

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 21-21-076; 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>
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**Title of rule and other identifying information:** (describe subject) 182-550-6000 Outpatient hospital services - Conditions of payment and payment methods

**Hearing location(s):**

<table>
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<tr>
<th>Date</th>
<th>Time</th>
<th>Location: (be specific)</th>
<th>Comment:</th>
</tr>
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| January 25, 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:

https://zoom.us/webinar/register/WN__vMMTnCMNS5mu-Qn3-CoICQ

After registering, you will receive a confirmation email containing information about joining the public hearing. |

**Date of intended adoption:** January 26, 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 25, 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) January 14, 2022
Purpose of the proposal and its anticipated effects, including any changes in existing rules: The agency is amending subsection (3)(c) of this rule, which states that the agency does not pay separately for certain services provided within one calendar day of an inpatient hospital admission. The agency is adding to this section to state that separate payments are not made for certain services provided within one calendar day of discharge.

The agency also intends to remove subsections (6) and (7). These subsections reference the maximum allowable fee schedule and the hospital outpatient rate for payment of certain services. The agency is making these changes because it does not use these payment methods, but instead uses the enhanced ambulatory payment group (EAPG) method to determine payments, consistent with WAC 182-550-7200.

Reasons supporting proposal: See purpose above.

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? ☒
Federal Court Decision? ☒
State Court Decision? ☒

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 ☒

Name of agency personnel responsible for:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office Location</th>
<th>Phone</th>
</tr>
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<tbody>
<tr>
<td>Drafting:</td>
<td>Melinda Froud, PO Box 42716, Olympia WA 98504-2716</td>
<td>360-725-1408</td>
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<td>Implementation:</td>
<td>Tracy Huynh, PO Box 45500, Olympia, WA 98504-5500</td>
<td>360-725-1311</td>
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<tr>
<td>Enforcement:</td>
<td>Tracy Huynh, PO Box 45500, Olympia, WA 98504-5500</td>
<td>360-725-1311</td>
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Is a school district fiscal impact statement required under RCW 28A.305.135? ☒

If yes, insert statement here:
No

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: 

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☒ No: Please explain: 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)(e) (Dictated by statute)
☐ RCW 34.05.310 (4)(c) (Incorporation by reference)
☐ RCW 34.05.310 (4)(f) (Set or adjust fees)
☐ RCW 34.05.310 (4)(d) (Correct or clarify language)
☐ 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 _____.

Explaination of exemptions, if necessary:

COMPLET 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 revised rule does not impose more-than-minor costs on small 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: December 7, 2021

Name: Wendy Barcus
Title: HCA Rules Coordinator

Signature: [Signature]
WAC 182-550-6000 Outpatient hospital services—Conditions of payment and payment methods. (1) The medicaid agency pays hospitals for covered outpatient hospital services provided to eligible clients when the services meet the provisions in WAC 182-550-1700. All professional medical services must be billed according to chapter 182-531 WAC.

(2) To be paid for covered outpatient hospital services, a hospital provider must:
   (a) Have a current core provider agreement with the agency;
   (b) Bill the agency according to the conditions of payment under WAC 182-502-0100;
   (c) Bill the agency according to the time limits under WAC 182-502-0150; and
   (d) Meet program requirements in other applicable WAC and the agency's published issuances.

(3) The agency does not pay separately for any services:
   (a) Included in a hospital's room charges;
   (b) Included as covered under the agency's definition of room and board (e.g., nursing services). See WAC 182-550-1050; or
   (c) Related to an inpatient hospital admission and provided within one calendar day of a client's inpatient admission or discharge.

(4) The agency does not pay:
   (a) A hospital for outpatient hospital services when a managed care plan is contracted with the agency to cover these services;
   (b) More than the "acquisition cost" ("A.C.") for HCPCS (health care common procedure coding system) codes noted in the outpatient fee schedule; or
   (c) For cast room, emergency room, labor room, observation room, treatment room, and other room charges in combination when billing periods for these charges overlap.

(5) The agency uses the outpatient weighted costs-to-charges (OWCC) rate to pay for covered outpatient services provided in a critical access hospital (CAH). See WAC 182-550-2598.

(6) (The agency uses the maximum allowable fee schedule to pay non-OPPS hospitals and non-CAH hospitals for the following types of covered outpatient hospital services listed in the agency's current published outpatient hospital fee schedule and billing instructions:
   (a) EKG/ECG/EEG and other diagnostics;
   (b) Imaging services;
   (c) Immunizations;
   (d) Laboratory services;
   (e) Occupational therapy;
   (f) Physical therapy;
   (g) Sleep studies;
   (h) Speech/language therapy;
   (i) Synagis; and
   (j) Other hospital services identified and published by the agency.

(7) The agency uses the hospital outpatient rate as described in WAC 182-550-4500 to pay for covered outpatient hospital services when:
   (a) A hospital provider is a non-OPPS or a non-CAH provider; and
(b) The services are not included in subsection (6) of this section.

(8)) Hospitals must provide documentation as required or requested by the agency.

(9)) (7) All hospital providers must present final charges to the agency within ((three hundred sixty-five)) 365 days of the "statement covers period from date" shown on the claim. The state of Washington is not liable for payment based on billed charges received beyond ((three hundred sixty-five)) 365 days from the "statement covers period from date" shown on the claim.