

# **Personal Care Services**

## PCS Payment Methodology Chronology

1/30/07

CMS approval of SPA 06-012, PCS rate methodology, effective 6/28/06. Included requirement from CMS that required the State to put the effective date of current rates in the SPA and update the effective date each time rates are updated.

Richards to Arnold-Williams letter (1)

4/14/08

SPA 08-009 submitted to CMS, updating the effective date of personal care rates as required in SPA 06-012.

No attachment

11/19/08

CMS informed the State during a conference call that CMS had issues with the payment methodology. CMS suggested that the State withdraw SPA 08-009 and send CMS a paper outlining how the payment methodology is efficient and cost effective for the Medicaid program.

No attachment

1/27/09

The State sent a PCS rate methodology briefing paper to CMS.

*Paying for Health Insurance and Training in the Personal Care Rate Washington State's Methodology* (2)

4/24/09

SPA 08-009 revised to include a 7/1/11 sunset date of the PCS methodology.

Marshburn to Richards letter (3)

8/4/09

CMS approval of SPA 08-009

CMS Transmittal and Notice of Approval (4)

4/27/11

WA request to CMS to extend the PCS payment methodology Sunset for 12 months to June 30, 2012

Lindeblad to Peverly letter (5)

5/25/11

CMS will not approve a 12 month extension, work with state on 6 month extension to 12/31/11 (Submit SPA by 9/30/11)

Peverly to Dreyfus letter (6)

5/26/11

No 12 month extension- will work with you to resolve by 6/12

Peverly to Lindeblad email (7)

6/26/11

WA Requested guidance from CMS- Should new 12/31/11 PCS sunset date be added to SPA 11-008? This routine SPA had already been submitted to CMS to change the effective date of the fee schedule.

Myers to Jones email (8)

6/27/11

CMS agree to incorporation of the new 12/31/11 PCS sunset date into SPA 11-008.

Jones to Myers email (9)

7/12/11

WA responded to 5/25/11 letter from CMS. Requested that CMS reconsider its position. Informed CMS that WA would Submit SPA asking for extension

Lindeblad to Peverly letter (10)

8/24/11

Okay for state to extend the PCS sunset to 12/31/11

Fosbre Meeting Notes (11)

9/21/11

Second response to 5/25/11 letter from Peverly with WA's plan to express payment in a single rate and with the revised 11-08 SPA

Lindeblad to Peverly letter (12)

9/22/11

CMS recommends that WA submit a new SPA rather than revise SPA 11-008 to avoid delaying approval of SPA 11-008.

Peverly to Paradee email (13)

9/26/11

WA to CMS- State will submit the PCS methodology in a separate amendment- must do tribal and public notice. WA will submit new SPA 11-033 by 12/9/11. Does CMS foresee any problems with this plan?

Myers to Peverly email (14)

9/27/11

CMS requests conference call with State

Jones to Myers email (15)

10/18/11

Conference call with CMS- based on CMS guidance WA will withdraw SPA 11-033 and use SPA 11-031 to address the PCS rate methodology. SPA 11-031 had already been submitted to CMS to enact a 7% rate increase for personal care. It would now be amended to also include the new PCS rate methodology language agreed to with CMS.

Fosbre to Myers email (16)

Fosbre Meeting Notes (16a)

10/18/11

Submitted revised SPA 11-031 to CMS that included the new PCS rate methodology

Myers to CMS email (17)

12/16/11

CMS approval of SPA 11-031. PCS rate methodology is expressed as, *"The rate for personal care services provided by individual providers consists of provider wages and benefits. Benefits include health insurance, training, and industrial insurance"*.

Peverly to Porter letter (18)

1/16/14

42 CFR §447.10(g)(4) added flexibilities to the prohibition against reassignment of provider claims for classes of practitioners for which Medicaid is the primary source of service revenue. For these providers payments may be made to a third party on behalf of the individual for health insurance, skills training and other benefits customary for employees.

7/1/15

CMS approval of SPA 15-0002. PCS rate methodology for 1915(k) personal care services is expressed as, *"The rate for personal care services provided by individual providers consists of provider wages and benefits. Benefits include health insurance, training, and industrial insurance"*.

Meacham to Teeter letter (19)

7/11/17

CMS approval of SPA 17-0021. PCS rate methodology for optional state plan personal care is expressed as, *"The rate for personal care services provided by individual providers consists of wages, industrial insurance, paid time off, mileage reimbursement, comprehensive medical, training, seniority pay, training based differentials, and other such benefits needed to ensure a stable, high performing workforce."*

Meacham to Lindeblad letter (20)

7/11/17

CMS approval of SPA 17-0022. PCS rate methodology for 1915(k) personal care is expressed as, *"The rate for personal care services provided by individual providers consists of wages, industrial insurance, paid time off, mileage reimbursement, comprehensive medical, training, seniority pay, training based differentials, and other such benefits needed to ensure a stable, high performing workforce."*

Meacham to Lindeblad letter (21)



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

NOV 30 2007

Robin Arnold-Williams, Secretary  
Department of Social and Health Services  
Post Office Box 45010  
Olympia, Washington 98504-5010

Dear Ms. Arnold-Williams:

The Department of Social and Health Services submitted Washington Title XIX State Plan Transmittal 06-012 to the Centers for Medicare & Medicaid Services for review and approval. This amendment made the following changes in the State Medicaid Plan: (1) clarified that home health agencies are not required to be Medicare-certified when providing personal care services; (2) deleted licensed foster care homes as providers of personal care services effective January 1, 2008; (3) replaced the State's in-home authority with the Governor's Office as the entity that negotiates with the union representing individual providers; and (4) delineated the components and methodology for personal care rates. The changes occurred on Pages 31 and 32 of Section 4.19 B.

CMS has completed its review of the transmittal along with the additional information submittals. The amendment is approved effective June 1, 2006, as requested.

If you have additional questions or require further assistance, please contact Lydia Skeen at (206) 615-2339 or [Lydia.Skeen@cms.hhs.gov](mailto:Lydia.Skeen@cms.hhs.gov).

Sincerely,

Barbara K. Richards,  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc:  
Kathy Leitch, Assistant Secretary  
Doug Porter, Assistant Secretary  
Bea Rector, Office Chief Home and Community Programs  
Chris Imhoff, Medicaid Unit Manager

## **Paying for Health Insurance and Training in the Personal Care Rate Washington State's Methodology**

Washington State is required to offer health benefits and training to eligible personal care workers based upon the following laws and bargaining agreements:

- RCW 74.39A.310.
- Chapter 329 Laws of 2008, Section 206
- 2009-2011 Collective Bargaining Agreement between The State of Washington and Service Employees International Union
- Initiative 1029 (contingent on funding)
- Existing Training Statute and administrative code RCW 74.39A and WAC 388-71

### **Agency Providers of Personal Care**

Pending legislative approval of the collective bargaining agreement with SEIU, on July 1, 2009, reimbursement for health insurance and training will be added to the hourly vendor rate for licensed home care agencies in accordance with RCW 74.39A.310.

### **Individual Providers of Personal Care**

The cost of providing personal care by individual providers (IP) includes an hourly rate based on lifetime hours of service plus benefits including health insurance and training. Reimbursement for health insurance and training is paid by the State in its role as fiscal intermediary on behalf of the IP based upon each hour of work provided to a Medicaid beneficiary. To assure efficiency and cost effectiveness and accessibility to health insurance and training, the state reimburses health care and training costs on a per hour basis directly to the health insurance and training purchaser. All payments can be tied to services provided to Medicaid recipients. It is not practical to pay the cost of health insurance and training directly to the IP for several reasons.

### **Putting training and health insurance in the hourly rate paid to IPs would cost more than the current methodology without additional benefit to the Medicaid program.**

IPs receive a standard hourly rate for each hour provided to a Medicaid recipient based upon life-time hours of work. The cost of health insurance and training classes is a standard monthly premium or cost per class. If funding for health insurance and training were added to the hourly rate it would either a) need to be high enough to always cover the cost regardless of how the paid number of hours changed each month; or b) the rate would have to vary based upon the number of hours the IP provided to Medicaid recipients in the month the health insurance or training cost was incurred. Neither option is as efficient or cost effective as paying the costs on behalf of the IP directly to the health insurance and training provider.

The health insurance premium for eligible IPs is up to \$585.21 per month. The number of hours authorized to Medicaid beneficiaries is based upon need and ranges from as few as 10 hours to as many as 433 per month. To add the funding necessary for IPs to pay for health insurance out of their hourly wage would mean an individual determination of

hourly rate for every IP based upon the number of hours worked in a given month. The same would be true to purchase training.

For example: For the average Medicaid beneficiary receiving 110 hours per month an additional \$4.54 would need to be added to the hourly wage to provide adequate funding for the IP to purchase the insurance directly. For Medicaid beneficiaries receiving 250 hours per month only \$2.00 would need to be added and for Medicaid beneficiaries receiving 90 hours per month \$5.56 would need to be added. From an efficiency and cost-effectiveness standpoint, it makes sense to add a single hourly rate to pay for health insurance and training to every hour of service provided to a Medicaid beneficiary and to have the state pay the hourly rate directly to the purchaser of health insurance and training.

**The current methodology assures that payment for the insurance and training portion of the cost is tied to services to Medicaid recipients.** Home care workers are paid monthly for their hours worked which may include time spent in training, less their health insurance co-pay. The health insurance is paid directly to the insurance carrier and the tuition is paid directly to the training entity on the home care worker's behalf. This is our most effective way of ensuring that the health insurance portion of the rate is only paid for IP's employed 20 or more hours per week by Medicaid participants. It is also our most efficient way of assuring that caregiver training is completed and that the state is only paying for training for IPs who work for Medicaid participants.

**Including these costs in the rate paid to IPs would increase FICA/FUTA costs for the State and CMS.** Adding these costs to the IP hourly wage would increase costs for both the state and CMS because the employer portion of FICA/FUTA paid on behalf of the Medicaid beneficiary would be paid on top of these costs. The state currently does not apply employer FICA/FUTA costs to health insurance or training.

**IPs who work a low number of hours would not be able to purchase training or health insurance.** Based upon the participation rate, premiums, hours of training and hours provided to Medicaid beneficiaries the hourly rate for health insurance effective July 1, 2009 will be \$1.97 and July 1, 2010 will be \$2.45. The cost of the health insurance coverage is negotiated at a flat rate per participating home care worker through the Collective Bargaining Agreement with SEIU. Hourly cost of training effective July 1, 2009 will be .275. An IP who worked a low number of hours in a month would not be able to purchase training or health insurance for these hourly rates.

The State's methodology for payment is a cost effective and efficient way to assure that payments are tied to services to Medicaid recipients, that the Medicaid program does not over pay for training and insurance and that providers remain qualified.



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

April 24, 2009

Barbara K. Richards, Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
Division of Medicaid and State Operations  
Region X  
2201 Sixth Ave, RX 43  
Seattle, WA 98121-2500

Dear Ms. Richards:

This letter is in response to the Centers for Medicare and Medicaid Services (CMS) Request for Additional Information (RAI) letter dated July 16, 2008 regarding Washington's Medicaid State Plan Amendment (SPA) TN 08-009.

The state withdrew the original RAI response dated September 25, 2008 to allow additional time for CMS and the State to resolve issues with the SPA. CMS concerns with SPA 08-009 centered on the State's methodology for payment of personal care. CMS approved Washington's current payment methodology under the Medicaid State Plan amendment (SPA) TN 06-012 on November 30, 2007 with an effective date of June 28, 2006.

After several discussions with the State regarding SPA 08-009, CMS has verbally stated that SPA 06-012, with the personal care payment methodology, was approved in error and that the State's methodology for payment of personal care is out of compliance with Section 1905(a) of the Social Security Act. CMS indicated that the State could submit a sunset date for the current language that would allow time for development of a different payment methodology that CMS could approve.

In order to comply with CMS requirements regarding this payment methodology, Washington will need to develop the provider compensation subsystem and conduct bargaining with the Service Employees International Union. Any resulting funding requests will also require legislative appropriation.

For these reasons, we are requesting a sunset date for the current State Plan language of July 1, 2011, which will allow time for legislative action, collective bargaining and development of a system to automate IP payment. During the interim, we request continued federal match for personal care services including any enhanced match related to the American Recovery and Reinvestment Act.

Enclosed with this letter are:

- Narrative responses to the RAI questions
- Revised page 31 of Attachment 4.19-B. Please use this page to replace the page sent on June 30, 2008.
- Page 32 of Attachment 4.19-B.



Barbara K. Richards  
April 28, 2009  
Page Two

- Page 10 of Attachment 3.1-A.
- Page 65 of Attachment 3.1-A.

The state authorizes a pen-and-ink change to the 179 form to blocks 8 and 9 as follows:

- Add "page 32" to "Attachment 4.19-B, page 31"
- Add "Attachment 3.1-A, pages 10 and 65"

We appreciate CMS's willingness to work with the State to come to a resolution of these issues. If you have questions about this plan please contact Chris Imhoff at 360-725-2272 or by email at [imhoffc@dshs.wa.gov](mailto:imhoffc@dshs.wa.gov).

Sincerely,



Stan Marshburn  
Interim Secretary

Enclosure

cc: Kathy Leitch, Aging and Disability Services Administration  
Douglas Porter, Health and Recovery Services Administration  
Bill Moss, ADSA  
Chris Imhoff, ADSA  
Ann Myers, State Plan Coordinator, HRSA

TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:  
08-009

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  
July 1, 2008

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:

7. FEDERAL BUDGET IMPACT:

a. FFY 2008 \$0

b. FFY 2009 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, page 31

Attachment 4.19-B, page 32 (P+I)

Attachment 3.1-A, pages 10, 65 (P+I)

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

Attachment 4.19-B, page 31, 32 (P+I)

Appendix C-1, and Appendix C-2 to Supplement  
2 to Attachment 3.1-A (P+I)

Attachment 3.1-A, pages 10, 65 (P+I)

10. SUBJECT OF AMENDMENT:

Personal Care Services Fee Schedule Effective Date Change

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:

Robin Arnold-Williams

13. TYPED NAME:

ROBIN ARNOLD-WILLIAMS

14. TITLE:

Secretary

15. DATE SUBMITTED:

4-19-08

16. RETURN TO:

Ann Myers

Department of Social and Health Services

Health and Recovery Services Administration

626 8<sup>th</sup> Ave SE MS: 45504

Olympia, WA 98504-5504

FOR REGIONAL OFFICE USE ONLY			
17. RECEIVED DATE	APR 19 2008	18. DATE APPROVED	AUG 1 2008
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL	JUL 1 2008	20. SIGNATURE OF REGIONAL OFFICIAL	<u>Barbara K. Richards</u>
21. TYPED NAME	Barbara K. Richards	22. TITLE	Associate Regional Administrator
Division of Medicaid & Community Health			
For ink changes authorized by the state on 4/19/08			
For ink changes authorized on 7/1/08			
For ink changes authorized by state on 5/1/08			

## 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.)

## XV. Personal Care Services

State-developed fee schedule rates are the same for both governmental and private providers of the same service (nursing facilities operated by the State of Washington, Dept. of Veterans' Affairs). The fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://adsaweb/management/orm>

## A. Payment for services

Services are provided by these provider types:

- State-licensed agencies providing personal care services, consisting of licensed home-care agencies and licensed adult residential care providers who are contracted with the Department. Home health agencies providing personal care services do not require Medicare certification;
- State-licensed adult residential care providers; and
- Individual providers of personal care, who:
  - Must be age 18 or older;
  - Are authorized to work in the United States;
  - Are contracted with the Medicaid agency; and
  - Have passed a Medicaid agency specified background check.

Payment for agency-provided services is at an hourly unit rate, and payment for residential-based services is at a daily rate. Each agency will submit monthly billings to the Social Services Payment System (SSPS), administered by the department, for personal care services provided in each service area.

Payment for an individual provider's services is made directly to the provider via the SSPS. Individual providers of personal care services are under contract to the department.

No payment is made for services beyond the scope of the program or hours of service exceeding the department's authorization. Payments to residential providers are for personal care services only, and do not include room and board services that are provided.

## B. Service Rates

The payment methodology described below will sunset on June 30, 2011.

The fee schedule was last updated July 1, 2008, to be effective for dates of service on and after July 1, 2008.

The standard hourly rate for agency-provided services is based on comparable service units and is determined by the state legislature.

Effective Jan. 1, 2008, the standard hourly rate for individual-provided personal care is based on comparable service units and is determined by the state legislature, based on negotiations between the Governor's Office and the union representing the workers.

## 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.)

## XV. Personal Care Services (continued)

The rate for personal care services consists of two different components of personal care costs. The first component reimburses directly for personal care services provided to medical assistance beneficiaries. The second component is based on cost and reimburses for caregiver training and health insurance of individual personal care providers and personal care workers employed by agencies.

Payment for agency-provided personal care services and individual care providers is based on an hourly unit rate, and payment for residential-based services is based on a multi-hour rate system that considers the client's level of need. Each agency and individual provider will submit monthly billings to the state's payment system. The multi-hour rate for personal care services provided in a residential-based setting varies, based on the classification group in which the beneficiary is assigned. Each beneficiary is assigned to a classification group based on the Department's assessment of their personal care needs. Each classification group also considers the number of hours of service needed by the beneficiary on a daily basis.

Payment provided to agencies and on behalf of individual providers for the caregiver training component of personal care is based on cost. This payment is made separately from the payment for hourly unit payment for individual and agency providers. The multi-hour rate paid to residential-based providers does not include any consideration of cost for room and board or facility cost and the residential providers are not reimbursed separately for any caregiver training or health insurance costs. With regard to personal care workers employed by agencies, this cost is first allocated by the home care agency based on a proportion of ADSA clients in the home care agency to total client population in the home care agency. With regard to individual providers, the individual provider is paid through the state's payment system for actual time spent in training. The cost of training the individual provider is allocated based on a proportion of ADSA - individual personal care providers to total classroom participants. These costs are further allocated based on a proportion of ADSA - medical assistance clients to total ADSA clients. This allocation is performed on a monthly basis; however, the data used within the allocation is on a two-month lag.

Payment provided to agencies, if applicable, and on behalf of individual providers for the health insurance component of personal care is based on cost. This payment is made separately from the payment for hourly unit payment for individual and agency providers. The personal care worker pays a portion of the monthly premium as their co-pay. With regard to individual providers, the remainder of this cost is billed to and paid by ADSA. With regard to personal care workers employed by agencies, the remainder of the cost is first allocated by the home care agency based on a proportion of ADSA clients in the home care agency to total population in the home care agency. These costs are further allocated based on a proportion of ADSA - medical assistance clients to total ADSA clients. This allocation is performed on a monthly basis; however, the data used within the allocation is on a two-month lag.

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

STATE: WASHINGTON

25. Home and Community Care for Functionally Disabled elderly individuals, as defined, described and limited in Supplement 2 to attachment 3.1-A, and Appendices A-G to Supplement 2 to Attachment 3.1-A.

Provided:   X   Not Provided

26. Personal care services furnished to an individual who is not an inpatient or resident of a hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease that are:

- A. Authorized for the individual by a physician in accordance with a plan of treatment.
- B. Provided by an individual who is qualified to provide such services and who is not a member of the individual's family, and
- C. Furnished in a home.

X Provided      X State-Approved (Not Physician's)  
Service Plan Allowed  
X Services Outside the Home also Allowed.  
X Limitations Described in  
Attachment 3.1-A, Page 65

27. An alien who is a non-qualified alien or a qualified alien subject to the five-year ban and is otherwise eligible for Medicaid is eligible only for care and services necessary to treat an emergency medical condition as defined in section 1903(v) of the Act.

28. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

X Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

**No election of PACE:** By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

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

STATE: WASHINGTON

## 25. Personal care services

## a. Eligibility for services.

Persons must living in their own home, Adult Family Home, family foster home, children's group care facility or licensed boarding home.

- b. Persons must be determined to be categorically needy and have three ADL needs requiring minimal assistance or one ADL need requiring more than minimal assistance. Personal care services means physical or verbal assistance with activities of daily living (ADL) and instrumental activities of daily living (IADL) due to functional limitations. ADL assistance means physical or verbal assistance with bathing, turning and repositioning, body care, dressing, eating, mobility, medication assistance, toileting, transfer, personal hygiene, nurse delegated tasks, and self-directed treatment. ADL assistance is incidental to the provision of IADL assistance and includes ordinary housework, laundry, essential shopping, wood supply (if wood is the primary source of heat) and transportation assistance.

- c. Persons receiving personal care from an Individual Provider have employer authority including hiring, firing, scheduling and supervision of providers.

- d. Services are provided by these provider types:

- State-licensed agencies providing personal care services, consisting of licensed home-care agencies and licensed adult residential care providers who are contracted with the Department. Home health agencies providing personal care services do not require Medicaid certification;
- State-licensed adult residential care providers; and
- Individual providers of personal care, who:
  - Must be age 18 or older;
  - Are authorized to work in the United States;
  - Are contracted with the Medicaid agency; and
  - Have passed a Medicaid agency background check.

- e. For individuals under 21 years of age, services will be provided in accordance with EPSDT requirements at 1905(r) subject to determination of medical necessity and prior authorization by the Department.

April 27, 2011

Carol Peverly, Ph.D., MSW  
Acting Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
Division of Medicaid and State Operations  
Region X  
2201 Sixth Ave. RX 43  
Seattle, WA 98121-2500

Dear Ms. Peverly:

As you know, the state's methodology for payment of personal care as outlined in the Medicaid State Plan expires on June 30, 2011. The sunset date originally coincided with the planned implementation of the Provider Compensation System (PCS). As we have discussed, the State is in the process of replacing its MMIS system with a new system called Provider One (P-1). PCS is tied to Phase 2 of the P-1 system. Due to delays in the first phase of P-1 the implementation date for the PCS is now December of 2012. The state is on track to meet that date.

It is our understanding from our April 20, 2011 conference call with CMS, that even when the state gets the PCS system implemented, our method of paying individual providers of personal care will not be acceptable to CMS because we pay for training, health insurance and union dues on behalf of the provider and outside of the provider's direct wage.

CMS also discussed plans to develop regulations that would assist states with options for Medicaid payment to these types of providers. We are interested in participating in the development of the regulation. As a follow up to our phone call with CMS, we are requesting a further extension of the current SPA language to June 30, 2012. This would allow time for the federal regulatory development process and time for the state to work with CMS on an acceptable solution.

Individual providers of personal care are members of the Service Employees International Union (SEIU). The extension would give us time to work with the union regarding any impacts on their members. The extension also provides time for the state to complete any necessary work on rate development. The state did not anticipate rate development as part of the PCS system because we planned to use our current methodology.

Finally, the extension would give the state legislature time to consider possible fiscal impacts of any change in payment methodology.

Carol Peverly, Ph.D., MSW

May 2, 2011

Page 2

Individual providers of personal care are a cornerstone of the home and community-based services system in Washington State. About 23,000 people statewide currently receive personal care from individual providers. Like CMS, the State is committed to supporting a strong HCBS system that operates successfully within federal regulation.

Thank you for taking time to conference with us. If there is anything we are misinterpreting from the conversation please let us know as soon as possible. If you have questions or want further information please contact Chris Imhoff at [chris.imhoff@dshs.wa.gov](mailto:chris.imhoff@dshs.wa.gov) or at 360-725-2272. We appreciate your attention to this extension request and are committed to working with you to find a solution.

Sincerely,

Susan Dreyfus, Secretary

cc: MaryAnne Lindeblad  
Chris Imhoff





DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

**MAY 25 2011**

Susan Dreyfus, Secretary  
Department of Social and Health Services  
Post Office Box 45010  
Olympia, Washington 98504-5010

**RE: Personal Care Services Payment Methodology Sunset Date**

Dear Ms. Dreyfus:

During the Centers for Medicare & Medicaid Services (CMS) review of Washington State Plan Amendment (SPA) Transmittal Number 08-009, CMS determined the reimbursement methodology for Personal Care Services (PCS) was not in compliance with Section 1905(a) of the Social Security Act which states that Medicaid can only pay for Medicaid-covered services. The State of Washington was paying for union dues, health insurance and training costs as a separate payment, not included in the PCS payment. Union dues, health insurance and training costs are not Medicaid-covered services when paid by themselves. States may develop rates that include considerations for costs related to health insurance and union dues; however, the entire rate must be "paid" to the provider of personal care services and reported as income by that provider.

Washington SPA 08-009 was approved on August 2, 2009, and required a sunset date of June 30, 2011, for the current reimbursement methodology for PCS. The State of Washington was given a two-year time frame at that time to develop a PCS rate methodology that would comply with CMS policies. The two-year time frame gave consideration to required legislative updates for the fiscal impact and the planned implementation date of the Provider Compensation System. CMS understands Washington State would like an extension to the sunset date from June 30, 2011, to June 30, 2012, but does not support an additional year extension at this time. CMS will work with the State to approve a six-month extension, to December 31, 2011. In order to start this process, please submit a SPA to request this extension for the sunset date. In that SPA submission, also include the State's action plan and time frame for developing the new PCS rate, taking into consideration meetings with Service Employees International Union (SEIU) to work out the union dues and health insurance issues.

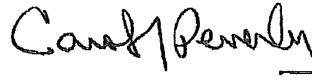
In order to maintain the July 1, 2011 effective date and provide for a seamless transition to the new PCS rate methodology, the SPA must be submitted to CMS by September 30, 2011. In addition to a timely submission to CMS, Public Notice and the Tribal consultation requirements must be met in accordance with relevant statutory requirements, and timelines, i.e. Public Notice must be done prior to the effective date requested in the SPA, and Tribal consultation requirements must be met prior to the submission of the SPA.

Page 2 - Susan Dreyfus, Secretary

MAY 25 2011

If you have any questions concerning this SPA, please contact me, or have your staff contact Mary Jones at (360) 486-0243 or [Mary.Jones2@cms.hhs.gov](mailto:Mary.Jones2@cms.hhs.gov).

Sincerely,



Carol J.C. Peverly  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc: Douglas Porter, Administrator, State Medicaid Director

**Fosbre, Marilee (DSHS/ADSA)**

---

**From:** Moss, Bill (DSHS/HCS)  
**Sent:** Thursday, May 26, 2011 8:42 AM  
**To:** Fosbre, Marilee (DSHS/ADSA); Imhoff, Chris (DSHS/HCS)  
**Cc:** Murphy, Dan (DSHS/ADSA Asst. Secretary); Lindeblad, MaryAnne (DSHS/ADSA)  
**Subject:** FW: Response from CMS: WA PCS Rate Sunset Date  
**Attachments:** WA Sunset Date Letter\_05-25-2011.pdf

So let's get started on the state plan submittal and extension through December 2011.

---

**From:** Peverly, Carol J. (CMS/CMCHO) [mailto:Carol.Peverly@cms.hhs.gov]  
**Sent:** Thursday, May 26, 2011 5:57 AM  
**To:** Lindeblad, MaryAnne (DSHS/ADSA)  
**Cc:** Moss, Bill (DSHS/HCS)  
**Subject:** Response from CMS: WA PCS Rate Sunset Date

MaryAnne, Attached please find the CMS response to Washington's request to extend the sunset date for the PCS rate methodology for an additional 12 months.

Unfortunately, at this time CMS cannot support another 12 month extension, but we are committed to working with you towards getting this resolved by June 2012.

We look forward to continued work with you and your staff on this over the next few months. Please let me know if you have questions. Carol

*Carol J. C. Peverly, Ph.D., M.S.W.*

Acting Associate Regional Administrator  
Centers for Medicare & Medicaid Services  
Division of Medicaid and Children's Health Operations  
206-615-2515  
[carol.peverly@cms.hhs.gov](mailto:carol.peverly@cms.hhs.gov)

*"Life is a grindstone. Whether it grinds us down or polishes us up depends on us." -- Thomas L. Holdcroft*

**Fosbre, Marilee (DSHS/ALTSA/HCS)**

---

**From:** Jones, Mary B. (CMS/WC) <Mary.Jones2@cms.hhs.gov>  
**Sent:** Wednesday, July 27, 2011 1:57 PM  
**To:** Myers, Ann (HCA)  
**Cc:** Johnson, Debbie (DSHS/HCS); Fosbre, Marilee (DSHS/ADSA); Schneider, Frank A. (CMS/WC); Thompson, Christopher C. (CMS/CMCS)  
**Subject:** RE: Question re SPA 11-08  
**Categories:** Red Category

Hi Ann,

Yes, we agree to the incorporation of the sunset date update into SPA 11-008. Please let me know if we can provide any technical assistance or provide any additional information.

Thank you,  
Mary

---

**From:** Myers, Ann (HCA) [mailto:ann.myers@hca.wa.gov]  
**Sent:** Tuesday, July 26, 2011 10:54 AM  
**To:** Jones, Mary B. (CMS/WC)  
**Cc:** Johnson, Debbie (DSHS/HCS); Fosbre, Marilee (DSHS/ADSA)  
**Subject:** Question re SPA 11-08

Mary, we were planning to submit a separate SPA to change the sunset date of the personal care services rates from June 30, 2011 to Dec. 31, 2011 in Att. 4.19-B pg. 31. However, we currently have SPA 11-08 in process, which changes the effective date of the fee schedule...and that information is on the same page as the sunset date information. Would it be advisable to incorporate the sunset date extension into SPA 11-08?

Thank you for any guidance you can give us,

*Ann Myers*, Manager  
Rules & Publications  
Health Care Authority  
Division of Legal Services  
Ann.Myers@hca.wa.gov  
360.725.1345 Fax 360.586.9727



NOTICE: This communication may contain privileged or other confidential information.

If you have received it in error, please advise by replying via "Myers, Ann (HCA)" e-mail and immediately delete the message and any attachments without copying or

disclosing the contents.  
Thank you





STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Aging and Disability Services Administration  
PO Box 45050, Olympia, WA 98504-5050

July 12, 2011

Carol J.C. Peverly  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services, Region X  
2201 Sixth Avenue, MS: RX-43  
Seattle, Washington 98121

**SUBJECT: Personal Care Services (PCS) Payment Methodology Sunset Date**

Dear Ms. Peverly:

Thank you for your letter of May 25, 2011 regarding Washington's methodology for payment of personal care. As instructed in your letter, the state is preparing to submit a State Plan Amendment (SPA) requesting an extension of the current methodology to December 31, 2011.

Your letter also directed the state to include with the SPA, an action plan and time frame for developing the new personal care rate. Our goal in considering a revised methodology is to bring the state into compliance with Section 1905(a) of the Social Security Act in a manner that does not jeopardize the provider base or increase costs for the Centers for Medicare and Medicaid Services (CMS) and the state. We strongly believe that all elements paid under our current methodology are part of the cost of providing Medicaid paid personal care, and that our current methodology is the most efficient and cost effective way to reimburse individual providers.

We would once again ask that CMS revisit this issue to allow states more flexibility regarding reimbursement for individual providers of personal care. We would ask CMS/HHS to exercise its discretion in continuing a solution that has allowed Washington to develop and maintain a strong and viable Home and Community Based Services system. We respectfully point out that individual providers are unlike any other Medicaid provider we deal with and that must be accounted for when applying criteria for federal financial participation.

In order to develop the work plan you have requested we will need to make some dramatic changes to our current system. Consequently we want to verify that our understanding from your recent letter is correct. Based on your most recent letter, we understand that we are required to roll the funding for health insurance, industrial insurance premiums and training directly to the individual provider wage and pay to the individual provider as a direct wage, in order to claim

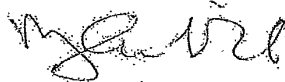
Carol J.C. Peverly  
July 12, 2011  
Page 2

Federal Financing Participation (FFP) for this funding. We further understand that there is no alternative to rolling this funding into the Individual Provider rate that would preserve our ability to claim FFP. Please confirm that our understanding is correct.

This approach will have a profound effect on our ability to make health insurance available to individual providers as an employment benefit and will jeopardize the ability of workers to obtain training legally required to continue providing care. All of these changes will require collective bargaining which could take four to six months.

We will submit a SPA by the due date of September 30, 2011 to request an extension along with a plan and timeline for making the necessary changes to preserve FFP for health insurance, training and industrial insurance premiums. If you have questions or concerns about our plans please contact Chris Imhoff, Office Chief, Home and Community Programs at (360) 725-2272 or by email at [chris.imhoff@dshs.wa.gov](mailto:chris.imhoff@dshs.wa.gov).

Sincerely,



MaryAnne Lindeblad, Assistant Secretary  
Aging and Disability Services Administration

cc: Doug Porter, Medicaid Director/Administrator, Health Care Authority  
Bill Moss, Director, Home and Community Services Division  
Chris Imhoff, Office Chief, Home and Community Programs

8/24/11

Conf. Call

Chris Thompson  
Mary Jones  
CMS Central Regional

change in policy

cannot extend or sunset any impermissible practices  
okay with extending until 12/31/11 as an exception

12/31/11 is absolute drop dead date for the payment  
issue.

ok to extend to end of December

Chris- "will CMS ~~not~~ send a letter about the 12/31/11  
date"? CMS- "no"





STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Aging and Disability Services Administration  
PO Box 45050, Olympia, WA 98504-5050

September 21, 2011

Carol Peverly, Ph.D., MSW  
Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
Division of Medicaid and State Operations  
Region X  
2201 Sixth Avenue RX 43  
Seattle, Washington 98121-2500

Dear Ms. Peverly:

Thank you for your correspondence of May 25, 2011 to Secretary Susan Dreyfus regarding Washington's methodology for payment of personal care. First, I want to thank you, your staff and your colleagues from the Centers for Medicare and Medicaid Services, Central Office for the numerous technical assistance calls and the time spent researching this complex issue. We believe the process has resulted in a solution that will bring the state into compliance with Medicaid regulations without increasing costs or disrupting client services.

We understand that to be in compliance with Medicaid regulations, payment for personal care must be expressed in a single rate and the components of the rate must be evident. Based on that understanding, we believe we can come into compliance immediately by submitting amended language for State Plan Amendment TN 11-08.

With this letter we are submitting amended language in the Medicaid State Plan to state that the single rate for personal care provided by individual providers consists of provider wages and benefits. Benefits include health insurance, training and industrial insurance.

Thank you again for assisting us with these compliance issues. If you have questions about the amended language, please contact Chris Imhoff, Office Chief, Home and Community Programs by email at [chris.imhoff@dshs.wa.gov](mailto:chris.imhoff@dshs.wa.gov) or by phone at 360-725-2272.

Sincerely,

MaryAnne Lindeblad, Assistant Secretary  
Aging and Disability Services Administration

Enclosure

cc: Susan N. Dreyfus, Secretary, Department of Social and Health Services  
Doug Porter, Director Health Care Authority  
Bill Moss, Director, Home and Community Services Division  
Chris Imhoff, Office Chief, Home and Community Programs

## 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.)

## XV. Personal Care Services

State-developed fee schedule rates are the same for both governmental and private providers of the same service (nursing facilities operated by the State of Washington, Dept. of Veterans' Affairs). The fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://adsaweb/management/orm>

## A. Payment for services

Services are provided by these provider types:

- ~~State-licensed agencies providing personal care services, consisting of licensed home-care agencies, and licensed adult residential care providers who are contracted with the Medicaid Agency.~~ Home health agencies providing personal care services do not require Medicare certification;
- Adult residential care providers who are licensed by Department of Health (DOH) according to DOH Revised Code of Washington (RCW) and Washington Administrative Code (WAC) as follows:
  - Boarding homes – chapter 18.20 RCW and chapter 388-78A WAC. Must be licensed as a boarding home. Care givers must be at least 18 years of age, successfully complete a criminal history background check, complete training requirements outlined in chapter 388-112 WAC and be authorized to work in the United States.
  - Adult family home – chapter 70.128 RCW and chapter 388-76 WAC. Must be licensed as an adult family home. Provider/resident manager must be at least 21 years of age and have a high school diploma or general education development certificate. Care givers must be at least 18 years of age. Provider/resident manager and care givers must successfully complete a criminal history background check, maintain current CPR and first aid certificate, complete training requirements outlined in chapter 388-112 WAC, and be authorized to work in the United States.
- Individual providers of personal care, who:
  - Must be age 18 or older;
  - Are authorized to work in the United States;
  - Are contracted with the Medicaid Agency; and
  - Have passed a Medicaid Agency-specified background check.

Payment for agency-provided services is at an hourly unit rate, and payment for residential-based services is at a daily rate. Each agency will submit monthly billings to the Social Services Payment System (SSPS), administered by the State for personal care services provided in each service area.

~~Payment for an individual provider's services is made directly to the provider via the SSPS. Individual providers of personal care services are under contract to the Medicaid Agency.~~

No payment is made for services beyond the scope of the program or hours of service exceeding the Medicaid Agency's authorization. Payments to residential providers are for personal care services only, and do not include room and board services that are provided. Payment is made only for the services described in Attachment 3.1-A, section 26.

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

State WASHINGTONPOLICY 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.)

## XV. Personal Care Services (cont)

## B. Service Rates

~~The payment methodology described below will sunset on December 31, 2011.~~

The fee schedule was last updated April 1, 2011, to be effective for dates of service on and after April 1, 2011.

Effective Jan. 1, 2008, the standard hourly rate for individual-provided personal care is based on comparable service units and is determined by the State legislature, based on negotiations between the Governor's Office and the union representing the workers. The rate for personal care services provided by individual providers consists of provider wages and benefits. Benefits include health insurance, training and industrial insurance.

~~The rate for personal care services consists of two different components of personal care costs. The first component reimburses directly for personal care services provided to medical assistance beneficiaries. The second component is based on cost and reimburses for caregiver training and health insurance of individual personal care providers and personal care workers employed by agencies.~~

The rate for personal care services provided by agencies is based on an hourly unit. The agency rate determination corresponds to the rate for individual providers with an additional amount for employer functions performed by the agency.

The rate for personal care provided in boarding homes is based on a per day unit. Each participant is assigned to a classification group based on the State's assessment of their personal care needs. The daily rate varies depending on the individual's classification group. The rates are based on components for provider staff, operations and capital costs. The rate paid to residential providers does not include room and board.

The rate for personal care provided in an adult family home is based on a per day unit and is determined by the State legislature, based on negotiations between the Governor's Office and the union representing Adult Family Homes.

~~Payment for agency-provided personal care services and individual care providers is based on an hourly unit rate, and payment for residential-based services is based on a multi-hour rate system that considers the client's level of need. Each agency and individual provider will submit monthly billings to the State's payment system. The multi-hour rate for personal care services provided in a residential-based setting varies, based on the classification group in which the beneficiary is assigned. Each beneficiary is assigned to a classification group based on the State's assessment of their personal care needs. Each classification group also considers the number of hours of service needed by the beneficiary on a daily basis.~~

Payment provided to agencies and on behalf of individual providers for the caregiver training component of personal care is based on cost. This payment is made separately from the payment for hourly unit payment for individual and agency providers. The multi-hour rate paid to residential-based providers does not include any consideration of cost for room and board or facility cost and the

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

State WASHINGTON

residential providers are not reimbursed separately for any caregiver training or health insurance costs. With regard to personal care workers employed by agencies, this cost is first allocated by the home care agency based on a proportion of Medicaid Agency clients in the home care agency to total client population in the home care agency. With regard to individual providers, the individual provider is paid through the State's payment system for actual time spent in training. The cost of training the individual provider is allocated based on a proportion of Medicaid Agency individual personal care providers to total classroom participants. These costs are further allocated based on a proportion of Medicaid Agency medical assistance clients to total Medicaid Agency clients. This allocation is performed on a monthly basis; however, the data used within the allocation is on a two-month lag.

**Fosbre, Marilee (DSHS/ADSA)**

---

**From:** Paradee, Tamarra (DSHS/ADSA)  
**Sent:** Thursday, September 22, 2011 9:13 AM  
**To:** Peverly, Carol J. (CMS/CMCHO)  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA); Porter, Doug (HCA); Myers, Ann (HCA); Mertel, Jan E. (CMS/WC); CMS SPA\_Waivers\_Seattle\_R10  
**Subject:** RE: Correspondence from MaryAnne Lindeblad

Carol,

I am sorry for submitting the letter and enclosure from MaryAnne prematurely. I was not aware that this must come from Ann Myers.

Sincerely,

Tamarra Paradee  
Executive Secretary  
Aging and Disability Services Administration  
(360) 725-2261  
[paradtl@dshs.wa.gov](mailto:paradtl@dshs.wa.gov)

---

**From:** Peverly, Carol J. (CMS/CMCHO) [mailto:Carol.Peverly@cms.hhs.gov]  
**Sent:** Thursday, September 22, 2011 9:05 AM  
**To:** Paradee, Tamarra (DSHS/ADSA)  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA); Porter, Doug (HCA); Myers, Ann (HCA); Mertel, Jan E. (CMS/WC); CMS SPA\_Waivers\_Seattle\_R10  
**Subject:** FW: Correspondence from MaryAnne Lindeblad  
**Importance:** High

(8)

Thank you Tamarra. WA SPA 11-008 is currently in our CMS CO central office being approved. If the State wishes to benefit from the 7% rate reduction under WA 11-008, the approval will guarantee those savings.

However, if the State wishes to incorporate these changes into 11-008, the RAI response will need to be withdrawn by the State in order to allow sufficient time for analysis of the proposed rate methodology by CMS RO and CO staff.

I also need to clarify that any requested changes related to SPAs must be submitted via Ann Myers in HCA through the CMS RO10 SPA mailbox.

Given the proximity of the 90<sup>th</sup> day on the 2<sup>nd</sup> clock for this SPA, and given the significance of the proposed changes, the CMS recommendation is that a new SPA be submitted, and SPA 11-008 move forward as recommended for approval.

The State may submit these changes as a new SPA by 9/30, with the effective date of July 1, 2011.

Jan Mertel will work with Ann to facilitate next steps. Please let me know if you need anything further. Carol

*Carol J. C. Peverly, Ph.D., M.S.W.*

Associate Regional Administrator  
Centers for Medicare & Medicaid Services

Division of Medicaid and Children's Health Operations  
206-615-2515  
[carol.peverly@cms.hhs.gov](mailto:carol.peverly@cms.hhs.gov)

---

**From:** Paradee, Tamarra (DSHS/ADSA) [mailto:PARADTL@dshs.wa.gov]  
**Sent:** Wednesday, September 21, 2011 5:03 PM  
**To:** Peverly, Carol J. (CMS/CMCHO)  
**Subject:** Correspondence from MaryAnne Lindeblad

Carol,

Attached please find correspondence from MaryAnne Lindeblad regarding Washington's methodology for payment of personal car. Please let me know if you have any questions.

Sincerely,

Tamarra Paradee  
Executive Secretary  
Aging and Disability Services Administration  
(360) 725-2261  
[paradtl@dshs.wa.gov](mailto:paradtl@dshs.wa.gov)

## **Fosbre, Marilee (DSHS/ADSA)**

---

**From:** Myers, Ann (HCA)  
**Sent:** Monday, September 26, 2011 12:06 PM  
**To:** Peverly, Carol J. (CMS/CMCHO); CMS SPA\_Waivers\_Seattle\_R10  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA); Mertel, Jan E. (CMS/WC); Paradee, Tamarra (DSHS/ADSA); Fosbre, Marilee (DSHS/ADSA); Imhoff, Chris (DSHS/HCS)  
**Subject:** RE: Correspondence from MaryAnne Lindeblad  
**Attachments:** image003.jpg

Thank you for the guidance provided to the State in your email below to Tamarra Paradee. The State most definitely does not wish to delay the approval of WA SPA 11-08. We intend to follow your advice and submit a new and separate amendment, WA SPA 11-33, addressing changes to personal care payment methodology.

In order to provide adequate notification to Washington's tribes, SPA 11-33 will have an effective date of 1/1/12 and will be submitted to CMS by 12/9/11. The 1/1/12 effective date immediately follows the Sunset date of 12/31/11 included in SPA 11-08.

We would appreciate any feedback you have on this plan and knowing if you foresee any potential problems. Thank you in advance for your time and consideration.

*Ann Myers*, State Plan Coordinator  
Rules & Publications  
Health Care Authority  
Legal and Administrative Services  
[Ann.Myers@hca.wa.gov](mailto:Ann.Myers@hca.wa.gov)  
360.725.1345 Fax 360.586.9727



*On July 1, 2011, Medicaid left DSHS and merged with the Health Care Authority.*

---

**From:** Peverly, Carol J. (CMS/CMCHO) [mailto:Carol.Peverly@cms.hhs.gov]  
**Sent:** Thursday, September 22, 2011 9:05 AM  
**To:** Paradee, Tamarra (DSHS/ADSA)  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA); Porter, Doug (HCA); Myers, Ann (HCA); Mertel, Jan E. (CMS/WC); CMS SPA\_Waivers\_Seattle\_R10  
**Subject:** FW: Correspondence from MaryAnne Lindeblad  
**Importance:** High

Thank you Tamarra. WA SPA 11-008 is currently in our CMS CO central office being approved. If the State wishes to benefit from the 7% rate reduction under WA 11-008, the approval will guarantee those savings.

However, if the State wishes to incorporate these changes into 11-008, the RAI response will need to be withdrawn by the State in order to allow sufficient time for analysis of the proposed rate methodology by CMS RO and CO staff.

I also need to clarify that any requested changes related to SPAs must be submitted via Ann Myers in HCA through the CMS RO10 SPA mailbox.

**Fosbre, Marilee (DSHS/ADSA)**

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**From:** Myers, Ann (HCA)  
**Sent:** Tuesday, September 27, 2011 1:41 PM  
**To:** Fosbre, Marilee (DSHS/ADSA); Imhoff, Chris (DSHS/HCS); Paradee, Tamarra (DSHS/ADSA)  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA)  
**Subject:** FW: Correspondence from MaryAnne Lindeblad

Please see CMS' message requesting below a phone conference. Tamarra, it might be easier for you to communicate directly with Mary since you know MaryAnne's availability - just CC me, please, on your emails back and forth.  
Thanks,

*Ann Myers*, Manager  
Rules & Publications  
Health Care Authority  
Legal and Administrative Services  
[Ann.Myers@hca.wa.gov](mailto:Ann.Myers@hca.wa.gov)  
360.725.1345 Fax 360.586.9727



*On July 1, 2011, Medicaid left DSHS and merged with the Health Care Authority.*

---

**From:** Jones, Mary B. (CMS/WC) [mailto:Mary.Jones2@cms.hhs.gov]  
**Sent:** Tuesday, September 27, 2011 1:36 PM  
**To:** Myers, Ann (HCA)  
**Subject:** FW: Correspondence from MaryAnne Lindeblad

Hi Ann,  
We would like to set up a call with all interested parties to discuss the PCS payment methodology and SPA submission. Would you see when everyone is available on your end and let me know some times/dates and then I'll see what is available on this end and set up the call?  
Thank you,  
Mary

---

**From:** Myers, Ann (HCA) [mailto:ann.myers@hca.wa.gov]  
**Sent:** Monday, September 26, 2011 12:06 PM  
**To:** Peverly, Carol J. (CMS/CMCHO); CMS SPA\_Waivers\_Seattle\_R10  
**Cc:** Lindeblad, MaryAnne (DSHS/ADSA); Mertel, Jan E. (CMS/WC); Paradee, Tamarra (DSHS/ADSA); Fosbre, Marilee (DSHS/ADSA); Imhoff, Chris (DSHS/HCS)  
**Subject:** RE: Correspondence from MaryAnne Lindeblad

Thank you for the guidance provided to the State in your email below to Tamarra Paradee. The State most definitely does not wish to delay the approval of WA SPA 11-08. We intend to follow your advice and submit a new and separate amendment, WA SPA 11-33, addressing changes to personal care payment methodology.



**Fosbre, Marilee (DSHS/ALTSA/HCS)**

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**From:** Fosbre, Marilee (DSHS/ADSA)  
**Sent:** Tuesday, October 18, 2011 10:25 AM  
**To:** Myers, Ann (HCA)  
**Cc:** Imhoff, Chris (DSHS/HCS); Johnson, Debbie (DSHS/HCS)  
**Subject:** amended language for 11-31  
**Attachments:** 11-33 Licensed Boarding Home Rates restoration-PCS sunset date removed- PCS payment methodology revised 11-18-11.docx

Ann,

We just had a conference call with CMS about 11-31. I realized after the call that you were not on the invitation that Tamarra sent out. I apologize for that oversight which I did not notice in advance.

CMS has requested that we not go forward with 11-33 and that we instead amend 11-31. SPA 11-31 will now:

- Include the changes to the rate methodology for personal care made in 11-33
- Remove the Sunset date for payment methodology
- Retain restoration of the BH rate

The CMS staff participating in the call; Mary Jones, Linda Tavener, Chris Thompson, Frank Schneider and Cecil Greenway, agreed that the Tribal and public notices previously done for 11-31 would be sufficient for this amended version.

I have attached a revised 11-31 that I believe contains these three elements. Will you please review and make sure it all lines up?

We let CMS know that we should be able to submit the amended version of 11-31 by the end of the week.

Thank you Ann.

*Marilee Fosbre*  
The Department of Social and Health Services  
Medicaid Unit Manager  
Home and Community Services  
360-725-2536  
[Marilee.Fosbre@dshs.wa.gov](mailto:Marilee.Fosbre@dshs.wa.gov)  
P.O. Box 45600, Olympia, WA 98504-5600

11/18/10

Linda Turner, Chris<sup>Thompson</sup>, Mary Jones, Chris, Marilee  
Frank Snider, Cecil Greenway, Bill Moss

Should we amend 11-31? Yes

- sunset date  
remove
- BH rate restoration
- PCS methodology

**Fosbre, Marilee (DSHS/ALTSA/HCS)**

---

**From:** Myers, Ann (HCA)  
**Sent:** Tuesday, October 18, 2011 2:54 PM  
**To:** CMS SPA\_Waivers\_Seattle\_R10  
**Cc:** Mertel, Jan E. (CMS/WC); Jones, Mary; Fosbre, Marilee (DSHS/ADSA); Imhoff, Chris (DSHS/HCS); Johnson, Debbie (DSHS/HCS)  
**Subject:** Revised SPA 11-31  
**Attachments:** 11-31 Licensed Boarding Home Rates Revised SPA (sent 10-18-11).doc

Washington submitted State Plan Amendment 11-31 on Sept. 26, 2011. Based on the Oct. 18, 2011, telephone conference between State and CMS staff, Washington is now submitting a revised SPA that incorporates CMS' suggestions.

Please use the attached SPA to replace the one submitted on Sept. 26, 2011.

The State authorizes a pen-and-ink change to boxes 8 and 9 of the 179 form to add page 32 to "Att. 4.19-B pg. 31."

Please contact me if you have questions.

Thank you,

*Ann Myers*, State Plan Coordinator  
Rules & Publications  
Health Care Authority  
Legal and Administrative Services  
Ann.Myers@hca.wa.gov  
360.725.1345 Fax 360.586.9727



*On July 1, 2011, Medicaid left DSHS and merged with the Health Care Authority.*



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

DEC 16 2011

Douglas Porter, Director  
Health Care Authority  
Post Office Box 45502  
Olympia, Washington 98504-5502

**RE: Washington State Plan Amendment (SPA) Transmittal Number 11-031**

Dear Mr. Porter:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Washington State Plan Amendment (SPA) Transmittal Number 11-031.

This amendment enacts a seven percent increase in Personal Care Service (PCS) rates for all 17 levels of Medicaid rates paid to Licensed Boarding Homes that have contracts to provide Assisted Living, Adult Residential Care, and Enhanced Adult Residential Care services.

This SPA is approved effective July 1, 2011, as requested by the State.

I appreciate the significant amount of work that your staff dedicated to getting this SPA approved and the cooperative way in which we achieved this much-desired outcome. If you have any questions concerning this SPA, please contact me, or have your staff contact Mary Jones at (360) 486-0243 or [Mary.Jones2@cms.hhs.gov](mailto:Mary.Jones2@cms.hhs.gov).

Sincerely,

Carol J.C. Peverly  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc: MaryAnne Lindeblad, Assistant Secretary, Aging and Disability Services Administration

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**

June 30, 2015

Dorothy Frost Teeter, Director  
MaryAnne Lindeblad, Medicaid Director  
Health Care Authority  
Post Office Box 45502  
Olympia, Washington 98504-5502

**RE: Washington State Plan Amendment (SPA) Transmittal Number 15-0002**

Dear Ms. Teeter and Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Washington State Plan Amendment (SPA) Transmittal Number 15-0002. This amendment implements the addition of the 1915(k) Community First Choice Option services to the State Plan.

This SPA is approved July 1, 2015, as requested by the state.

The CMS appreciates the efforts and cooperation of Washington's leadership and staff throughout the review process. If you have any additional questions, please contact me, or have your staff contact Kendra Sippel-Theodore at (206) 615-2065 or [kendra.sippel-theodore@cms.hhs.gov](mailto:kendra.sippel-theodore@cms.hhs.gov).

Sincerely,

Digitally signed by David L. Meacham-S  
DN: cn=US, o=U.S. Government, ou=HHS

DN: David L. Meacham-S  
Date: 2015.06.29 11:52:10 -0700

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

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

XXI. First Choice State Plan Option

State-developed fee schedule rates are the same for both governmental and private providers of the same service. The fee schedule is published at [https://www.dshs.wa.gov/sites/default/files/ALISA/msd/documents/All\\_HCS\\_Rates.xls](https://www.dshs.wa.gov/sites/default/files/ALISA/msd/documents/All_HCS_Rates.xls). Rates for Personal Care and Nurse Delegation provided under 1915(k) are the same as the payment rates for Personal Care and Nurse Delegation services listed in Attachment 4.19-B, XV Personal Care Services. Rates for Nurse Delegators provided under 1915(k) are the same as the payment rates for Nurse Delegators under Attachment 4.19-B, XV Personal Care Services. Payment rates for 1915(k) services will be updated whenever the fee schedule is updated on the corresponding State Plan page under the existing Personal Care Services benefit.

A. PERSONAL CARE

Personal care service providers:

Services are provided by these provider types:

1. Individual providers of personal care
2. State-licensed home-care agencies
3. Residential service providers which include:
  - a. Assisted living providers
  - b. Adult family homes

Personal care service provider rates:

1. Individual providers of personal care  
Individual Providers are reimbursed on an hourly rate. The standard hourly rate for individual-provided personal care is determined by the State legislature, based on negotiations between the Governor's Office and the union representing the workers. The rate for personal care services provided by individual providers consists of wages, industrial insurance, vacation pay, mileage reimbursement, comprehensive medical, training, seniority pay and training based differentials. The agreed-upon negotiated rates schedule is used for all bargaining members.
2. State-licensed home-care agencies  
Home care agencies are reimbursed on an hourly rate. The rate for personal care services provided by home care agencies is based on an hourly unit. The agency rate determination corresponds to the rate for individual providers with an additional amount for employer functions performed by the agency.
3. Residential service providers  
The cost for personal care provided in adult family homes and assisted living facilities is reimbursed at a daily rate. Each participant is assigned to a classification group based on the State's assessment of their personal care needs. The daily rate varies depending on the individual's classification group. Rates are based on wages, benefits, and administrative expenses.

TN #15-0002  
Supersedes  
TN# NEW

Approval Date

6/30/15

Effective Date 7/1/15

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## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 17-0021**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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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July 11, 2017

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

**RE: Washington State Plan Amendment (SPA) Transmittal Number 17-0021**

Dear Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 17-0021. This amendment replaced outdated language and terminology, clarified personal care provider requirements, and added language to clarify that individual providers' benefits are not limited to health insurance, training, and industrial insurance and may include other employee benefits. It also clarified that personal care providers may not work more hours in a week than approved by Department of Social and Health Services (DSHS).

This SPA is approved with an effective date of April 6, 2017.

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 black rectangular redaction box covering the handwritten 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: 2017.07.12 13:06:35 -0700

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:  
**17-0021**

2. STATE  
Washington

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

4. PROPOSED EFFECTIVE DATE  
April 6, 2017

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 2017 \$0  
b. FFY 2018 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A page 65  
Attachment 4.19-B page 31, 32

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

Attachment 3.1-A page 65  
Attachment 4.19-B page 31, 32

10. SUBJECT OF AMENDMENT

Personal Care Services

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:

6-7-17

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: 6/7/17

18. DATE APPROVED: 7/11/17

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4/6/17

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

David L. Meacham

22. TITLE:

Associate Regional Administrator

23. REMARKS:

## 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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## 26. Personal care services

- a. Eligibility for services.  
Persons must living in their own home, Adult Family Home, family foster home, or assisted living facility.
- b. Persons must be determined to be categorically needy and have three ADL needs requiring minimal assistance or one ADL need requiring more than minimal assistance. Personal care services means physical or verbal assistance with activities of daily living (ADL) and instrumental activities of daily living (IADL) due to functional limitations. ADL assistance means physical or verbal assistance with bathing, turning and repositioning, body care, dressing, eating, mobility, medication assistance, toileting, transfer, personal hygiene, nurse delegated tasks, and self-directed treatment. IADL assistance is incidental to the provision of ADL assistance and includes ordinary housework, laundry, essential shopping, wood supply (if wood is the primary source of heat) and transportation assistance.
- c. Persons receiving personal care from an Individual Provider have employer authority including hiring, firing, scheduling and supervision of providers.
- d. Services are provided by these provider types:
  - State-licensed agencies providing personal care services, consisting of licensed home-care agencies and licensed adult residential care providers who are contracted with the Medicaid Agency. Home health agencies providing personal care services do not require Medicare certification;
  - State-licensed adult residential care providers; and
  - Individual providers of personal care, who:
    - Must be age 18 or older;
    - Are authorized to work in the United States;
    - Are contracted with the Medicaid Agency; and
    - Have cleared the initial state background checks and remain free of disqualifying crimes and/or negative actions
- e. Individual providers may not work more than the provider's assigned work week limit. This limitation does not affect the participant's total hours of service, and may necessitate the use of more than one provider.
- f. For individuals under 21 years of age, services will be provided in accordance with EPSDT requirements at 1905(r) subject to determination of medical necessity and prior authorization by the Medicaid Agency.

[Back to TOC](#)

## 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.)

## XV. Personal Care Services

State-developed fee schedule rates are the same for both governmental and private providers of the same service. See 419-B.I, General, for the agency's website where the fee schedules are published.

## A. Payment for services

Services are provided by these provider types:

- State-licensed agencies providing personal care services, consisting of licensed home-care agencies. Home health agencies providing personal care services do not require Medicare certification;
- Adult residential care providers who are licensed by Department of Social and Health Services (DSHS) according to DSHS Revised Code of Washington (RCW) and Washington Administrative Code (WAC) as follows:
  - Assisted Living Facilities – chapter 18.20 RCW and chapter 388-78A WAC. Must be licensed as an assisted living facility. Care givers must be at least 18 years of age, have cleared initial background checks as required by state law and remain free of disqualifying crimes or negative actions, complete training requirements outlined in chapter 388-112 WAC and be authorized to work in the United States.
  - Adult family home – chapter 70.128 RCW and chapter 388-76 WAC. Must be licensed as an adult family home. Provider/resident manager must be at least 21 years of age and have a high school diploma or general education development certificate. Care givers must be at least 18 years of age. Provider/resident manager and care givers must clear initial background checks as required by state law and remain free of disqualifying crimes and/or negative actions, maintain current CPR and first aid certificate, complete training requirements outlined in chapter 388-112 WAC, and be authorized to work in the United States.
  - Individual providers of personal care, who:
    - Must be age 18 or older;
    - Are authorized to work in the United States;
    - Are contracted with the Medicaid Agency; and
    - Cleared the initial state background checks and remain free of disqualifying crimes and/or negative actions.

Payment for agency and Individual provider services are reimbursed at an hourly unit rate, and payment for residential-based services is reimbursed at a daily rate. All providers will submit claims in the state MMIS system for personal care services.

No payment is made for services beyond the scope of the program or hours of service exceeding the Medicaid Agency's authorization. Payments to residential providers are for personal care services only, and do not include room and board services that are provided. Payment is made only for the services described in Attachment 3.1-A, section 26.

## 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.)

## XV. Personal Care Services (cont)

## B. Service Rates

The fee schedule was last updated July 1, 2016, to be effective for dates of service on and after July 1, 2016.

Effective Jan. 1, 2008, the standard hourly rate for individual-provided personal care is based on comparable service units and is determined by the State legislature, based on negotiations between the Governor's Office and the union representing the workers. The rate for personal care services provided by individual providers consists of wages, industrial insurance, paid time off, mileage reimbursement, comprehensive medical, training, seniority pay, training based differentials, and other such benefits needed to ensure a stable, high performing workforce. The agreed-upon negotiated rates schedule is used for all bargaining members.

The rate for personal care services provided by agencies is based on an hourly unit. The agency rate determination corresponds to the rate for individual providers with an additional amount for employer functions performed by the agency.

The rate for personal care provided in assisted living facilities is based on a per day unit. Each participant is assigned to a classification group based on the State's assessment of their personal care needs. The daily rate varies depending on the individual's classification group. The rates are based on components for provider staff, operations, and capital costs. The rate paid to residential providers does not include room and board.

The rate for personal care provided in an adult family home is based on a per day unit and is determined by the State legislature, based on negotiations between the Governor's Office and the union representing Adult Family Homes.

[Back to TOC](#)

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## **Table of Contents**

**State/Territory Name: Washington**

**State Plan Amendment (SPA) #: 17-0022**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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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July 11, 2017

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

**RE: Washington State Plan Amendment (SPA) Transmittal Number 17-0022**

Dear Ms. Lindeblad:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of State Plan Amendment (SPA) Transmittal Number WA 17-0022. This amendment clarified that personal care providers may not work more hours in a week than approved by Department of Social and Health Services (DSHS) and the timing and approval process for person-centered service planning and program eligibility.

This SPA is approved with an effective date of April 6, 2017.

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,

Digitally signed by David L.  
Meacham -S  
DN: c=US, o=U.S. Government,  
ou=HHS, ou=CMS, ou=People,  
serial=92342, 19200300.100.1.1=200004  
1858, cn=David L. Meacham -S  
Date: 2017.07.12 13:09:03 -0700

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:  
17-0022**

**2. STATE  
Washington**

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

**4. PROPOSED EFFECTIVE DATE  
April 6, 2017**

**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; 42 CFR 441.510

**7. FEDERAL BUDGET IMPACT:**  
a. FFY 2017 \$0  
b. FFY 2018 \$0

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

Attachment 3.1-K page 3  
Attachment 4.19-B page 46

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

Attachment 3.1-K page 3  
Attachment 4.19-B page 46

**10. SUBJECT OF AMENDMENT**

Community First Choice State Plan Option

**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 Signature]

**13. TYPED NAME:**  
MARYANNE LINDEBLAD

**14. TITLE:**  
MEDICAID DIRECTOR

**15. DATE SUBMITTED:**

6-6-17

**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:**  
6/6/17

**18. DATE APPROVED:** 07/11/17

**PLAN APPROVED - ONE COPY ATTACHED**

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**  
04/06/17

**20. SIGNATURE OF REGIONAL OFFICIAL:**  
[Redacted Signature]

**21. TYPED NAME:**  
David L. Meacham

**22. TITLE:** Associate Regional Administrator

**23. REMARKS:**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State of Washington  
Community First Choice State Plan Option

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how and when personal care tasks will be performed. Individual providers may not work more than the provider's assigned work week limit. The limitation does not affect the participant's total hours of service, and may necessitate the use of more than one provider.

Participants receiving personal care from an agency provider choose the agency from among all qualified agency providers. The participant and the agency work together to determine the schedule of the agency worker and how and when personal care tasks will be performed based on the needs and preferences of the individual. The participant may request a different worker from the agency, select a different home care agency, or change to an Individual Provider at any time.

Participants receiving personal care from a residential provider select the provider from all available options. Using the person-centered service plan, the participant and the residential provider develop a care agreement that details how and when care will be provided based on the needs and preferences of the individual.

For participants under age 21, services will be provided in accordance with EPSDT requirements at 1905(r), subject to determination of medical necessity and prior authorization by the Medicaid agency.

1. **Nurse Delegation:** Nurse Delegation means that a licensed registered nurse assigns specific nursing task(s) to an unlicensed person to perform under the nurse's direction and supervision. The delegating nurse has the responsibility to assess the participant to ensure that the participant's condition is stable and predictable, train the caregiver to complete the task(s), evaluate the competency of the unlicensed caregiver to perform the task(s), and provide supervision to the caregiver.

Nurse Delegation is required for certain tasks if the provider is a paid, non-family member. A care provider must be a Certified Nursing Assistant, a Registered Nursing Assistant, or a Certified Home Care Aide and must have completed the nurse delegation training. All providers must also demonstrate to the registered nurse delegator the ability to perform the specific tasks. Nurse-delegated tasks may include medication administration, blood glucose monitoring, insulin injections, ostomy care, simple wound care, straight catheterization, or other tasks determined appropriate by the delegating nurse. The following tasks may not be delegated: administration of medications by injection other than insulin, central line maintenance, sterile procedures, and tasks that require nursing judgment.

The delegating Nurse may only delegate tasks that are within the scope of the state's Nurse Practice Act as defined in RCW 18.79.040.

The State will be claiming enhanced match for this service.



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

XXI. First Choice State Plan Option

State-developed fee schedule rates are the same for both governmental and private providers of the same service. The fee schedule is published at [https://www.dshs.wa.gov/sites/default/files/ALTSA/msd/documents/All\\_HCS\\_Rates.xls](https://www.dshs.wa.gov/sites/default/files/ALTSA/msd/documents/All_HCS_Rates.xls). Rates for Personal Care and Nurse Delegation provided under 1915(k) are the same as the payment rates for Personal Care and Nurse Delegation services listed in Attachment 4.19-B, XV Personal Care Services. Rates for Nurse Delegators provided under 1915(k) are the same as the payment rates for Nurse Delegators under Attachment 4.19-B, XV Personal Care Services. Payment rates for 1915(k) services will be updated whenever the fee schedule is updated on the corresponding State Plan page under the existing Personal Care Services benefit.

A. PERSONAL CARE

Personal care service providers:

Services are provided by these provider types:

1. Individual providers of personal care
2. State-licensed home-care agencies
3. Residential service providers which include:
  - a. Assisted living providers
  - b. Adult family homes

Personal care service provider rates:

1. Individual providers of personal care  
Individual Providers are reimbursed on an hourly rate. The standard hourly rate for individual-provided personal care is determined by the State legislature, based on negotiations between the Governor's Office and the union representing the workers. The rate for personal care services provided by individual providers consists of wages, industrial insurance, paid time off, mileage reimbursement, comprehensive medical, training, seniority pay, training based differentials, and other such benefits needed to ensure a stable high performing workforce. The agreed-upon negotiated rates schedule is used for all bargaining members.
2. State-licensed home-care agencies  
Home care agencies are reimbursed on an hourly rate. The rate for personal care services provided by home care agencies is based on an hourly unit. The agency rate determination corresponds to the rate for individual providers with an additional amount for employer functions performed by the agency.
3. Residential service providers  
The cost for personal care provided in adult family homes and assisted living facilities is reimbursed at a daily rate. Each participant is assigned to a classification group based on the State's assessment of their personal care needs. The daily rate varies depending on the individual's classification group. Rates are based on wages, benefits, and administrative expenses.

TN #17-0022  
Supersedes  
TN# 15-0002

Approval Date 07/11/17

Effective Date 4/6/17