

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355 (300)
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

May 31, 2024

Susan Birch, Director
Dr. Charissa Fotinos, State Medicaid Director
Health Care Authority
Post Office Box 45502
Olympia, WA 98504-5010

Re: Washington State Plan Amendment (SPA) – 24-0005

Dear Director Birch and Dr. Fotinos:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0005. This amendment will add one (1) encounter eligible visit per IHS-eligible Medicaid beneficiary per day to the currently allowed five (5) encounters per day.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act. This letter informs you that Washington State Plan Amendment (SPA) – 24-0005 was approved on May 31, 2024, with an effective date of June 8, 2024.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Washington State Plan.

If you have any questions, please contact Edwin Walaszek at (212)-616-2512 or via email at edwin.walaszek1@cms.hhs.gov.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Ann Myers, Section Manager & State Plan Coordinator, Health Care Authority

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER _____	2. STATE _____
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT
XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
----- June 8, 2024

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY _____ \$ 17,751,247 \$13,052,058
b. FFY _____ \$ 41,174,272

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

-----0009

9. SUBJECT OF AMENDMENT

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL
Chamie Foltz MD, MSc
12. TYPED NAME
13. TITLE
14. DATE SUBMITTED

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED
March 21, 2024

17. DATE APPROVED
May 31, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
June 8, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

REMARKS

4/9/24: A Pen & Ink change was authorized by the state as follows for box 6:
a. FFY 2024 \$17,751,247
b. FFY 2025 \$41,174,272
4/17/24: A Pen & Ink change was authorized by the state as follows for box 4:
a. Change the effective date to June 8, 2024
5/8/24: A pen and ink change was authorized by the state for box 6 2024 = \$13,052,058
5/21/24: A pen and ink change was authorized by the state for box 8: The state approves a P&I change to box 8 of the CMS-179 to correct the TN# from 19-0002 to 19-0009.

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.

XXII. TRIBAL OUTPATIENT SERVICES

A. TRIBAL CLINIC

Outpatient clinic services provided by or through facilities of the Indian Health Service (IHS) which includes, at the option of the tribe, facilities operated by a tribe or tribal organization and funded by Title I or V of the Indian Self Determination and Education Assistance Act (also known as Tribal 638 facilities), are paid at the applicable all-inclusive rate published in the Federal Register or Federal Register Notices by IHS.

The applicable published outpatient per visit rate (also known as the outpatient all-inclusive rate or encounter rate) is paid for up to five (5) outpatient visits per Medicaid beneficiary per calendar day for professional services. In addition to the five (5) visits, the encounter rate is paid for one (1) visit per beneficiary per calendar day for pharmaceutical/drugs dispensed by IHS or Tribal pharmacies. (See Supplement A to Attachment 4.19-B). An outpatient visit is "A face-to-face or telemedicine contact between any health care professional authorized to provide services under the State Plan and a Medicaid beneficiary for the provision of Title XIX defined services, as documented in the patient's record."

Included in the outpatient per visit rate are laboratory and x-ray services provided on-site and medical supplies incidental to the services provided to the patient.

B. TRIBAL FQHC - ALTERNATIVE PAYMENT METHODOLOGY

Tribal facilities operating in accordance with section 1905(l)(2)(B) of the Social Security Act and the Indian Self-Determination and Education Assistance Act (Public Law 93-638) and that enroll in Washington Medicaid as a Tribal Federally Qualified Health Center (Tribal FQHC) have agreed through tribal consultation to be paid using an alternative payment methodology (APM) that is the published outpatient all-inclusive rate. The agency allows reimbursement for the same outpatient services and the same number of encounters per day that Tribal 638 facilities provide under this State Plan.

The agency establishes a Prospective Payment System (PPS) methodology for the Tribal FQHCs so that the agency can determine on an annual basis that the published, all-inclusive rate is higher than the PPS rate. The PPS rate is established by reference to the PPS rate that is currently paid to non-tribal FQHCs. Tribal FQHCs are not required to report their costs for the purposes of establishing a PPS rate.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: WASHINGTON

REIMBURSEMENT FOR PHARMACY SERVICES

I. General Information

1. Prescription drug reimbursement through Point-of-Sale (POS) is based on:
 - a. The standard 11-digit National Drug Code (NDC) (5-4-2 format); and
 - b. The quantity filled.
2. Total reimbursement for a covered outpatient drug does not exceed the lesser of actual acquisition cost (AAC), plus a professional dispensing fee or the provider's usual and customary charge. The AAC is calculated as the lowest of:
 - a. National Average Drug Acquisition Cost (NADAC);
 - b. Maximum allowable cost (MAC);
 - c. Federal Upper Limit (FUL); or
 - d. The provider's usual and customary (U&C) charge to the non-Medicaid population.
 - e. The provider's submitted ingredient cost.

Where NADAC does not exist, Wholesale Acquisition Cost (WAC) is used as the basis for the reimbursement.

3. The Agency reimburses specialty drugs in accordance with the methodology listed in Section 2 above.
4. The Agency reimburses nominally priced drugs at the provider's actual acquisition cost (AAC), plus a professional dispensing fee.
5. The Agency reimburses 340B providers at actual acquisition cost when the billing provider is a federally qualified PHS-entity billing with an NPI or NABP number listed on the Office of Pharmacy Affairs national Medicaid exclusion file. This includes 340B discounted drugs dispensed by Tribal pharmacies.
6. The Agency does not cover 340B discounted drugs dispensed by contract pharmacies.
7. The Agency does not cover investigational drugs. Investigational drugs are not a covered service under Washington's Medicaid pharmacy program.
8. The Agency reimburses drugs purchased through the Federal Supply Schedule (FSS) at the provider's actual acquisition cost, plus a professional dispensing fee.
9. For encounter-eligible claims, the Agency reimburses drugs dispensed by IHS or Tribal pharmacies which includes, at the option of the tribe, facilities operated by a tribe or tribal organization and funded by Title I or V of the Indian Self Determination and Education Assistance Act, to an IHS-eligible Medicaid beneficiary at the outpatient per visit encounter rate published in the Federal Register, plus a professional dispensing fee. If the drug cost exceeds the encounter rate, the encounter rate is not paid and payment is made in accordance with section 2 above. Payment is limited to one encounter per client per day.