

---

## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 18-0011**

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

---

May 21, 2018

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

**RE: Washington State Plan Amendment (SPA) Transmittal Number 18-0011.**

Dear Ms. Birch and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 18-0011. This amendment updated the reimbursement methodology for durable medical equipment (DME) in order to comply with the consolidated appropriations act of 2016 (P.L. 114-113).

This SPA is approved with an effective date of January 1, 2018.

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

Sincerely,

A solid black rectangular box used to redact 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:  
**18-0011**

2. STATE  
Washington

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

4. PROPOSED EFFECTIVE DATE  
January 1, 2018

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:  
Sections 1905(a) and 1903(i)(27) of the Social Security Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 2018 \$ (377,239)  
b. FFY 2019 \$ (502,986)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B page 13

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-B page 13

10. SUBJECT OF AMENDMENT

DME Payment Methodology to Comply with the Consolidated Appropriations Act of 2016

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

13. TYPED NAME:  
MARYANNE LINDEBLAD

14. TITLE:  
MEDICAID DIRECTOR

15. DATE SUBMITTED:

3-29-18

16. RETURN TO:  
Ann Myers  
Office of Rules and Publications  
Division of Legal 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:

3/29/18

18. DATE APPROVED:

5/21/18

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1/1/18

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME:

David L. Meacham

Associate Regional Administrator

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****V. Medically Necessary Durable Medical Equipment and Supplies, and Medically Necessary Non-Durable Medical Equipment and Supplies**

Qualified providers are paid for covered medically necessary durable medical equipment and supplies (DME) and medically necessary non-durable medical equipment and supplies (Non-DME), repairs, and related services provided to eligible clients. The agency pays the lesser of the usual and customary charge or a fee based on an agency fee schedule.

Effective January 1, 2018, DME equipment codes subject to the FFP limitation are reimbursed at the lesser of Medicare's prevailing payment rates in the DMEPOS Fee Schedule or Competitive Bid Area (CBA) rate. For power wheelchairs (K0813 through K0864), the purchase rate is determined by the Medicare rental rate divided by 0.15. For all other items where Medicare provides a rental rate but the agency only covers purchase, the rate is determined by taking the Medicare rental rate multiplied by 10.

For all other items, the agency may use the CMS DMEPOS Fee Schedule, flat fee (based upon market value, other state's fees, budget impacts, etc.) or by-report methodology (based on a percentage of billed charges).

Certain healthcare services which include treatment, equipment, related supplies, and drugs require prior authorization (PA) as a precondition for provider reimbursement. The agency evaluates a request for an authorization of a health care service on a case-by-case basis. Providers must obtain prior authorization (PA) when required before delivering the item to the client. The item must be delivered to the client before the provider bills the agency.

Items not included on the state fee schedule are not covered. Requests for non-covered items will be reviewed according to the agency's "Exception to Rule" process.

The agency does not pay DME providers separately for services in this category that are included as part of the payment for another treatment program. For example, all items required during inpatient stay are paid through the inpatient payment.

The agency's reimbursement for covered DME includes any adjustments or modifications to the equipment that are required within three months of the date of delivery (not to include adjustments related to a change in the client's medical condition), fitting and set-up, and instruction to the client or client's caregiver in the appropriate use of the equipment and/or supplies.

See 4.19-B, I, General #G for the agency's website where the fee schedules are published.