved effective as of July 1, 2016. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan page.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' RO NIRT Representative at 208-861-9838 or Thomas.Couch@cms.hhs.gov .

Sincerely,

[redacted]

Kristin Fan
Director

Enclosure

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: **16-0023**

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
July 1, 2016

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:
Section 1905(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 $0
b. FFY 2017 $0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
4.19-A Part 1 Page 51

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
4.19-A Part 1 Page 51

10. SUBJECT OF AMENDMENT

Termination of Psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) Payment Program

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:
8-17-16

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:
8/17/16

18. DATE APPROVED:
NOV 01 2016

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 01 2016

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Kristin Fan

22. TITLE:
Director, FMCO

23. REMARKS:

FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)

H. DISPROPORTIONATE SHARE PAYMENTS (cont.)

2. Psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) Payment

Effective January 1, 2014, the PII DSH program was repealed. This is because many of the individuals for whom the hospitals benefited under PII DSH Program are now considered "Newly Eligible" under the Affordable Care Act, which took effect January 1, 2014. Therefore the need for PII DSH no longer exists, and the program officially closed effective July 1, 2016.

Effective July 1, 2003 through December 31, 2013 hospitals were considered eligible for a PIIDSH payment if:

a. The hospital was an in-state (Washington) hospital;

b. The hospital provided emergency, voluntary inpatient services to low-income, Psychiatric Indigent Inpatient (PII) patients. PII persons were low-income individuals who were not eligible for any health care coverage and who were encountering a psychiatric condition; and

c. The hospital qualified under Section 1923 (d) of the Social Security Act.

Hospitals qualifying for PIIDSH payments received a per claim payment for inpatient claims.

For all hospitals, except hospitals participating in the "full cost" payment program through certified public expenditures, the inpatient payments made were at a rate lower than the Medicaid rate and were based on published, non-Medicaid rates. The hospital claims were processed through the Provider One (MMIS) system where the PII clients were identified based upon their assigned Recipient Aid Category (RAC) code. If a hospital did not qualify for DSH payments, these claims were paid with State funds.

The total of each hospital's claims-based PIIDSH payments did not exceed its hospital-specific DSH cap. The hospital-specific DSH cap limit was defined as the uncompensated cost of furnishing inpatient and outpatient hospital services to Medicaid-eligible individuals and individuals with no insurance or any other creditable third-party coverage, in accordance with federal regulations.

For the excepted hospitals, the payment equaled "full cost" using the Medicaid RCCs to determine cost for the medically necessary care.

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