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State/Territory Name: Washington

State Plan Amendment (SPA) #: 17-0037

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

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



Division of Medicaid & Children's Health Operations

November 20, 2017

MaryAnne Lindeblad, Medicaid Director
Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 17-0037.

Dear Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 17-0037. This amendment eliminated outdated references to Average Wholesale Price (AWP) for drugs and described a new basis of payment for the Birthing Center facility fee as directed by the Washington State Legislature per substitute Senate Bill 5883.

This SPA is approved with an effective date of August 1, 2017.

If there are additional questions please contact me, or your staff may contact James Moreth at James.Moreth@cms.hhs.gov or (360) 943-0469.

Sincerely,

Digitally signed by David L.

A large black rectangular box redacting the signature of David L. Meacham.

David L. Meacham
Associate Regional Administrator

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:
17-0037**

**2. STATE
Washington**

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

**4. PROPOSED EFFECTIVE DATE
August 1, 2017**

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 2017 \$6,410
b. FFY 2018 \$32,050

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B page 24a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B page 24a

10. SUBJECT OF AMENDMENT

Birthing Center Facility Fees

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:

9-27-17

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:
9/27/17

18. DATE APPROVED:
11/20/17

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
8/1/17

20. SIGNA

Digitally signed by David L. Meacham -S

21. TYPED NAME:
David L. Meacham

22. TITLE
Associate Regional Administrator

Date: 2017.11.21 07:56:53 -08'00'

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: WASHINGTON

IX. Other Noninstitutional Services (cont)

M. Licensed or Otherwise State-Approved Freestanding Birthing Centers

The fees for the majority of codes under freestanding birthing centers are established and updated using the Resource Based Relative Value Scale (RBRVS) methodology as adopted in the Medicare Fee Schedule Data Base (MFSDB). In this methodology, under WAC 182-531-1850, the State uses CMS-established relative value units (RVU) multiplied by the Geographic Practice Cost Indices (GPCI) and the conversion factors, both of which are specific to Washington. Current conversion factor descriptions are found in Supplement 3 to Attachment 4.19-B.

Codes not valued under the RVU methodology, are reimbursed using CMS DMEPOS Fee Schedule, flat fee (based upon market value, other state's fees, budget impacts, etc.), acquisition cost (the cost of the actual item being billed). Drugs administered at the birthing center are reimbursed according to Medicare's Average Sales Price (ASP) methodology except when no ASP rate is available. When no Medicare drug file rate is available, the drug is paid at the same actual acquisition cost (AAC) methodology as would be applied if the drug were dispensed through a pharmacy and paid through Point-Of-Sale (POS) system.

The birthing center facility fee is consistent across birthing centers. This facility fee is based on 90% of the average hospital facility rate for a non-complicated delivery with a one day inpatient stay. Facility fee payments are made only when the delivery is performed in a facility licensed as a childbirth center by the Washington State Department of Health and approved by the agency. The facility fee includes all room charges for mother and baby, equipment, supplies, anesthesia administration, and paid medication. The facility fee does not include other drugs, professional services, lab charges, ultrasound, other x-rays, blood draws, or injections.

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of these services. See 4.19-B, I, General, #G for the agency's website where the fee schedules are published.

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