



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Aging and Long Term-Support Administration  
Management Services Division  
PO Box 45600, Olympia, WA 98504-5600

July 13, 2017

**AL TSA: NH Rates #2017-002**  
**RE: JULY 2017 MEDICAID RATES FOR NURSING**  
**HOMES AND 2016 EXAMINATION ADJUSTMENTS**

Dear Nursing Facility Administrator:

The July 1, 2017 Medicaid payment rate for your facility is enclosed.

Two bills were passed by the Legislature this year that nursing facilities should be aware of. SB5715 amends RCW 74.46.485, which changes which RUG groups may have their Medicaid rates reduced. Previously, RUGs PA1-PE2 could be reduced. Now, PA1-PB2 excluding behaviors and hard to place residents may have their Medicaid rates reduced. The Department may also adjust BA-BB2 RUGs upwards. At this time, the Department has been appropriated money to fund this adjustment at 120%. Additionally, RCW 74.46.561 is amended so a provider's direct care rate is capped at 118% of their base year direct care unless the provider is below the minimum staffing standard.

The second bill you should be aware of is HB1548, which establishes a framework for creating behavioral health training curricula in RCW 74.39A. The Department will establish criteria for the approval of curricula for specialized behavioral health training.

The July 1, 2017 Medicaid payment rate is subject to administrative review in accordance with WAC 388-96-901 and 388-96-904. To appeal this rate, you must submit a request in writing within twenty-eight (28) calendar days after receiving this notice of the rate.

The desk examination summary and Reason Codes for the 2016 Medicaid cost report are also enclosed and subject to administrative review in accordance with WAC 388-96-901 and 388-96-904. To appeal these adjustments, you must submit a request in writing within twenty-eight (28) calendar days after receiving this notice of the adjustments.

The Department calculated your facility's July 1, 2017 adjusted rate using your facility's Medicaid Average Case Mix Index (with defaults) from the 1 Semiannual 2017 Final Case Mix RUG Report (10/1/2016 through 3/31/2017) MDS 3.0 RUG IV Grouper 57.

If you wish to request an administrative review conference in relation to your July 1, 2017 rate or any subsequent adjusted rate, please keep in mind WAC 388-96-904, the regulation that controls such requests. The regulation provides in part:

- (1)...The contractor's request for administrative review shall:
  - (a) Be signed by the contractor or by a partner, officer, or authorized employee of the contractor;
  - (b) State the particular issues raised; and
  - (c) Include all necessary supporting documentation or other information.
  
- (2) After receiving a request for administrative review conference that meets the criteria in subsection (1) of this section, the Department shall schedule an administrative review conference. The conference may be conducted by telephone.
  
- (3) At least fourteen calendar days prior to the scheduled date of the administrative review conference, the contractor must supply any additional or supporting documentation or information upon which the contractor intends to rely in presenting its case. In addition, the Department may request at any time prior to issuing a determination any documentation or information needed to decide the issues raised, and the contractor must comply with such a request within fourteen calendar days after it is received... The Department shall dismiss issues that cannot be decided or resolved due to a contractor's failure to provide requested documentation or information within the required period.  
(emphasis added)

The Department will enforce this regulation in responding to requests for administrative review. Requests that are not properly signed, that do not state the issues with particularity, or that are not supported by the required documentation or information, will be denied or dismissed. Mail your appeal to the Office of Rates Management at: P.O. Box 45600, Olympia, WA 98504-5600. Do not mail your appeal to our physical address. Ground carriers such as UPS and FedEx can deliver to the physical address of Blake West 4450 10<sup>th</sup> Ave SE, Lacey, WA 98503, but the Post Office will not.

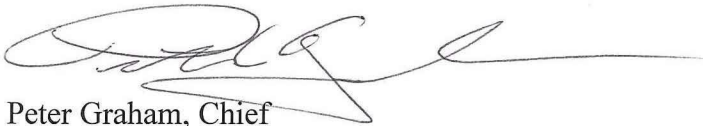
If proof of the date of receipt of the Department's rate notification letter exists, then that date shall be used to determine the timeliness of your request for an administrative review conference. If there is no proof of the date of receipt of the Department's rate notification letter, then you will be deemed to have received notice by July 19, 2017 in accordance with WAC 388-96-904 (1).

Please note that the foregoing description is given as a courtesy only. It is not intended as a complete description of the provisions of the operating budget and the other legislation, and you may not rely on it. You may find the laws, their legislative history, and their legislative reports at the Legislature's website, and I encourage you to review them. Each facility and contractor is responsible for understanding all relevant laws.

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If you have questions about your rate, please contact your analyst. The facility/analyst list is available on our website at <https://www.dshs.wa.gov/altsa/management-services-division/nursing-facility-cost-reports>. Also at that website are the calculations for the 2014 Direct Care and Indirect Care industry medians, Quality Enhancement July 1, 2017, and Hold Harmless July 1, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Graham", with a long horizontal flourish extending to the right.

Peter Graham, Chief  
Office of Rates Management

tah/ep

Enclosures  
cc: Interested Parties