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State/Territory Name: WA

State Plan Amendment (SPA) #: 26-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

September 3, 2026

Trinity Wilson, Director
Medicaid Director Health Care Authority
PO Box 45502
Olympia, WA 98504-5010

RE: TN 26-0011

Dear Director Wilson:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Washington State Plan amendment (SPA) to Attachment 4.19-A, WA 26-0011, which was submitted to CMS on June 24, 2026. This plan amendment adds the ability for the state to use contractors to perform audits of cost reports.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of June 1, 2026, we are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst James Moreth at (206) 615-2043 or via email at James.Moreth@CMS.HHS.GOV.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 6 — 0 0 1 1

2. STATE

WA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL

SECURITY ACT



XIX



XXI

4. PROPOSED EFFECTIVE DATE

June 1, 2026

TO: CENTER DIRECTOR

CENTERS FOR MEDICAID & CHIP SERVICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. FEDERAL STATUTE/REGULATION CITATION

1902(a) of the Act; Title 42 CFR Section 413

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026\$ 0b. FFY 2027\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part 1, page 60

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A Part 1, page 60 (TN# 24-0010)

9. SUBJECT OF AMENDMENT

Medicare Cost Report Update

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Trinity Wilson

13. TITLE

Medicaid and CHIP Director

14. DATE SUBMITTED

June 24, 2026

15. RETURN TO

State Plan Coordinator

POB 42716

Olympia, WA 98504-2716

FOR CMS USE ONLY

16. DATE RECEIVED

6/24/26

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

6/1/26

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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

J. ADMINISTRATIVE POLICIES (cont.)

2. Uniform Cost Reporting Requirements (cont.)

This reporting delay may be granted when the hospital provider provides the agency a copy of the written notice from Medicare that granted the delay in Medicare cost report (CMS 2552) reporting to the Medicare fiscal intermediary. The hospital provider should submit a written extension request to the agency along with the copy of the written notice from Medicare, at least ten calendar days prior to the agency's established due date for receiving the Medicare cost report (CMS 2552).

If a hospital provider submits to the agency a copy of an improperly completed Medicare cost report (CMS 2552) or a copy that is not the official Medicare cost report (CMS 2552) that has already been submitted for the fiscal year to the Medicare fiscal intermediary, or if the cost report is received after the agency's established due date or approved extension date, the agency may withhold all or part of the payments due the hospital until the agency receives a copy of a properly completed Medicare cost report (CMS 2552) that has been submitted for that fiscal year to the Medicare fiscal intermediary.

For CAH and CPE hospitals, hospitals are also required to submit the final cost report approved by Medicare, within 60 days of Medicare approval.

In addition, hospitals are required to submit other financial information as requested to establish rates.

3. Financial Audit Requirements

The financial and statistical records of participating providers will be periodically reviewed and audited by the agency or a contractor as necessary

4. Rebasing & Recalibration

The Medicaid agency will rebase the Medicaid payment system on a periodic basis using each hospital's Medicare cost report (CMS 2552) for its fiscal year ending during the base year selected for the rebasing.