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## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 15-0026**

This file contains the following documents in the order listed:

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

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



Division of Medicaid & Children's Health Operations

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February 01, 2016

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

**RE: Washington State Plan Amendment (SPA) Transmittal Number 15-0026**

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed our review of State Plan Amendment (SPA) Transmittal Number WA 15-0026. This SPA clarified Rural Health Clinic (RHC) encounter limitations and exceptions, clarified the provision of "other ambulatory services," and identified provider types and qualifications of who may provide RHC services.

This SPA is approved with an effective date of October 1, 2015.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Rick Dawson at [rick.dawson@cms.hhs.gov](mailto:rick.dawson@cms.hhs.gov) or (206)-615-2387.

Sincerely,

A black rectangular box redacting the signature of David L. Meacham.

Digitally signed by David L. Meacham -S  
DN: c=US, o=U.S. Government, ou=HHS,  
ou=CMS, ou=People,  
0.9.2342.19200300.100.1.1=2000041858  
, cn=David L. Meacham -S  
Date: 2016.02.02 06:48:05 -08'00'

David L. Meacham  
Associate Regional Administrator

cc:  
Ann Myers, SPA Coordinator

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

1. TRANSMITTAL NUMBER:  
**15-0026**

2. STATE  
Washington

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

4. PROPOSED EFFECTIVE DATE  
October 1, 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:  
1902(a) of the Social Security Act; 42 CFR part 491 (P&I)  
1905(a)(2)(C) 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:

Att. 3.1-A pages 11a (new)

Att. 3.1-B pages 12a (new)

Att. 4.19-B page 5

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

Att. 4.19-B page 5

10. SUBJECT OF AMENDMENT

RHC Services and Providers

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:

13. TYPED NAME:

MARYANNE LINDEBLAD

14. TITLE:

MEDICAID DIRECTOR

15. DATE SUBMITTED: 11/10/15

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

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 11/10/15

18. DATE APPROVED: 02/01/16

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/15

20. SIGN

Digitally signed by David L. Meacham -S  
DN: c=US, o=U.S. Government, ou=HHS,  
ou=OFFICIAL,  
0.9.2342.19200300.100.1.1=2000041858,  
cn=David L. Meacham -S  
Date: 2016.02.02 06:48:56 -08'00'

21. TYPED NAME: David L. Meacham

22. TITLE: Associate Regional Administrator

23. REMARKS:

P&I changes authorized by the state on 01/07/16.

Box 6 should read "1905(a)(2)(C) of the Social Security Act. (Unable to strikethrough existing language.)

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

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL  
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

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2.b. Rural Health Clinic (RHC) services and other ambulatory services that are covered under the plan and furnished by an RHC.

I. Rural Health Clinics (RHC)

A rural health clinic (RHC) is:

- A provider-based or freestanding facility certified by the secretary under Code of Federal Regulations (CFR), title 42, part 491.
- Located in a rural area designated as a shortage area as defined by the U.S. Census Bureau.

An RHC may be a permanent or mobile unit.

II. Covered services

Covered services in accordance with 1905(a)(2)(B).

III. Other ambulatory services

In addition to all Medicaid-covered core services, RHCs will furnish other ambulatory services included in the state plan.

IV. Core Service Providers

RHC services include services provided by physicians, nurse practitioners, physician assistants, nurse midwives, clinical psychologists, clinical social workers and other ambulatory services included in the state plan. RHC services also include services and supplies that are furnished incidental to professional services furnished by a physician, physician assistant, nurse practitioner, or nurse midwife, and, for visiting nurse care, related medical supplies other than drugs and biologicals.

V. Additional providers

Providers who meet the qualifications in 3.1-A, 5a "Physicians' Services" and 6d "Other Practitioners' Services" may provide services in an RHC.

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

State WASHINGTONAMOUNT, DURATION, AND SCOPE OF CARE AND SERVICES PROVIDED TO THE  
MEDICALLY NEEDY GROUP(S): ALL

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2.b. Rural Health Clinic (RHC) services and other ambulatory services that are covered under the plan and furnished by an RHC.

## I. Rural Health Clinic (RHC)

A rural health clinic (RHC) is:

- A provider-based or freestanding facility certified by the secretary under Code of Federal Regulations (CFR), title 42, part 491.
- Located in a rural area designated as a shortage area as defined by the U.S. Census Bureau.

An RHC may be a permanent or mobile unit.

## II. Covered services

Covered services in accordance with 1905(a)(2)(B).

## III. Other ambulatory services

In addition to all Medicaid-covered core services, RHCs will furnish other ambulatory services included in the state plan.

## IV. Core service providers

RHC services include services provided by physicians, nurse practitioners, physician assistants, nurse midwives, clinical psychologists, clinical social workers and other ambulatory services included in the state plan. RHC services also include services and supplies that are furnished incidental to professional services furnished by a physician, physician assistant, nurse practitioner, or nurse midwife, and, for visiting nurse care, related medical supplies other than drugs and biologicals.

## V. Additional providers

Providers who meet the qualifications in 3.1-A, 5a "Physicians' Services" and 6d "Other Practitioners' Services" may provide services in an RHC.

## 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.)

## II. Clinic Services (cont.)

For clients enrolled with a managed care contractor, and effective April 1, 2014, the State anticipates that the managed care contractor will pay each clinic an encounter rate that is at least equal to the PPS rate specific to each clinic.

To ensure that the appropriate amounts are being paid to each clinic, the State will perform an analysis of the managed care contractor's data at least quarterly and verify that the payments made by the managed care contractor in the previous quarter were in compliance with Section 1902(bb)(5)(A) of the SSA. This process will apply to clinics reimbursed under the APM rate methodology and to clinics reimbursed under the PPS rate methodology.

At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment of the obligated funds.

Covered services for Medicaid-Medicare patients are reimbursed as detailed in Supplement 1 to Attachment 4.19 (B), pages 1, 2, and 3.

Encounters are limited to one per client per day, except when:

- The client needs to be seen by different practitioners with different specialties; or
- The client needs to be seen multiple times on the same day due to unrelated diagnoses.

## D. Non-hospital-owned Freestanding Ambulatory Surgery Centers

Freestanding ambulatory surgery centers (ASCs) are reimbursed in a manner similar to Medicare's ASC reimbursement model in effect prior to January 1, 2008. All ASC procedure codes are fit into one of nine payment groups, with each group having its own payment rate. New procedure codes are associated with the appropriate payment group based on their weights, which are set by CMS under its payment methodology in effect from January 1, 2008, forward. Any new procedure code is put into the payment group containing weights with which it is most similar. The agency pays for the first billed procedure code at 100%, the second at 50% and the third and subsequent procedure codes at zero.

Implantable devices are paid separately. For devices, the ASC bills the agency the amount the facility paid for the device, based on a manufacturer's invoice. The agency pays the invoiced amount.

Except as otherwise noted in the plan, fee schedule rates are the same for both governmental and private providers of these services. The agency's rates were set as of August 1, 2015, and are effective for dates of services on and after that date. See 4.19-B I, General, #G for the agency's website where the fee schedules are published.