



# PROPOSED RULE MAKING

## CR-102 (June 2024) (Implements RCW 34.05.320) Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: March 06, 2025

TIME: 4:35 PM

WSR 25-07-009

Agency: Health Care Authority

Original Notice

Supplemental Notice to WSR \_\_\_\_\_

Continuance of WSR \_\_\_\_\_

Preproposal Statement of Inquiry was filed as WSR 25-03-082 ; or

Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW \_\_\_\_\_.

Title of rule and other identifying information: (describe subject) WAC 182-531-0850 Laboratory and pathology physician-related services reimbursement

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
April 22, 2025	10:00 AM	The Health Care Authority holds public hearings virtually without a physical meeting place	To attend the virtual public hearing, <a href="https://us02web.zoom.us/webinar/register/WN_1mfkt8yLSuaGbGRPeDM4w">you must register in advance:</a>  <a href="https://us02web.zoom.us/webinar/register/WN_1mfkt8yLSuaGbGRPeDM4w">https://us02web.zoom.us/webinar/register/WN_1mfkt8yLSuaGbGRPeDM4w</a>  If the link above opens with an error message, please try using a different browser. After registering, you will receive a confirmation email containing information about joining the public hearing

Date of intended adoption: Not sooner than April 23, 2025

(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](mailto:arc@hca.wa.gov)  
Fax 360-586-9727  
Other

Beginning (date and time) March 7, 2025, 8:00 AM

By (date and time) April 22, 2025, by 11:59 PM

Assistance for persons with disabilities:

Contact Johanna Larson  
Phone 360-725-1349  
Fax 360-586-9727  
TTY Telecommunication Relay Service (TRS): 711  
Email [Johanna.Larson@hca.wa.gov](mailto:Johanna.Larson@hca.wa.gov)  
Other

By (date) April 4, 2025

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The agency is revising this rule section to update language in subsection (3)(d) allowing the agency to adjust fees using market research as necessary to align with other reimbursement WACs and the Medicaid 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?  Yes  No
- Federal Court Decision?  Yes  No
- State Court Decision?  Yes  No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

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

**Type of proponent:**  Private.  Public.  Governmental.

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting	Valerie Freudenstein	PO Box 42716, Olympia, WA 98504-2716	360-725-1344
Implementation	Wendy Steffens	PO Box 42716, Olympia, WA 98504	360-725-5145
Enforcement	Wendy Steffens	PO Box 42716, Olympia, WA 98504	360-725-5145

**Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?**

Yes  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  
TTY  
Email  
Other

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 and Small Business Economic Impact Statement**

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

**(1) Identification of exemptions:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). 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:
- |   |  |
|---|--|
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(b)<br>(Internal government operations) | <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(e)<br>(Dictated by statute)   |
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(c)<br>(Incorporation by reference)     | <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(f)<br>(Set or adjust fees)  |
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(d)<br>(Correct or clarify language)    | <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(g)<br>((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 19.85.025\(4\)](#). (Does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of how the above exemption(s) applies to the proposed rule:

**(2) Scope of exemptions:** *Check one.*

- The rule proposal: Is fully exempt. (*Skip section 3.*) Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal: Is partially exempt. (*Complete section 3.*) The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal: Is not exempt. (*Complete section 3.*) No exemptions were identified above.

**(3) Small business economic impact statement:** *Complete this section if any portion is not exempt.*

If any portion of 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 minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. The revisions update language to align with Medicare's current terminology, adds the agency may change fees based on legislative direction, rather than the current language which states "if the legislature grants a vender rate increase or other increase." The rule also proposes to add "if appropriate, the agency may adjust fees using market research." These proposals do 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 the required small business economic impact 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:** March 6, 2025

**Name:** Wendy Barcus

**Title:** HCA Rules Coordinator

**Signature:**



**WAC 182-531-0850 Laboratory and pathology physician-related services reimbursement.** (1) The ~~((department))~~ agency pays for clinical diagnostic laboratory procedures based on the medicare clinical ~~((diagnostic))~~ laboratory fee schedule ~~((MCDLF))~~ (CLFS) ~~((for the state of Washington. The department)).~~ The agency obtains information used to update fee schedule regulations from ~~((Program Memorandum and Regional Medicare Letters as published by HCFA))~~ the CMS CLFS website.

(2) The ~~((department))~~ agency updates budget-neutral fees each July by:

(a) Determining the units of service and expenditures for a base period. Then,

(b) Determining in total the ratio of current ~~((department))~~ agency fees to existing medicare fees. Then,

(c) Determining new ~~((department))~~ agency fees by adjusting the new medicare fee by the ratio. Then,

(d) Multiplying the units of service by the new ~~((department))~~ agency fee to obtain total estimated expenditures. Then,

(e) Comparing the expenditures in ~~((subsection (14)))~~ (d) of this ~~((section))~~ subsection to the base period expenditures. Then,

(f) Adjusting the new ratio until estimated expenditures equals the base period amount.

(3) The ~~((department))~~ agency calculates maximum allowable fees (MAF) by:

(a) Calculating fees using methodology described in subsection (2) of this section for procedure codes that have an applicable ~~((medicare clinical diagnostic laboratory fee (MCDLF)))~~ CLFS.

(b) Establishing RSC fees for procedure codes that have no applicable ~~((MCDLF))~~ CLFS.

(c) Establishing maximum allowable fees, or "flat fees" for procedure codes that have no applicable ~~((MCDLF))~~ CLFS or RSC fees. ~~((The department updates flat fee reimbursement only when authorized by the legislature.))~~

(d) If appropriate, the agency may adjust fees using market research. The ~~((department))~~ agency reimbursement for clinical laboratory ~~((diagnostic))~~ procedures does not exceed the regional ~~((MCDLF schedule))~~ CLFS.

(4) The ~~((department increases))~~ agency may change fees ~~((if the legislature grants a vendor rate increase or other increase))~~ based on legislative direction. If the legislatively authorized ~~((increase))~~ change becomes effective at the same time as the ~~((department's))~~ agency's annual update, the ~~((department))~~ agency applies the ~~((increase))~~ change after calculating budget-neutral fees.