WAC 182-550-5550 Public notice for changes in medicaid payment rates for hospital services. (1) The purpose and intent of this section is to describe how the medicaid agency, pertaining to medicaid hospital rates, will comply with section 4711(a) of the federal Balanced Budget Act of 1997, Public Law 105-33, as codified at 42 U.S.C. 1396a (a)(13)(A).

(2) For purposes of this section, the term:

(a) "Stakeholders" means providers, beneficiaries, representatives of beneficiaries, and other concerned state residents.

(b) "Rate" means the medicaid payment amount to a provider for a particular hospital service, except for disproportionate share payments not mandated by federal law.

(c) "Methodology" underlying the establishment of a medicaid hospital rate means (unless otherwise noted) the principles, procedures, limitations, and formulas detailed in WAC 182-550-2900 through 182-550-5500.

(d) "Justification" means an explanation of why the agency is proposing or implementing a medicaid rate change based on a change in medicaid rate setting methodology.

(e) "Reasonable opportunity to review and provide written comments" means a period of 14 calendar days in which stakeholders may provide written comments to the agency.

(f) "Hospital services" means those services that are performed in a hospital facility for an inpatient client and which are payable only to the hospital entity, not to individual performing providers.

(g) "Website" means the agency's internet home page on the worldwide web: http://www.hca.wa.gov/ is the internet address.

(3) The agency will notify stakeholders of proposed and final changes in individual medicaid hospital rates for hospital services, as follows:

(a) Publish the proposed medicaid hospital rates, the methodologies underlying the establishment of the rates, and justifications for the rates;

(b) Give stakeholders a reasonable opportunity to review and provide written comments on the proposed medicaid hospital rates, the methodologies underlying the establishment of the rates, and justifications for the rates; and

(c) Publish the final medicaid hospital rates, the methodologies underlying the establishment of such rates, and justifications for such rates.

(4)(a) Except as otherwise provided in this section, the agency will determine the manner of publication of proposed or final medicaid hospital rates.

(b) Publication of proposed medicaid hospital rates will occur as follows:

(i) The agency will send each provider's proposed rate to the affected provider via email at least 15 calendar days before the proposed date for implementing the rates; and

(ii) For other stakeholders, the agency will post proposed rates on the agency's website.

(c) Publication of final medicaid hospital rates will occur as follows:

(i) The agency will send each provider's final rate to the affected provider via email at least one calendar day before implementing the rate; and

(ii) For other stakeholders, the agency will post final rates on the agency's website.

(d) The publications required by subsections (4)(b) and (c) of this section will refer to the appropriate sections of chapter 182-550 WAC for information on the methodologies underlying the proposed and final rates.

(5) The agency, when it proposes amendments to the methodologies underlying the establishment of medicaid hospital rates as described in WAC 182-550-2900 through 182-550-5500, will adhere to the notice and comment provisions of the Administrative Procedure Act (chapter 34.05 RCW).

(6) Stakeholders who wish to receive notice of either proposed and final medicaid hospital rates or proposed and final amendments to WAC 182-550-2900 through 182-550-5500 must notify the agency in writing. The agency will send notice of all the actions to the stakeholders postage prepaid by regular mail.

(7)(a) The notice and publication provisions of section 4711(a) of the Balanced Budget Act of 1997 do not apply when a rate change is:

(i) Necessary to conform to medicare rules, methods, or levels of reimbursement for clients who are eligible for both medicare and medicaid;

(ii) Required by Congress, the legislature, or court order, and no further rule making is necessary to implement the change; or

(iii) Part of a nonmedicaid program.

(b) Although notice and publication are not required for medicaid rate changes described in subsection (7)(a) of this section, the agency will attempt to timely notify stakeholders of these rate changes.

(8) The following rules apply when the agency and an individual hospital negotiate or contractually agree to medicaid rates for hospital services:

(a) Receipt by the hospital of the contract or contract amendment form for signature constitutes notice to the hospital of proposed medicaid rates.

(b) Receipt by the hospital of the contract or contract amendment form signed by both parties constitutes notice to the hospital of final medicaid rates.

(c) Notwithstanding subsection (4)(c) of this section, final medicaid contract rates are effective on the date contractually agreed to by the agency and the individual hospital.

(d) Before the execution of the contract, the agency will not publish negotiated contract prices that are agreed to between the agency and an individual provider to anyone other than the individual provider. Within 15 calendar days after the execution of any such contract, the agency will publish the negotiated contract prices on its website.

(9) The following rules apply when a hospital provider or other stakeholder wishes to challenge the adequacy of the public notification process followed by the agency in proposing or implementing a change to medicaid hospital rates, the methodologies underlying the establishment of the rates, or the justification for the rates:

(a) If any such challenge is limited solely to the adequacy of the public notification process, then the challenge will:

(i) Not be pursued in any administrative appeal or dispute resolution procedure established in rule by the agency; and

(ii) Be pursued only in a court of proper jurisdiction as may be provided by law.

(b) If a hospital provider brings any such challenge in conjunction with an appeal of its medicaid rate, then the hospital provider may pursue the challenge in an administrative appeal or dispute reso-

lution procedure established in rule by the agency under which hospital providers may appeal their medicaid rates.

[Statutory Authority: RCW 41.05.021 (1)(m)(i), (iv), and 41.05.160. WSR 25-14-023, s 182-550-5550, filed 6/24/25, effective 7/25/25. Statutory Authority: RCW 41.05.021 and 41.05.160. WSR 15-18-065, § 182-550-5550, filed 8/27/15, effective 9/27/15. WSR 11-14-075, recodified as § 182-550-5550, filed 6/30/11, effective 7/1/11. Statutory Authority: RCW 74.09.500 and 42 U.S.C. 1396a (a)(13)(A). WSR 98-23-036, § 388-550-5550, filed 11/10/98, effective 12/11/98.]