

## WSR 24-11-146

## PROPOSED RULES

## HEALTH CARE AUTHORITY

[Filed May 22, 2024, 6:49 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 24-08-065.

Title of Rule and Other Identifying Information: WAC 182-550-1500 Covered and noncovered revenue codes categories and subcategories for outpatient hospital services.

Hearing Location(s): On June 25, 2024, at 10:00 a.m. The health care authority (HCA) holds public hearings virtually without a physical meeting place. To attend the virtual public hearing, you must register in advance [https://us02web.zoom.us/webinar/register/WN\\_71S7AVjqRpmWNBn\\_6M4B1Q](https://us02web.zoom.us/webinar/register/WN_71S7AVjqRpmWNBn_6M4B1Q). If the link above opens with an error message, please try using a different browser. After registering, you will receive a confirmation email containing information about joining the public hearing.

Date of Intended Adoption: June 26, 2024.

Submit Written Comments to: HCA Rules Coordinator, P.O. Box 42716, Olympia, WA 98504-2716, email [arc@hca.wa.gov](mailto:arc@hca.wa.gov), fax 360-586-9727, beginning May 23, 2024, 8:00 a.m., by June 25, 2024, by 11:59 p.m.

Assistance for Persons with Disabilities: Contact Johanna Larson, phone 360-725-1349, fax 360-586-9727, telecommunication[s] relay service 711, email [Johanna.Larson@hca.wa.gov](mailto:Johanna.Larson@hca.wa.gov), by June 7, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: HCA is amending WAC 182-550-1500 to allow for the payment of outpatient services in the following revenue code categories: "Partial hospitalization—Less intensive," "Partial hospitalization—Intensive," and "Intensive outpatient services—Psychiatric.["]

Reasons Supporting Proposal: See purpose.

Statutory Authority for Adoption: RCW 41.05.021, 41.05.160.

Statute Being Implemented: SB 5736, section 1 (1) (a) (ix); RCW 41.05.021, 41.05.160.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Health care authority, governmental.

Name of Agency Personnel Responsible for Drafting: Valerie Freudenstein, P.O. Box 42716, Olympia, WA 98504-2716, 360-725-1344; Implementation and Enforcement: Jennifer Wipprecht, P.O. Box 45502, Olympia, WA 98504-5502, 360-725-1532.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 does not apply to HCA rules unless requested by the joint administrative rules review committee or applied voluntarily.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(4).

Scope of exemption for rule proposal:

Is fully exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. Rule affects outpatient hospitals and does not impose more-than-minor costs on small businesses.

May 22, 2024  
Wendy Barcus  
Rules Coordinator

**OTS-5394.1**

AMENDATORY SECTION (Amending WSR 15-18-065, filed 8/27/15, effective 9/27/15)

**WAC 182-550-1500 Covered and noncovered revenue code categories and subcategories for outpatient hospital services.** (1) The medicaid agency pays for an outpatient hospital covered service in the following revenue code categories and subcategories when the hospital provider accurately bills:

(a) "Pharmacy," only subcategories "general classification," "generic drugs," "nongeneric drugs," "drugs incident to other diagnostic services," "drugs incident to radiology," "nonprescription," and "IV solutions";

(b) "IV therapy," only subcategories "general classification," "infusion pump," "IV therapy/pharmacy services," "IV therapy/drug/supply delivery," and "IV therapy/supplies";

(c) "Medical/surgical supplies and devices," only subcategories "general classification," "nonsterile supply," "sterile supply," "pacemaker," "intraocular lens," and "other implant," and "other supplies/devices";

(d) "Oncology," only subcategory "general classification";

(e) "Durable medical equipment (other than renal)," only subcategory "general classification";

(f) "Laboratory," only subcategories "general classification," "chemistry," "immunology," "renal patient (home)," "nonroutine dialysis," "hematology," "bacteriology and microbiology," and "urology";

(g) "Laboratory pathology," only subcategories "general classification," "cytology," "histology," and "biopsy";

(h) "Radiology - Diagnostic," only subcategories "general classification," "angiocardiography," "arthrography," "arteriography," and "chest X-ray";

(i) "Radiology - Therapeutic and/or chemotherapy administration," only subcategories "general classification," "chemotherapy - injected," "chemotherapy - oral," "radiation therapy," and "chemotherapy - IV";

(j) "Nuclear medicine," only subcategories "general classification," "diagnostic," and "therapeutic," "diagnostic radiopharmaceuticals," and "therapeutic radiopharmaceuticals";

(k) "CT scan," only subcategories "general classification," "head scan," and "body scan";

(l) "Operating room services," only subcategories "general classification" and "minor surgery";

(m) "Anesthesia," only subcategories "general classification," "anesthesia incident to radiology," and "anesthesia incident to other diagnostic services";

- (n) "Administration, processing and storage for blood and blood components," only subcategories "general classification" and "administration";
- (o) "Other imaging," only subcategories "general classification," "diagnostic mammography," "ultrasound," "screening mammography," and "positron emission tomography";
- (p) "Respiratory services," only subcategories "general classification," "inhalation services," and "hyperbaric oxygen therapy";
- (q) "Physical therapy," only subcategories "general classification," "visit charge," "hourly charge," "group rate," and "evaluation or reevaluation";
- (r) "Occupational therapy," only subcategories "general classification," "visit charge," "hourly charge," "group rate," and "evaluation or reevaluation";
- (s) "Speech therapy - Language pathology," only subcategories "general classification," "visit charge," "hourly charge," "group rate," and "evaluation or reevaluation";
- (t) "Emergency room," only subcategories "general classification" and "urgent care";
- (u) "Pulmonary function," only subcategory "general classification";
- (v) "Audiology," only subcategories "general classification," "diagnostic," and "treatment";
- (w) "Cardiology," only subcategories "general classification," "cardiac cath lab," "stress test," and "echocardiology";
- (x) "Ambulatory surgical care," only subcategory "general classification";
- (y) "Magnetic resonance technology (MRT)," only subcategories "general classification," "MRI - Brain (including brainstem)," "MRI - Spinal cord (including spine)," "MRI-other," "MRA - Head and neck," "MRA - Lower extremities" and "MRA-other";
- (z) "Medical/surgical supplies - Extension," only subcategories "supplies incident to radiology," "supplies incident to other diagnostic services," and "surgical dressings";
- (aa) "Pharmacy - Extension," only subcategories "single source drug," "multiple source drug," "restrictive prescription," "erythropoietin (EPO) less than ten thousand units," "erythropoietin (EPO) ten thousand or more units," "drugs requiring detailed coding," and "self-administrable drugs";
- (bb) "Cast room," only subcategory "general classification";
- (cc) "Recovery room," only subcategory "general classification";
- (dd) "Labor room/delivery," only subcategories "general classification," "labor," "delivery," and "birthing center";
- (ee) "EKG/ECG (Electrocardiogram)," only subcategories "general classification," "holter monitor," and "telemetry";
- (ff) "EEG (Electroencephalogram)," only subcategory "general classification";
- (gg) "Gastro-intestinal services," only subcategory "general classification";
- (hh) "Specialty room - Treatment/observation room," only subcategories "treatment room," and "observation room";
- (ii) "Telemedicine," only subcategory "other telemedicine";
- (jj) "Extra-corporeal shock wave therapy (formerly lithotripsy)," subcategory "general classification";
- (kk) "Acquisition of body components," only subcategories "general classification," "living donor," and "cadaver donor";

- (ll) "Hemodialysis - Outpatient or home," only subcategory "general classification";
- (mm) "Peritoneal dialysis - Outpatient or home," only subcategory "general classification";
- (nn) "Continuous ambulatory peritoneal dialysis (CAPD) - Outpatient or home," only subcategory "general classification";
- (oo) "Continuous cycling peritoneal dialysis (CCPD) - Outpatient or home," only subcategory "general classification";
- (pp) "Miscellaneous dialysis," only subcategories "general classification," and "ultra filtration";
- (qq) "Behavioral health treatments/services," only subcategory "electroshock treatment"; ((and))
- (rr) "Behavioral health treatment/services," subcategories "intensive outpatient services - psychiatric";
- (ss) "Behavioral health treatment/services," subcategories "partial hospitalization - less intensive," "partial hospitalization - intensive"; and
- (tt) "Other diagnostic services," only subcategories "general classification," "peripheral vascular lab," "electromyogram," "pap smear," and "pregnancy test."
- (2) The agency pays for an outpatient hospital covered service in the following revenue code subcategories only when the outpatient hospital provider is approved by the agency to provide the specific service:
- (a) "Clinic," subcategories "general classification," "dental clinic," and "other clinic"; and
- (b) "Other therapeutic services," subcategories, "general classification," "education/training," "cardiac rehabilitation," and "other therapeutic service."
- (3) The agency does not pay for outpatient hospital services in the following revenue code categories and subcategories:
- (a) "All-inclusive rate";
- (b) "Room & board - Private (one bed)";
- (c) "Room & board - Semi-private (two beds)";
- (d) "Room & board - Semi-private (three and four beds)";
- (e) "Room & board - Deluxe private";
- (f) "Room & board - Ward";
- (g) "Room & board - Other";
- (h) "Nursery";
- (i) "Leave of absence";
- (j) "Subacute care";
- (k) "Intensive care unit";
- (l) "Coronary care unit";
- (m) "Special charges";
- (n) "Incremental nursing charge rate";
- (o) "All-inclusive ancillary";
- (p) "Pharmacy," subcategories "take home drugs," "experimental drugs," and "other pharmacy";
- (q) "IV therapy," subcategory "other IV therapy";
- (r) "Medical/surgical supplies and devices," subcategories "take home supplies," "prosthetic/orthotic devices," and "oxygen - take home";
- (s) "Oncology," subcategory "other oncology";
- (t) "Durable medical equipment (other than renal)," subcategories "rental," "purchase of new DME," "purchase of used DME," "supplies/drugs for DME effectiveness (home health agency only)," and "other equipment";

- (u) "Laboratory," subcategory "other laboratory";
- (v) "Laboratory pathology," subcategory "other laboratory pathological";
- (w) "Radiology - Diagnostic," subcategory "other radiology - diagnostic";
- (x) "Radiology - Therapeutic and/or chemotherapy administration," subcategory "other radiology - therapeutic";
- (y) "Nuclear medicine," subcategory "other nuclear medicine";
- (z) "CT scan," subcategory "other CT scan";
- (aa) "Operating room services," subcategories "organ transplant - other than kidney," "kidney transplant," and "other operating room services";
- (bb) "Anesthesia," subcategories "acupuncture" and "other anesthesia";
- (cc) "Blood and blood components";
- (dd) "Administration, processing and storage for blood and blood component," subcategory "other processing and storage";
- (ee) "Other imaging," subcategory "other imaging service";
- (ff) "Respiratory services," subcategory "other respiratory services";
- (gg) "Physical therapy services," subcategory "other physical therapy";
- (hh) "Occupational therapy services," subcategory "other occupational therapy";
- (ii) "Speech therapy - Language pathology," subcategory "other speech-language pathology";
- (jj) "Emergency room," subcategories "EMTALA emergency medical screening services," "ER beyond EMTALA screening" and "other emergency room";
- (kk) "Pulmonary function," subcategory "other pulmonary function";
- (ll) "Audiology," subcategory "other audiology";
- (mm) "Cardiology," subcategory "other cardiology";
- (nn) "Ambulatory surgical care," subcategory "other ambulatory surgical care";
- (oo) "Outpatient services";
- (pp) "Clinic," subcategories "chronic pain center," "psychiatric clinic," "OB-GYN clinic," "pediatric clinic," "urgent care clinic," and "family practice clinic";
- (qq) "Free-standing clinic";
- (rr) "Osteopathic services";
- (ss) "Ambulance";
- (tt) "Home health (HH) - Skilled nursing";
- (uu) "Home health (HH) - Medical social services";
- (vv) "Home health (HH) - Aide";
- (ww) "Home health (HH) - Other visits";
- (xx) "Home health (HH) - Units of service";
- (yy) "Home health (HH) - Oxygen";
- (zz) "Magnetic resonance technology (MRT)," subcategory "other MRT";
- (aaa) "Medical/surgical supplies - Extension," only subcategory "FDA investigational devices";
- (bbb) "Home IV therapy services";
- (ccc) "Hospice services";
- (ddd) "Respite care";
- (eee) "Outpatient special residence charges";
- (fff) "Trauma response";

(ggg) "Cast room," subcategory "other cast room";  
(hhh) "Recovery room," subcategory "other recovery room";  
(iii) "Labor room/delivery," subcategories "circumcision" and "other labor room/delivery";  
(jjj) "EKG/ECG (Electrocardiogram)," subcategory "other EKG/ECG";  
(kkk) "EEG (Electroencephalogram)," subcategory "other EEG";  
(lll) "Gastro-intestinal services," subcategory "other gastro-intestinal";  
(mmm) "Speciality room - Treatment/observation room," subcategories "general classification" and "other speciality rooms";  
(nnn) "Preventive care services";  
(ooo) "Telemedicine," subcategory "general classification";  
(ppp) "Extra-corporal shock wave therapy (formerly lithotripsy)," subcategory "other ESWT";  
(qqq) "Inpatient renal dialysis";  
(rrr) "Acquisition of body components," subcategories "unknown donor," "unsuccessful organ search - donor bank charges," and "other donor";  
(sss) "Hemodialysis - Outpatient or home," subcategories "hemodialysis/composite or other rate," "home supplies," "home equipment," "maintenance one hundred percent (home)," "support services (home)," and "other outpatient hemodialysis (home)";  
(ttt) "Peritoneal dialysis - Outpatient or home," subcategories "peritoneal/composite or other rate," "home supplies," "home equipment," "maintenance one hundred percent (home)," "support services (home)," and "other outpatient peritoneal dialysis (home)";  
(uuu) "Continuous ambulatory peritoneal dialysis (CAPD) - Outpatient or home," subcategories "CAPD/composite or other rate," "home supplies," "home equipment," "maintenance one hundred percent (home)," "support services (home)," and "other outpatient CAPD (home)";  
(vvv) "Continuous cycling peritoneal dialysis (CCPD) - Outpatient or home," subcategories "CCPD/composite or other rate," "home supplies," "home equipment," "maintenance one hundred percent (home)," "support services (home)," and "other outpatient CCPD (home)";  
(www) "Miscellaneous dialysis," subcategories "home dialysis aid visit" and "other miscellaneous dialysis";  
(xxx) "Behavioral health treatments/services," subcategories "general classification," "milieu therapy," "play therapy," "activity therapy," (~~"intensive outpatient services - psychiatric,"~~) "intensive outpatient services - (~~chemical dependency~~) substance use disorder (SUD)," and "community behavioral health program (day treatment)";  
(yyy) "Behavioral health treatment/services (extension)";  
(zzz) "Other diagnostic services," subcategories "allergy test" and "other diagnostic services";  
(aaaa) "Medical rehabilitation day program";  
(bbbb) "Other therapeutic services - extension," subcategories "recreational therapy," "drug rehabilitation," "alcohol rehabilitation," "complex medical equipment - routine," "complex medical equipment - ancillary," "athletic training," and "kinesiotherapy";  
(cccc) "Professional fees";  
(dddd) "Patient convenience items"; and  
(eeee) Revenue code categories and subcategories that are not identified in this section.