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**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 18-0018**

This file contains the following documents in the order listed:

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

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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July 25, 2018

Susan Birch, Director  
MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
PO Box 45502  
Olympia, WA 98504-5010

**RE: Washington State Plan Amendment (SPA) Transmittal Number 18-0018.**

Dear Ms. Birch and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 18-0018. This amendment identified the threshold dollar amount the Health Care Authority (HCA) uses to pursue recovery of medical services claims that were paid by Medicaid when a commercial insurance had primary responsibility for payment.

This SPA is approved with an effective date of June 1, 2018.

If there are additional questions please contact me, or your staff may contact James Moreth at [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov) or (360) 943-0469.

Sincerely,

A large black rectangular redaction box covering the signature of the Associate Regional Administrator.

Associate Regional Administrator

cc:  
Ann Myers, SPA Coordinator

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

1. TRANSMITTAL NUMBER:  
**18-0018**

2. STATE  
Washington

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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  
June 1, 2018

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 2018 \$ 0  
b. FFY 2019 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.22-B page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)  
Attachment 4.22-B page 1

10. SUBJECT OF AMENDMENT

Third Party Liability Recovery Thresholds (P&I)

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:

13. TYPED NAME:  
MARYANNE LINDEBLAD

14. TITLE:  
MEDICAID DIRECTOR

15. DATE SUBMITTED:  
6-25-18

16. RETURN TO:  
Ann Myers  
Office of Rules and Publications  
Division of Legal 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: 6/25/18

18. DATE APPROVED: 7/25/18

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/18

20. SIGNAT Digitally signed by David L. Meacham-5  
DN: cn=David L. Meacham, o=HHS

21. TYPED NAME: David L. Meacham

22. TITLE: Associate Regional Administrator

23. REMARKS:

7.10.18-State authorized a P&I change to block #10

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

State WASHINGTON**Requirement for Third Party Liability – Payment of Claims**

1. The method to determine compliance with requirements of Section 433.139(b)(3)(ii)(c) is as follows: The State Plan as referenced herein requires providers to bill third parties. In a case where medical support is being enforced by the state Title IV-D Agency, the provider will be required to submit written documentation that he has billed the third party and has not received payment from the third party. It must be at least 30 days from the date of service before the state will pay.

The same method is used to meet the requirements contained in Section 433.139(b)(3)(i).

State laws are in effect that require third parties to comply with the provisions of 1902(a)(25)(I) of the Social Security Act, including those which require third parties to provide the state with coverage, eligibility, and claims data.

2. Claims for medical services, unless identified under existing state regulations regarding recovery of Agency-paid claims from clients' primary insurance carriers, are cost-avoided when a third party liability (TPL) policy exists within the MMIS (the state's Medicaid payment system known as ProviderOne) that matches the benefit coverage-type and service date. Claims paid by the Agency prior to the TPL policy being entered into the MMIS are pursued for recovery through an invoice submitted to the primary insurance carrier. The cost-effectiveness threshold to pursue recovery on a health insurance claim is monitored by the MMIS and invoices claims to the primary carrier if the total claim paid amount is \$15.00 or more.

Generally, casualty insurance claims are pursued for recovery. Paid claims related to an accident/Injury on a Medicaid client are manually reviewed. The cumulative paid amount on the claim(s) must exceed \$50.00 to open a casualty case file on the injured client. Additionally, MMIS automatically reviews the paid amount on an accident- or injury-related claim and initiates a Treatment Questionnaire (TQ) letter to the client if the total claim payment is \$110.00 or more.

3. The state Medicaid Agency will seek recovery from the third party within 60 days after the end of the month in which payment was made. This does not apply to exceptions for Good Cause or Confidential Services cases. Good Cause and Confidential Services cases include Title IV-D domestic violence cases and certain clients with STD/HIV, pregnancy, or abortion-related services/diagnosis. The Agency will also seek recovery within 60 days of the date the Agency learns of the existence of a third party or when benefits become available.
4. When the Agency has determined a sum certain receivable amount has been validated and the third party fails to make payment, after 90 days the Agency refers the case to the Department of Social and Health Services' Office of Financial Recovery for formal collection activities. These include skip tracing, payment demands, negotiating debts and repayment agreements, and enforcement action, including legal action. "Sum certain receivable" is when a liable third party (regardless of the third party resource type) and predetermined settlement or recovery has been validated through either court settlement or explanation of benefits (EOBs) and remittance advices (RAs).

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