**PROPOSED RULE MAKING**

CR-102 (December 2017)  
(Implements RCW 34.05.320)  
Do NOT use for expedited rule making

<table>
<thead>
<tr>
<th>Agency: Health Care Authority</th>
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<tbody>
<tr>
<td>✖ Original Notice</td>
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<tr>
<td>☐ Supplemental Notice to WSR</td>
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<tr>
<td>☐ Continuance of WSR</td>
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<tr>
<td>✖ Preproposal Statement of Inquiry was filed as WSR 21-16-016; or</td>
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<tr>
<td>☐ Expedited Rule Making--Proposed notice was filed as WSR _____; or</td>
</tr>
<tr>
<td>☐ Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or</td>
</tr>
<tr>
<td>☐ Proposal is exempt under RCW _____</td>
</tr>
</tbody>
</table>

**Title of rule and other identifying information:** (describe subject) WAC 182-550-4100 Payment method – New hospitals

**Hearing location(s):**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location (be specific)</th>
<th>Comment</th>
</tr>
</thead>
</table>
| January 4, 2022 | 10:00 AM | The Health Care Authority (HCA) remains closed in response to the coronavirus disease 2019 (COVID-19) public health emergency. Until further notice, HCA continues to hold public hearings virtually without a physical meeting place. This promotes social distancing and the safety of the residents of Washington State. | To attend the virtual public hearing, you must register in advance for this public hearing: [https://zoom.us/webinar/register/WN_EO-r4q2sQmeswJiqMwS3Rw](https://zoom.us/webinar/register/WN_EO-r4q2sQmeswJiqMwS3Rw)  
After registering, you will receive a confirmation email containing information about joining the public hearing. |

**Date of intended adoption:** Not sooner than January 5, 2022  
(Note: This is NOT the effective date)

**Submit written comments to:**

Name: HCA Rules Coordinator  
Address: PO Box 42716, Olympia WA 98504-2716  
Email: arc@hca.wa.gov  
Fax: (360) 586-9727  
Other: By (date) January 4, 2022

**Assistance for persons with disabilities:**

Contact HCA Rules Coordinator  
Phone: (360) 725-1306  
Fax: (360) 586-9727  
TTY: Telecommunication Relay Services (TRS): 711  
Email: arc@hca.wa.gov  
Other: By (date) December 17, 2021
Purpose of the proposal and its anticipated effects, including any changes in existing rules: The agency is amending this rule to include, as part of subsection (2), an exception to per diem rate calculations for psychiatric per diem rates to align with the agency’s State Plan.

Reasons supporting proposal: See Purpose

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Statute being implemented: RCW 41.05.021, 41.05.160

Is rule necessary because of a:

- Federal Law? ☒ No
- Federal Court Decision? ☒ No
- State Court Decision? ☒ No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: N/A

Name of proponent: (person or organization) Health Care Authority ☒ Governmental

Name of agency personnel responsible for:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office Location</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drafting</td>
<td>Valerie Freudenstein</td>
<td>PO Box 42716, Olympia WA 98504-2716</td>
</tr>
<tr>
<td>Implementation</td>
<td>Sarah Cook</td>
<td>PO Box 55688, Olympia, WA 98504-5688</td>
</tr>
<tr>
<td>Enforcement</td>
<td>Sarah Cook</td>
<td>PO Box 55688, Olympia, WA 98504-5688</td>
</tr>
</tbody>
</table>

Is a school district fiscal impact statement required under RCW 28A.305.135? ☒ No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:
Address:
Phone:
Fax:
RCW 34.05.328 does not apply to Health Care Authority rules unless requested by the Joint Administrative Rules Review Committee or applied voluntarily.

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

- ☐ This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

- ☐ This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

- ☐ This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

- ☐ This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:
  - ☐ RCW 34.05.310 (4)(b) (Internal government operations)
  - ☐ RCW 34.05.310 (4)(c) (Incorporation by reference)
  - ☐ RCW 34.05.310 (4)(d) (Correct or clarify language)
  - ☐ RCW 34.05.310 (4)(e) (Dictated by statute)
  - ☐ RCW 34.05.310 (4)(f) (Set or adjust fees)
  - ☐ RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

☐ This rule proposal, or portions of the proposal, is exempt under RCW ______.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- ☒ No  Briefly summarize the agency's analysis showing how costs were calculated. The proposed rule does not impose any costs on businesses.

- ☐ Yes  Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

  The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

  Name:
  Address:
  Phone:
  Fax:
  TTY:
  Email:
  Other:

Date: November 30, 2021

Name: Wendy Barcus

Title: HCA Rules Coordinator

Signature: [Signature]
WAC 182-550-4100 Payment method—New hospitals. (1) For rate-setting purposes, the agency considers as new:
   (a) A hospital which began services after the most recent rebasing; or
   (b) A hospital that has not been in operation for a complete fiscal year.

(2) With the exception of determining psychiatric per diem rates as directed by the Washington state legislature (see WAC 182-550-3800(6)), the agency determines a new hospital's conversion factor, per diem rate, or per case rate, to be the statewide average rate for the conversion factor, category of per diem rate, or per case rate adjusted by the geographically appropriate hospital specific medicare wage index.

(3) The agency determines a new hospital's ratio of costs-to-charges (RCC) by calculating and using the average RCC for all current Washington in-state hospitals.

(4) When a hospital changes ownership, the agency does not consider it a new hospital.