Table of Contents

State/Territory Name: Washington

State Plan Amendment (SPA) #: 15-0010

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, Washington 98104

Division of Medicaid & Children's Health Operations

6/12/15

Dorothy Frost Teeter, Director
MaryAnne Lindeblad, Medicaid Director
Health Care Authority
Post Office Box 45502
Olympia, Washington 98504-5010

RE: Washington State Plan Amendment (SPA) Transmittal Number 15-0010.

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number WA 15-0010. This SPA updated the language regarding the effective dates for the fee schedules for Physician/Professional and Dental services.

This SPA is approved with an effective date of January 8, 2015.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact James Moreth at (360) 943-0469 or James.Moreth@cms.hhs.gov.

Sincerely,

[redacted]

Digitally signed by David L. Meacham -S
DN: c=US, o=U.S. Government, ou=HHS
Date: 2015.06.12 07:00:02 -07'00'

David L. Meacham
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc:
Ann Myers, SPA Coordinator

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **15-0010**

2. STATE: Washington

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 8, 2015

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:
1905(a) of the Social Security Act; 42 USC 1396d

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 $0
b. FFY 2016 $0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 4.19-B pgs 6, 14
Supplement 3 to Att. 4.19-B pg 1 (new)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Att. 4.19-B pgs 6, 14

10. SUBJECT OF AMENDMENT

Physician and Dental Services Rates Effective Dates

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME:
MARYANNE LINDEBLAD

14. TITLE:
MEDICAID DIRECTOR

15. DATE SUBMITTED:
3-26-15

16. RETURN TO:
Ann Myers
Office of Rules and Publications
Legal and Administrative Services
Health Care Authority
626 8th Ave SE MS: 42716
Olympia, WA 98504-2716

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 3.26.15

18. DATE APPROVED:
6/12/15

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
01/08/15

20. SIGNATURE OF
[redacted]
Digitally signed by David L. Meacham -S
DN: c=US, ou=U.S. Government, ou=HHS
Date: 2015.06.12 07:00:41 -07'00'

21. TYPED NAME: David L. Meacham

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: WASHINGTON

POLICY AND METHODS USED IN ESTABLISHING PAYMENT RATES FOR EACH OF THE OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN (cont.)

. Physician Services

A. Maximum allowable fees are established and updated using the Resource Based Relative Value Scale (RBRVS) methodology as adopted in the Medicare Fee Schedule Data Base (MFSDB). In this methodology, under WAC 182-531-1850, the agency uses CMS-established relative value units (RVU) multiplied by both the Geographic Practice Cost Indices (GPCI) for Washington State (supplied by the Federal Register) and the conversion factors specific to Washington. The agency's conversion factor that is annually adjusted based on utilization and budget neutrality from year-to-year. For the current conversion factor, and further description, see Supplement 3 to Attachment 4.19-B.

B. When no MFSDB RVU exists, some of the codes are reimbursed using flat fee (based upon market value, other state's fees, budget impacts, etc.), acquisition cost (the cost of the actual item being billed), Medicare Laboratory Fee Schedule, ASP (106% of ASP), and/or an Average Wholesale Price (AWP) less a specified percentage. AWP is provided by national drug file databases.

Injectable and/or other drugs administered in the provider's office are paid at the rate published in the Medicare ASP files (106% of ASP) except when no ASP rate is available from Medicare. In these few cases, the drug is paid at the same estimated acquisition cost (EAC) as would be applied if the drug were dispensed through retail distribution channel and paid through Point-Of-Sale (POS) system. In most cases this would be AWP-16. If the POS would pay less than AWP-16 for the product and there are no availability or access issues, we would pay the lesser of the alternative payment amounts on the drug file (EAC, MAC, FUL).

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of physician services.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: WASHINGTON

POLICY AND METHODS USED IN ESTABLISHING PAYMENT RATES FOR EACH OF THE OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN (cont.)

VI. Dental Services and Dentures

A. The Medicaid agency pays directly to the specific provider the lesser of the usual and customary charge or a fee based on an agency fee schedule, for dental services provided within their specific scope of practice by dentists, dental hygienists, and denturists throughout the state. There are no geographical or other variations in the fee schedule.

B. The usual and customary charge is defined as that fee usually charged for a given service by an individual dentist, dental hygienist, or denturist to private patients (e.g., that provider's usual fee) and which fee is within the range of usual fees charged by dentists, dental hygienists, or denturists of similar training and experience.

C. Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of dental services and dental hygiene. The fee schedule is published on the agency's website at http://www.hca.wa.gov/medicaid/rbrvs/Pages/index.aspx. The agency's fee schedule rate was set as of January 1, 2015, and is effective for services provided on or after that date.

VI.(a) Dentures

A. The Medicaid agency pays directly to the specific provider the lesser of the usual and customary charge or a fee based on an agency fee schedule for dentures. There are no geographical or other variations in the fee schedule.

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of dentures. The fee schedule is published on the agency's website at http://www.hca.wa.gov/medicaid/rbrvs/Pages/index.aspx. The agency's fee schedule rate was set as of January 1, 2015, and is effective for services provided on or after that date.

Back to TOC

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: WASHINGTON

Conversion Factors

Maximum allowable fees are established and updated using the Resource Based Relative Value Scale (RBRVS) methodology as adopted in the Medicare Fee Schedule Data Base (MFSDB). The MFSDB relative value units (RVU) are established by CMS, and have three components: work, practice expense, and malpractice. These RVUs are geographically adjusted (multiplied) each year by the statewide average geographic practice cost indices (GPCI) for Washington State, as published annually in the Federal Register. The adjusted RVUs are then multiplied by a service-specific conversion factor to derive a fee for each procedure.

Washington calculates the conversion factor through modeling. Modeling is the process of projecting fees into the coming year by using the previous full fiscal year's utilization data. The agency establishes budget neutrality each year when determining its conversion factors. If there is a mandate by the legislature, the conversion factor will then increase or decrease based on that mandate.

The agency has unique conversion factors for: adult primary health care, including E&M office visits; anesthesia services; children's primary health care services, including office visits and EPSDT screens; laboratory services; maternity services, including antepartum care, deliveries, and postpartum care; and all other services (e.g., radiological services, surgical services, consultations, etc.).

The programs listed in Attachment 4.19-B may fall into one or more categories of the conversion factors listed below, depending on the covered codes for that particular program. Each conversion factor category follows the corresponding sections of the CPT and HCPCS code books.

Conversion factors as of July 1, 2014:

Adult primary health: 19.17
Anesthesia services: 21.2
Children's primary health: 28.90
Laboratory services: 0.802
Maternity services: 35.29
All other services: 21.03