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**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 16-0023**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

## OS Notification

**State/Title/Plan Number:** Washington SPA 16-0023

**Type of Action:** Approval

**Effective Date of SPA:** July 1, 2016

**Required Date for State Notification:** November 15, 2016 (90th-day first clock)

**Fiscal Impact:** FY 2016 - \$0 FFP    FY 2017 - \$0 FFP

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment:** None

**Number of Potential Newly Eligible People:** None

or

**Eligibility Simplification:** No

**Provider Payment Increase or Decrease:** No

**Delivery System Innovation:** No

**Number of People Losing Medicaid Eligibility:** None

**Reduces Benefits:** No

**Detail:** This SPA closes the Psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) program effective July 1, 2016. The implementation of ACA on January 1, 2014 discontinued the need for this DSH pool since the individuals covered here became “newly eligible” for Medicaid.

**Other Considerations:** This SPA was vetted by the NIRT at their weekly meeting on October 18, 2016.

**Section 5006(e) Tribal Consultation:** The state fulfilled the requirements under section 5006(e) and their approved tribal solicitation SPA. An informational letter was distributed to interested tribal leaders and providers on June 2, 2016

**Regional Office:** Tom Couch - RO NIRT - (208) 861-9838

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

**NOV 01 2016**

MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
Post Office Box 42716  
Olympia, Washington 98504-2716

**RE: WA State Plan Amendment (SPA) Transmittal Number #16-0023 – Approval**

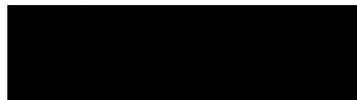
Dear Ms. Lindeblad:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-0023. This SPA eliminates the psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) program from the Medicaid State plan effective July 1, 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 16-0023 is approved effective as of July 1, 2016. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan page.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' RO NIRT Representative at 208-861-9838 or [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov).

Sincerely,



Kristin Fan  
Director

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>16-0023</b>	2. STATE Washington
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE July 1, 2016	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1905(a) of the Social Security Act	7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$0 b. FFY 2017 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 4.19-A Part 1 Page 51	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) 4.19-A Part 1 Page 51

10. SUBJECT OF AMENDMENT

Termination of Psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) Payment Program

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Exempt

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Ann Myers Office of Rules and Publications Legal and Administrative Services Health Care Authority 626 8 <sup>th</sup> Ave SE MS: 42716 Olympia, WA 98504-2716
13. TYPED NAME: MARYANNE LINDEBLAD	
14. TITLE: MEDICAID DIRECTOR	
15. DATE SUBMITTED: 8-17-16	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 8/17/16	18. DATE APPROVED: NOV 01 2016

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMCA

23. REMARKS:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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

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## H. DISPROPORTIONATE SHARE PAYMENTS (cont.)

## 2. Psychiatric Indigent Inpatient Disproportionate Share Hospital (PIIDSH) Payment

Effective January 1, 2014, the PII DSH program was repealed. This is because many of the individuals for whom the hospitals benefited under PII DSH Program are now considered "Newly Eligible" under the Affordable Care Act, which took effect January 1, 2014. Therefore the need for PII DSH no longer exists, and the program officially closed effective July 1, 2016.

Effective July 1, 2003 through December 31, 2013 hospitals were considered eligible for a PIIDSH payment if:

- a. The hospital was an in-state (Washington) hospital;
- b. The hospital provided emergency, voluntary inpatient services to low-income, Psychiatric Indigent Inpatient (PII) patients. PII persons were low-income individuals who were not eligible for any health care coverage and who were encountering a psychiatric condition; and
- c. The hospital qualified under Section 1923 (d) of the Social Security Act.

Hospitals qualifying for PIIDSH payments received a per claim payment for inpatient claims.

For all hospitals, except hospitals participating in the "full cost" payment program through certified public expenditures, the inpatient payments made were at a rate lower than the Medicaid rate and were based on published, non-Medicaid rates. The hospital claims were processed through the Provider One (MMIS) system where the PII clients were identified based upon their assigned Recipient Aid Category (RAC) code. If a hospital did not qualify for DSH payments, these claims were paid with State funds.

The total of each hospital's claims-based PIIDSH payments did not exceed its hospital-specific DSH cap. The hospital-specific DSH cap limit was defined as the uncompensated cost of furnishing inpatient and outpatient hospital services to Medicaid-eligible individuals and individuals with no insurance or any other creditable third-party coverage, in accordance with federal regulations.

For the excepted hospitals, the payment equaled "full cost" using the Medicaid RCCs to determine cost for the medically necessary care.

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