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 making a housekeeping change to correct WAC 182-550-4650. Subsection (6)(a) contains a cross-reference to WAC 182-550-3830(6), which needs to be changed to RCW 74.09.5225.

Citation of rules affected by this order:
- New:
- Repealed:
- Amended: 182-550-4650
- 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 22-05-047 on February 9, 2022 (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>Category</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal statute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal rules or standards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recently enacted state statutes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The number of sections adopted at the request of a nongovernmental entity:

<table>
<thead>
<tr>
<th>Type</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Type</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Type</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
</table>

The number of sections adopted using:

<table>
<thead>
<tr>
<th>Type</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negotiated rule making</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pilot rule making</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other alternative rule making</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Date Adopted:** April 20, 2022

**Name:** Wendy Barcus

**Title:** HCA Rules Coordinator

**Signature:**

[Signature]

Page 2 of 2
AMENDATORY SECTION  (Amending WSR 15-11-009, filed 5/7/15, effective 6/7/15)

WAC 182-550-4650  "Full cost" public hospital certified public expenditure (CPE) payment program. (1) The medicaid agency's "full cost" public hospital certified public expenditure (CPE) inpatient payment program provides payments to participating government-operated hospitals based on the "full cost" of covered medically necessary services and requires the expenditure of local funds in lieu of state funds to qualify for federal matching funds. The agency's inpatient payments to participating hospitals equal the federal matching amount for allowable costs. The agency uses the ratio of costs-to-charges (RCC) method described in WAC 182-550-4500 to determine "full cost."

(2) To be eligible for the "full cost" public hospital CPE payment program, the hospital must be:

(a) Operated by a public hospital district in the state of Washington, not certified by the department of health (DOH) as a critical access hospital, and has not chosen to opt-out of the CPE payment program as allowed in subsection (6) of this section;

(b) Harborview Medical Center; or

(c) University of Washington Medical Center.

(3) Payments made under the inpatient CPE payment program are limited to medically necessary services provided to medical assistance clients eligible for inpatient hospital services.

(4) Each hospital described in subsection (2) of this section is responsible to provide certified public expenditures as the required state match for claiming federal medicaid funds.

(5) The agency determines the initial payment for inpatient hospital services under the CPE payment program by:

(a) Multiplying the hospital's medicaid RCC by the covered charges (to determine allowable costs), then;

(b) Subtracting the client's responsibility and any third party liability (TPL) from the amount derived in (a) of this subsection, then;

(c) Multiplying the state's federal medical assistance percentage (FMAP) by the amount derived in (b) of this subsection.

(6) A hospital may opt-out of the inpatient CPE payment program if the hospital:

(a) Meets the criteria for the inpatient rate enhancement under (WAC 182-550-3830(6)) RCW 74.09.5225; or

(b) Is not eligible for public hospital disproportionate share hospital (PHDSH) payments under WAC 182-550-5400.

(7) To opt-out of the inpatient CPE payment program, the hospital must submit a written request to opt-out to the agency's chief financial officer by July 1st in order to be effective for January 1st of the following year.

(8) Hospitals participating in the inpatient CPE payment program must complete the applicable CPE medicaid cost reports as described in WAC 182-550-5410 for the inpatient fee-for-service cost settlements.