Agency: Health Care Authority

Effective date of rule:

- Permanent Rules
  - ☒ 31 days after filing.
  - ☐ Other (specify) ______ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- ☐ Yes
- ☒ No
  - If Yes, explain:

Purpose: The agency is amending WAC 182-550-4300 to align the rule with the Medicaid State Plan, which does not have specific time limitations on inpatient withdrawal management services.

Citation of rules affected by this order:

New:
Repealed:
Amended: 182-550-4300
Suspended:

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 21-24-023 on November 19, 2021 (date).

Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Web site:
Other:
Note: If any category is left blank, it will be calculated as zero.
No descriptive text.

Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.

The number of sections adopted in order to comply with:

<table>
<thead>
<tr>
<th>Federal statute:</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal rules or standards:</td>
<td>New</td>
<td>Amended</td>
<td>Repealed</td>
</tr>
<tr>
<td>Recently enacted state statutes:</td>
<td>New</td>
<td>Amended</td>
<td>Repealed</td>
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</tbody>
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The number of sections adopted at the request of a nongovernmental entity:

| New | Amended | Repealed |

The number of sections adopted on the agency’s own initiative:

| New | Amended | Repealed |

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

<table>
<thead>
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<th>Repealed</th>
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The number of sections adopted using:

<table>
<thead>
<tr>
<th>Negotiated rule making:</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
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<tr>
<td>Pilot rule making:</td>
<td>New</td>
<td>Amended</td>
<td>Repealed</td>
</tr>
<tr>
<td>Other alternative rule making:</td>
<td>New</td>
<td>Amended</td>
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<tr>
<th>Date Adopted:</th>
<th>January 6, 2022</th>
<th>Signature:</th>
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<tbody>
<tr>
<td>Name: Wendy Barcus</td>
<td></td>
<td>Signature:</td>
</tr>
<tr>
<td>Title: HCA Rules Coordinator</td>
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<td>Signature:</td>
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</table>
WAC 182-550-4300 Hospitals and units exempt from the DRG payment method. (1) Except when otherwise specified, inpatient services provided by hospitals and units that are exempt from the diagnosis-related group (DRG) payment method are paid under the ratio of costs-to-charges (RCC) payment method described in WAC 182-550-3000, the per diem payment method described in WAC 182-550-3000, the per case rate payment method described in WAC 182-550-3000, or other payment methods identified in this chapter (e.g., long term acute care (LTAC), certified public expenditure (CPE), critical access hospital (CAH), etc.). Inpatient services provided by hospitals and units are exempt from the DRG payment method only if they qualify for payment methods specifically mentioned in other sections of this chapter or in this section.

(2) The agency exempts the following hospitals, units, and services from the DRG payment method for inpatient services provided to clients eligible for Washington apple health:
   (a) Hospitals participating in the agency's certified public expenditure (CPE) payment program (see WAC 182-550-4650);
   (b) Hospitals participating in the agency's critical access hospital program (see WAC 182-550-2598);
   (c) Rehabilitation services. All rehabilitation services are paid through the per diem payment method except as indicated in (a), (b), and (d) of this subsection (see WAC 182-550-3000);
   (d) Military hospitals when no other specific arrangements have been made with the agency. The agency, or the military hospital, may elect or arrange for one of the following payment methods in lieu of the RCC payment method:
      (i) Per diem payment method; or
      (ii) DRG payment method; and
   (e) Psychiatric services. All psychiatric services are paid through the per diem payment method except as indicated in (a), (b), and (d) of this subsection (see WAC 182-550-3000). An agency designee that arranges to directly pay a hospital and/or a designated distinct psychiatric unit of a hospital may use the agency's payment methods or contract with the hospital to pay using different methods.

(3) Inpatient psychiatric services, Involuntary Treatment Act services, and withdrawal management services provided in out-of-state hospitals are not covered or paid by the agency or the agency's designee. The agency does not cover or pay for other hospital services provided to clients eligible for those services in the following programs, when the services are provided in out-of-state hospitals that are not in designated bordering cities:
   (a) Medical care services; and
   (b) Other state-administered programs.

(4) The agency has established an average length of stay (ALOS) for each DRG classification and publishes it on the agency's website. The agency uses the DRG ALOS as a benchmark to authorize and pay inpatient hospital stays exempt from the DRG payment method. When an inpatient hospital stay exceeds the agency's DRG ALOS benchmark or prior authorized LOS:
   (a) For a psychiatric inpatient stay, the hospital must obtain approval for additional days beyond the prior authorized days from the agency or the agency's designee who prior authorized the admission. See WAC 182-550-2600;
(b) For an acute physical medicine and rehabilitation (PM&R) or a long term acute care (LTAC) stay, the hospital must obtain approval for additional days beyond the prior authorized days from the agency unit that prior authorized the admission. See WAC 182-550-2561 and 182-550-2590;

c) For an inpatient hospital stay for withdrawal management for a chemical using pregnant (CUP) client, see WAC 182-550-1100;

d) For other medical inpatient stays for withdrawal management, see WAC 182-550-1100 ((and subsection (5) of this section));

e) For an inpatient stay in a certified public expenditure (CPE) hospital, see WAC 182-550-4690; and

(f) For an inpatient hospital stay not identified in (a) through (e) of this subsection, the agency may perform retrospective utilization review to determine if the LOS was medically necessary and at the appropriate level of care.

((5) If subsection (4)(d) of this section applies to an eligible client, the agency will:

(a) Pay for three-day withdrawal management services for an acute alcoholic condition; or

(b) Pay for five-day withdrawal management services for acute drug addiction when the services are directly related to withdrawal management; and

(c) If WAC 182-550-1100 (5)(b) applies, extend the three- and five-day limitations when the following are true:

(i) The days are billed as covered;

(ii) A medical record is submitted with the claim;

(iii) The medical record clearly documents that the days are medically necessary; and

(iv) The level of care is appropriate according to WAC 182-550-2900.))