

**Title 275 WAC**  
**SOCIAL AND HEALTH SERVICES,**  
**DEPARTMENT OF (INSTITUTIONS)**

<b>Chapters</b>	
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**Chapter 275-16 WAC**  
**LIABILITY FOR COSTS OF CARE AND**  
**HOSPITALIZATION OF THE MENTALLY ILL**

WAC  
 275-16-030 Schedule of charges.

**WAC 275-16-030 Schedule of charges.** Pursuant to RCW 43.20B.325, the department shall base hospitalization charges for clients in state hospitals on the actual operating costs of such hospitals for the previous year. Hospitalization charges are due and payable on or before the tenth day of each calendar month for services rendered to clients of the department during the preceding month, based upon the following schedule:

(1) COSTING AND BILLING RATES

	Western State Hospital	Child Study and Treatment Center	Eastern State Hospital
(a) INPATIENT SERVICES -			
Hospital Costs Per Day	\$140.12	229.75	169.86
Physician Costs	*	8.79	*

\*The department shall bill the client for physician costs on a fee-for-service basis.

(b) OUTPATIENT SERVICES -  
 Per diem

	Western State Hospital	Child Study and Treatment Center	Eastern State Hospital
Outpatient	---	---	---
Day Care Per Day	---	72.48	---
Per Hour	---	12.91	---

(c) ANCILLARY SERVICES -  
 Per relative value unit <sup>1/</sup>

	Western State Hospital	Child Study and Treatment Center	Eastern State Hospital
Radiology	5.88	5.88	4.50
Pathology	.32	.32	.18
Medical Clinics	2.15	2.15	5.79
Electrocardiogram	.22	.22	.44
Physical Therapy	3.48	3.48	3.96
Occupational Therapy	---	---	19.15
Speech Therapy	---	---	18.32
Dental	22.54	22.54	17.09
Podiatry	1.28	1.28	1.00

(2) Services required by the client, not provided by hospital staff, shall be purchased by the department from private sources and the client shall be charged at actual cost.

<sup>1/</sup>California Medical Association. *Relative Value Studies*. Fifth edition. San Francisco: 693 Sutter Publication, Inc., 1969, 135 pp.

[Statutory Authority: RCW 43.20B.335, 88-21-095 (Order 2715), § 275-16-030, filed 10/19/88. Statutory Authority: RCW 71.02.412, 87-19-026 (Order 2531), § 275-16-030, filed 9/10/87; 86-17-075 (Order 2414), § 275-16-030, filed 8/19/86; 85-17-038 (Order 2273), § 275-16-030, filed 8/15/85; 84-17-011 (Order 2131), § 275-16-030, filed 8/3/84; 83-18-029 (Order 2019), § 275-16-030, filed 8/31/83; 82-17-070 (Order 1866), § 275-16-030, filed 8/18/82; 80-06-087 (Order 1508), § 275-16-030, filed 5/28/80. Statutory Authority: RCW 72.01.090, 79-03-019 (Order 1372), § 275-16-030, filed 2/21/79; 78-03-029 (Order 1270), § 275-16-030, filed 2/17/78; Order 1190, § 275-16-030, filed 2/18/77; Order 1086, § 275-16-030, filed 1/15/76; Order 1002, § 275-16-030, filed 1/14/75; Order 947, § 275-16-030, filed 6/26/74; Order 812, § 275-16-030, filed 6/28/73; Order 14, § 275-16-030, filed 5/11/71; Order 6, § 275-16-030, filed 1/10/69; Order 1, § 275-16-030, filed 2/23/68; Emergency Rules (part), filed 1/26/68, 10/24/67, 8/2/67, and 7/28/67.]

**Chapter 275-19 WAC**  
**ALCOHOL AND DRUG TREATMENT FACILITIES**

WAC	
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**WAC 275-19-020 Facility services.** (1) The department shall approve and accredit alcoholism, alcohol abuse, drug addiction, and drug abuse treatment facilities pursuant to these rules and regulations to provide the following services:

(a) Alcoholism and alcohol abuse detoxification: Provides care and treatment of persons intoxicated or incapacitated by alcohol during the period in which the person recovers from the transitory effects of acute intoxication.

(b) Drug addiction and drug abuse detoxification: Provides care and treatment of persons intoxicated or incapacitated by drugs during the period in which the person recovers from the transitory effects of acute intoxication or withdrawal.

(c) Alcoholism intensive inpatient treatment: Provides a concentrated residential program consisting of a combination of education, individual therapy, group therapy, and related activities to detoxified alcoholics.

(d) Drug addiction intensive inpatient treatment: Provides a concentrated residential program consisting of a combination of education, individual therapy, group therapy, and related activities to detoxified addicts.

(e) Alcoholism long-term treatment: Provides care and treatment on a long-term basis (ninety days or more) in a residential setting with personal care services for alcoholics with impaired self-maintenance capabilities needing personal guidance and assistance to maintain abstinence and good health.

(f) Drug addiction long-term treatment: Provides care and treatment on a long-term basis (ninety days or more) in a residential setting with personal care services for drug addicts with impaired self-maintenance capabilities needing personal guidance and assistance to maintain abstinence and good health.

(g) Alcoholism recovery house: Provides care and treatment in a residential setting with social and recreational activities for detoxified alcoholics to aid their adjustment to abstinence and aid their engagement in occupational training, gainful employment, or other types of community service.

(h) Drug addiction recovery house: Provides care and treatment in a residential setting with social and recreational activities for detoxified addicts to aid their adjustment to abstinence and aid their engagement in occupational training, gainful employment, or other types of community activities.

(i) Alcoholism extended care recovery house: Provides care and treatment in a residential setting in excess of

sixty days for clients needing prolonged treatment services.

(j) Drug addiction extended care recovery house: Provides care and treatment in a residential setting in excess of sixty days for clients needing prolonged treatment services.

(k) Alcoholism and alcohol abuse outpatient treatment: Provides alcoholism and alcohol abuse treatment services according to a prescribed plan in a nonresidential setting.

(l) Drug addiction and drug abuse outpatient treatment: Provides drug addiction and drug abuse treatment services according to a prescribed plan in a nonresidential setting.

(m) Alcoholism intensive outpatient treatment: Provides a concentrated, nonresidential program consisting of a combination of educational sessions, individual therapy, group therapy, and related activities to detoxified alcoholics and their families.

(n) Drug addiction intensive outpatient treatment: Provides a concentrated, nonresidential program consisting of a combination of educational sessions, individual therapy, group therapy, and related activities to detoxified addicts and their families.

(o) Crisis intervention facilities services: Provides services aimed at alleviating acute emotional, behavioral, and/or physical distress resulting from the individual's use of alcohol and/or drugs.

(p) DWI client assessment: A diagnostic service designed to evaluate and assess clients' involvement with alcohol and other drugs, and recommend an appropriate course of action.

(q) Alcohol information school: An educational program providing students with information regarding the use and abuse of alcohol. The goal of the school is to help students not currently presenting a significant alcohol problem to make informed decisions about the use of alcohol.

(r) Drug information school: An educational program providing students with information regarding the use and abuse of drugs. The goal of the school is to help students not currently presenting a significant drug problem to make informed decisions about the use of drugs.

(s) Emergency service patrol: Provides assistance in the streets and in other public places to persons who are intoxicated.

(t) Methadone treatment: Provides methadone (or other drugs approved by the department) as a substitute for opiates, in addition to counseling and other types of psychological or social therapy.

(u) Chemical dependency assessment centers: Contract agencies of the department of social and health services, bureau of alcohol and substance abuse, performing the following:

(i) Alcoholism and drug addiction assessments of a client seeking assistance from the department as a result of incapacity due to alcoholism and/or drug addiction,

(ii) Screening of an indigent client and referral of a client qualifying for supplemental social security income

or general assistance—unemployable based on mental illness or physical disability to one of the department's community service offices, and

(iii) Case supervision of treatment and shelter services provided to indigent clients admitted to the ADATSA program.

(2) A facility may be approved for more than one service if the facility complies with the specific requirements for approval of each service provided.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-020, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-020, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.040. 83-23-008 (Order 2044), § 275-19-020, filed 11/4/83. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-020, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-020, filed 2/1/80.]

**WAC 275-19-030 Definitions.** For the purpose of these rules and regulations, the following words and phrases shall have the following meanings unless the context clearly indicates otherwise:

(1) "Acute detoxification" means detoxification service provided to individuals for whom the consequences of withdrawal from alcohol or other drugs are so severe as to merit assistance from medical and/or nursing personnel.

(2) "ADATSA" means the Alcohol and Drug Addiction Treatment and Support Act.

(3) "ADATSA client" means an indigent client receiving services authorized under ADATSA.

(4) "Administrator" means the individual appointed as the chief executive officer by the operators of a facility to act in the facility's behalf in the overall management of the treatment facility.

(5) "Alcohol abuse" means use of alcohol in amounts hazardous to individual health or safety.

(6) "Alcoholic" means a person with alcoholism.

(7) "Alcoholism" means an illness characterized by lack of control as to the consumption of alcoholic beverages or the consumption of alcoholic beverages to the extent a person's health is substantially impaired or endangered or his or her social and economic function is substantially disrupted.

(8) "Approved" means having met the standards of the department contained in these rules and regulations and having been approved pursuant to chapters 69.54 and/or 70.96A RCW.

(9) "Approved treatment facility" means a treatment facility, either public or private, profit or nonprofit, approved by the department pursuant to these rules and regulations and chapters 69.54 and/or 70.96A RCW.

(10) "Authenticated" means written verification of any entry in a patient treatment record by means of a signature including minimally first initial and last name, or initials if the file includes an authentication record and the date of the entry.

(11) "Authentication record" means a document which is part of each patient treatment record and includes identification of all individuals initialing entries in the treatment record: Full printed name, signature including minimally first initial and last name, and initials that may appear after entries in the treatment record.

(12) "Bureau" means the Washington state department of social and health services bureau of alcohol and substance abuse.

(13) "Bureau of alcohol and substance abuse" means the Washington state department of social and health services bureau of alcohol and substance abuse.

(14) "Cancel" means a termination of the department's approval of a treatment service or facility.

(15) "Certified" means the approval of a treatment facility pursuant to chapters 69.54 and/or 70.96A RCW and these rules and regulations to provide one or more of the treatment services listed in WAC 275-19-020 and the issuing of a certificate of approval for those services by the bureau.

(16) "Chemical dependency" means having an alcohol and/or drug abuse or addiction problem.

(17) "Chemotherapy" means the use of prescribed medication to assist in client treatment for drug or alcohol dependency.

(18) "Compliance" means being in conformity with the requirements in chapters 69.54 and/or 70.96A RCW and chapter 275-19 WAC applying to the class or classes of treatment services for which a treatment facility is approved and/or has applied for approval.

(19) "Department" means the Washington state department of social and health services.

(20) "Department of licensing" means the Washington state department of licensing.

(21) "Detoxification" means care and treatment of a person during the period in which the person recovers from the transitory effects of acute intoxication or withdrawal.

(22) "Detoxified" means withdrawn from the consumption of alcohol, or other drugs, and recovered from the transitory effects of intoxication, or any associated acute physiological withdrawal reactions.

(23) "Discrete chemical dependency assessment center" means a center conducting assessments of ADATSA clients following the requirements in WAC 275-19-590.

(24) "Discrete treatment facility" means an alcoholism and/or drug treatment facility run by operators who:

(a) Receive their revenue from one or more of the following:

(i) Client fees or third-party payments on behalf of clients;

(ii) Federal, state, and county contracts for alcoholism and/or drug treatment services.

(b) Have provided separate supervisory staff and treatment personnel for the alcoholism and/or drug addiction treatment services separate from other services provided by the facility,

(c) Have provided a separate building or a separate area within a building for the approved alcoholism and/or drug addiction treatment services,

(d) Have separate accounting records and documents which identify the source and applications of all funds received in payment for alcoholism and/or drug addiction treatment services.

(25) "Drug abuse" means use of a drug in amounts hazardous to individual health or safety.

(26) "Drug addiction" means chronic, compulsive, or uncontrollable drug use to the extent a person cannot stop use of the drug. Drug addiction is usually characterized by a process including progressive use, development of tolerance, and a withdrawal syndrome if use of the drug is discontinued.

(27) "Face to face" means an individual or group therapeutic contact with a client not including educational sessions.

(28) "Facilities" means rooms, areas, and equipment.

(29) "Incapacitated by alcohol" means a person, as a result of the use of alcohol, has his or her judgment so impaired he or she is incapable of realizing and making a rational decision with respect to his or her need for treatment and constitutes a danger to himself or herself, to any other person, or to property.

(30) "Intoxication" means acute alcohol and/or drug poisoning or temporary impairment of a person's mental or physical functioning caused by alcohol and/or other drugs.

(31) "Licensed nurse" means either a registered nurse per chapter 18.88 RCW or a licensed practical nurse per chapter 18.78 RCW.

(32) "Negative urine" means the results of a urinalysis which do not confirm the presence of any controlled substances, other than drugs medically prescribed for the patient submitting the urine sample.

(33) "Operators" means the individual or group legally responsible for the treatment facility.

(34) "Physician" means a person duly licensed to practice medicine or osteopathic medicine in the state of Washington per chapter 18.57 or 18.71 RCW.

(35) "Positive urine" means the results of a urinalysis confirming the presence of one or more controlled substances, other than drugs legitimately prescribed for the patient submitting the urine sample.

(36) "Probation alcohol assessment facility" means a qualified probation department for a district or municipal court within the state of Washington meeting the standards contained in these rules and regulations governing the operation of a DWI client assessment service as described in WAC 275-19-020.

(37) "Residential facilities" means facilities providing board and room as part of the treatment program.

(38) "Revoke" means a termination of the department's approval of a treatment facility.

(39) "Secretary" means the secretary of the Washington state department of social and health services or his or her designee.

(40) "Shall" means compliance is mandatory.

(41) "Shelter" means sheltered living for qualified indigent alcoholics and/or drug addicts placed by chemical dependency assessment centers.

(42) "Sick physical" means an initial diagnostic examination of an applicant for admission to a treatment facility, for the purpose of determining whether the individual is currently physiologically dependent on opiates.

(43) "Stabilization" means a patient's condition:

(a) Where the program physician has determined that the currently prescribed dose of medication has suppressed physiological withdrawal signs, has not produced sedation, euphoria, or other signs of over-medication, and has provided reasonable comfort for the patient; and

(b) Where the program physician determines no future dose increases should be necessary. Stabilization is evidenced by constant dose levels for fourteen days or by a determination entered into the clinical record by the program physician.

(44) "Subacute detoxification" means detoxification service provided to individuals in a supportive, homelike environment where a person can recover from the effects of intoxication. Prescription medication is not provided for the management of withdrawal discomfort.

(45) "Suspend" means termination of the department's approval of a treatment facility for a specified period of less than one calendar year or until specific conditions have been met and the agency has been notified of reinstatement.

(46) "Take-home medication" means methadone dispensed for self-administration by the client off the premises of the treatment facility.

(47) "Transfer patient" means any patient transferring from one methadone program to another methadone program, with a maximum interruption in methadone medication of thirty days.

(48) "Urinalysis" means the qualitative analysis of a patient's urine sample for controlled substances.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-030, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 87-09-035 (Order 2484), § 275-19-030, filed 4/13/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-030, filed 10/29/86. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-030, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.040. 83-23-008 (Order 2044), § 275-19-030, filed 11/4/83. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-030, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-030, filed 2/1/80.]

#### WAC 275-19-040 Department approval procedures.

(1) Treatment facilities seeking department approval for one or more of the services listed in WAC 275-19-020 shall submit a written application to the bureau of alcohol and substance abuse on a form provided by the bureau.

(a) Such application shall provide evidence that the agency meets the requirements of these rules and regulations, chapters 69.54 and/or 70.96A RCW.

(b) The applicant shall send a copy of the application form to the county coordinator in each county where services are to be provided.

(c) After processing the application, the bureau shall send written notification of approval or denial of approval to the applicant and if approved to the appropriate county coordinator.

(2) The department shall not grant approval to any treatment facility unless the operators meet the requirements of WAC 275-19-110.

(3) The department shall only approve alcoholism and/or drug addiction treatment facilities which are separate and discrete from mental health facilities as defined in chapter 71.24 RCW; *Provided*, That approval

shall continue to be granted to mental health facilities which were approved prior to January 1, 1987, to provide one or more of the treatment services defined in WAC 275-19-020. Approval shall continue to be granted for such treatment services operated by mental health facilities as long as they remain in compliance with the requirements of chapter 275-19 WAC.

(4) The department may grant provisional approval to treatment facilities when the bureau staff are unable to determine whether the facility, without a period of operation, will comply with chapters 69.54 and/or 70.96A RCW, and these rules and regulations. Provisional approval shall be granted for a maximum period of six months and may not be renewed more than once.

(5) If an approved treatment facility plans to move to a different location, open a branch office, or change ownership, the facility shall submit a written application to the bureau. Such application shall be submitted in accordance with WAC 275-19-040(1).

(6)(a) The bureau director or his or her designees may exempt a treatment facility from compliance with parts of these regulations when it has been found, after thorough investigation and consideration, that such exemption may be made in an individual case without jeopardizing the safety, health, or treatment of the clients in the particular treatment facility, or jeopardize the functioning of other service providers.

(b) All exemptions granted shall be in writing and filed with the department and the treatment facility.

(7) The bureau shall issue a certificate of approval, valid for not more than one year, to approved treatment facilities in compliance with these rules and regulations and chapters 69.54 and/or 70.96A RCW. This certificate shall be displayed in a conspicuous place in the facility.

(8) Fees shall be set and charged by the bureau of alcohol and substance abuse for inspections and certification of approved treatment facilities. Such fees shall be reasonably based upon the cost to the bureau of the inspections and maintenance of certification and shall not exceed the actual costs. Only one such fee shall be charged to a treatment facility during any twelve-month period, regardless of the number of inspections made.

(9) Additional methadone facility application materials. In addition to the material submitted in a regular application for approval of a treatment facility, methadone treatment facilities shall submit to the department the following:

(a) A completed copy of the federal food and drug administration application for approval as a methadone program.

(b) A completed copy of the federal drug enforcement agency application for an approval to provide methadone.

(c) A copy of the facility's urinalysis procedures and policies.

(d) A copy of the facility's criteria for establishing and revising planned detoxification dates for patients.

(e) A copy of the facility's dispensary procedures and policies.

(10) Other required permits, licenses, and approvals for methadone treatment facilities. Prior to being certified by the department, methadone treatment facilities must possess the following:

(a) Approval from the federal drug enforcement administration;

(b) A license to operate a methadone treatment facility from the county in which the facility is (to be) located, unless the county has no such licensure requirement; and

(c) Registration with the Washington state board of pharmacy.

[Statutory Authority: RCW 69.54.040 and 70.96A.090. 87-09-035 (Order 2484), § 275-19-040, filed 4/13/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-040, filed 10/29/86. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-040, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-040, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-040, filed 2/1/80.]

**WAC 275-19-050 Suspension, cancellation, or revocation of approval.**

(1) Failure to be in compliance with the requirements of chapters 69.54 and/or 70.96A RCW or these rules and regulations shall constitute grounds for the suspension or revocation of the department's approval in accordance with chapter 34.04 RCW.

(2) The department may cancel approval if a facility ceases to provide the services for which the facility has been approved.

(3) The department may cancel approval if a facility fails to pay the required certification fee.

(4) The department may suspend or revoke the approval of a facility if the facility hires a person or persons into counselor or assessment officer job positions not meeting the qualifications in WAC 275-19-145 for qualified counselors and/or assessment officers.

(5) Disqualified applicants.

(a) Each and every individual named in an application for treatment facility approval shall be considered separately and jointly as applicants and, if anyone be deemed unqualified by the department in accordance with the law or these rules and regulations, the approval may be denied, suspended, or revoked.

(b) Approval may be denied, suspended, or revoked for any of the following:

(i) Obtaining or attempting to obtain approval by fraudulent means or misrepresentation;

(ii) Knowingly permitting, aiding, or abetting the commission of any illegal act on the premises of the treatment facility;

(iii) Misappropriation of the property of the patients.

(6) When the department intends to suspend, revoke, or cancel approval, the director of the bureau of alcohol and substance abuse or the bureau director's designees shall have served upon the approved treatment facility a notice of intent to suspend, revoke, or cancel the department's approval. Such notice shall provide for an administrative hearing and meet the requirements of chapter 34.04 RCW. The subsequent hearing and judicial review shall follow administrative procedures as specified in the Administrative Procedure Act, chapter

34.04 RCW and the rules and regulations promulgated thereunder.

(7) If a hearing is requested, it shall be limited in scope to a review of the cause for the department's action. If the cause is a result of an inspection of the facility, the hearing shall be limited to a review of the findings in the inspection report issued by the department and the facility's compliance with the requirements of chapters 69.54 and 70.96A RCW, and chapter 275-19 WAC at the time of the inspection. If the cause is not the result of an inspection, the hearing shall be limited in scope to a review of the department's written findings and stated cause for the action and the facility's compliance with the requirements of chapters 69.54 and 70.96A RCW, and chapter 275-19 WAC on the date the findings were issued by the department.

(8) If the department finds that public health, safety, or welfare requires emergency action and incorporates a finding to that effect in the suspension or revocation order, summary suspension of the department's approval may be ordered pending proceedings for suspension, revocation, or other actions deemed necessary by the department.

[Statutory Authority: RCW 69.54.040 and 70.96A.090. 87-09-035 (Order 2484), § 275-19-050, filed 4/13/87; 84-24-029 (Order 2171), § 275-19-050, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 80-02-136 (Order 1486), § 275-19-050, filed 2/1/80.]

**WAC 275-19-075 All facilities--Clients' rights.** (1) All approved treatment facilities shall take reasonable efforts to assure each client:

(a) Be treated in a manner promoting dignity and self-respect.

(b) Be treated without regard to race, color, creed, national origin, religion, sex, sexual preference, or age.

(c) Be treated without regard to disability.

(d) Be protected from invasion of privacy: *Provided*, That reasonable searches may be conducted or other means used to detect and prevent contraband from being possessed or used on the premises.

(e) Have all clinical and personal information treated confidentially in communications with individuals not directly associated with the approved treatment facility.

(f) Have the opportunity to review his or her own treatment records in the presence of a staff person upon request.

(g) Be fully informed regarding fees to be charged and methods of payment available.

(h) Be provided reasonable opportunity to practice the religion of his or her choice, alone and in private, insofar as such religious practice does not infringe on the rights and treatment of others, or the treatment program. The client has the right to refuse participation in any religious practice.

(i) Not be denied communication with significant others in emergency situations.

(j) Not be subjected by facility staff to physical abuse, corporal punishment, or other forms of abuse administered against their will including being denied food, clothing, or other basic necessities.

(2) A copy of these rights shall be posted in a conspicuous place in the facility.

[Statutory Authority: RCW 69.54.040 and 70.96A.090. 87-03-016 (Order 2459), § 275-19-075, filed 1/13/87; 84-24-029 (Order 2171), § 275-19-075, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-075, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-075, filed 2/1/80.]

**WAC 275-19-110 All facilities--Operators.** (1) Treatment facilities shall be operated by one of the following:

(a) An Indian tribe or an Indian health board;

(b) A unit of city, county, state, or federal government;

(c) A profit corporation, nonprofit corporation, partnership, or an individual proprietor.

(2) Treatment facilities operated by a profit corporation, nonprofit corporation, partnership or an individual proprietor shall be discrete treatment facilities as defined in WAC 275-19-030.

(3) A facility providing treatment services shall have an operator or operators legally responsible for the conduct of the service or services provided. The legally responsible operator or operators shall as a minimum:

(a) Obtain all required state, county, and city licenses, permits, and approvals.

(b) Maintain a current job description for the position of administrator meeting the requirements set forth in WAC 275-19-140 (4)(b).

(c) Establish the philosophy and overall objectives for the treatment facility and each distinct part thereof.

(d) Provide for the personnel, facilities, equipment, and supplies necessary for the care of clients and the maintenance and operation of the facility in accordance with applicable laws and regulations.

(e) Review and approve written personnel policies.

(f) Ensure the administration and operation of the facility is in compliance with these rules and applicable federal, state, and local laws and regulations.

(4) The owners of a partnership shall have a written partnership agreement outlining all of the business elements of the partnership. The partnership agreement shall be signed and dated by each partner.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-110, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 87-09-035 (Order 2484), § 275-19-110, filed 4/13/87; 84-24-029 (Order 2171), § 275-19-110, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-110, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-110, filed 2/1/80.]

**WAC 275-19-140 All facilities--Personnel.** (1) There shall be sufficient qualified counselors, clerical, and other support staff not currently clients to ensure the attainment of program service objectives and to properly maintain the treatment facility.

(2) Qualified counselors carrying a caseload shall not exceed one hundred hours of face-to-face client contact per full-time equivalent counselor per month. Residential treatment, excluding detoxification, shall in addition maintain a client to staff ratio not to exceed fifteen clients for each counselor.



(3) Personnel employed as counselors shall be qualified counselors or counselor trainees as described in WAC 275-19-145.

(4) For each employee there shall be a current personnel file which includes the following:

(a) Verification (transcripts, certificates, licenses, resumes, etc.) of the employee's qualifications for the assigned position.

(b) A copy of the employee's current job description, signed and dated by the employee, which includes: The job title, a summary of the duties and responsibilities, the minimum qualifications, and the title of the immediate supervisor.

(c) A record of an orientation acquainting the person with the contents of the program manual, the disaster plan for the facility, and the confidentiality of client information.

(d) Written performance evaluations for each year of employment. The completed evaluation form shall be signed and dated by the evaluator and the employee.

(e) Evidence of a tuberculin skin test or chest x-ray and a record of any accidents occurring on duty.

(f) There shall be sufficient evidence in the records of the qualified counselors, assessment officers, and information school instructors to determine whether they have received the training and education necessary to meet and maintain the qualified status. The record shall include the date the person became a qualified counselor, assessment officer, or information school instructor.

(g) A signed and dated commitment to maintain confidentiality.

(h) Evidence employees providing client care in a detoxification center in the absence of licensed physicians or nurses have a valid and current red cross card or certificate for first-aid (or its equivalent) and annual training in cardiopulmonary resuscitation.

(5) Employees with a communicable disease in an infectious stage shall not be on duty.

(6) All approved treatment facilities shall adhere to written personnel policies covering the qualifications of staff, job descriptions, hours of work, personnel benefits, hiring practices, termination procedures, promotional requirements, leave days, employee evaluations, grievance procedures, and staff ethical standards.

(7) Approved treatment facilities shall comply with state statutory and regulatory provisions regarding non-discrimination and affirmative action in employment and client services.

(8) Employees who are or were clients of the approved treatment facility shall have personnel records separate from clinical records. No indication of current or previous client status or client activity, including urinalysis results, may be entered in the personnel record of such an employee.

(9) Work may be assigned to the client when the assignment is part of the client's treatment program, the client's work assignment has therapeutic value, and the client works under the immediate supervision of a member of the staff.

(10) Exclusion from employment shall not be based on former alcohol or drug use, former mental dysfunction, or former criminal convictions except as provided in chapters 9.96A and 49.60 RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-140, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-140, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-140, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-140, filed 2/1/80.]

**WAC 275-19-170 All facilities--Records.** (1) All treatment facilities shall have an accurate and complete record system:

(a) Providing for maintenance of a current and complete record for each client;

(b) Providing a systematic method of identifying and filing client's records so each record can be located readily;

(c) Ensuring confidentiality of patients' case records by storing and handling the records under conditions meeting all pertinent federal, state, and local regulations governing such records;

(d) Including all required state and county data; and

(e) Reflecting all financial transactions of the facility.

(2) Client file records required in this section shall be retained by the treatment facility for a minimum of five years following the discharge or transfer of the client.

In the event an approved treatment facility is closed, clinical records may be forwarded to any other approved treatment center with the client's consent. Clinical records still subject to minimum retention requirements, where client consent is not obtained, shall be sealed and labeled as follows: "Records of (insert name of approved treatment facility) required to be maintained pursuant to WAC 275-19-170, until a date not later than December 31, (insert year)." Sealed records shall be forwarded to the department, and shall be disclosed only under such circumstances and to such extent as would be permissible for the program in which they originated.

(3) Residential and outpatient facilities shall have individual case records including the following:

(a) An intake form including the client's full name; sex; birthdate; home address; date of admission; name, address, and telephone number of the client's next of kin or other responsible person; name and city of the client's personal physician, if any.

(b) A record of the assessment of the client's involvement with alcohol and/or drugs including the signs and symptoms.

(c) An individualized treatment plan as prescribed in WAC 275-19-165 (1)(c). Doctor's standing orders shall be considered as a treatment plan in inpatient detoxification facilities.

(d) Progress notes on the client's response to treatment relating to the treatment plan and noting all significant events occurring during treatment. At least one progress note every work shift must be entered in inpatient detoxification client's file.

(e) A record of the treatment plan review required by WAC 275-19-165(5).

(f) Each entry in a client's record shall be authenticated.

(g) A copy of any program rules signed and dated by the client.

(h) A voluntary consent to treatment form, signed and dated by the client.

(i) A properly completed authorization for release of information form.

(j) A copy of the client's aftercare plan.

(k) At completion of treatment, a discharge summary including the date of discharge, and a summary of the client's progress in meeting the objectives outlined in the treatment plan. In detoxification facilities, the summary shall outline the client's physical condition relating to detoxification or withdrawal.

(l) Medical records in accordance with chapter 248-26 WAC.

(4) DWI client assessment service facilities including probation assessment facilities shall have individual case records including at a minimum:

(a) An intake form including the client's full name, sex, birthdate, and home address.

(b) The dates of contacts.

(c) A copy of the completed Washington alcohol screening inventory showing the client's score.

(d) A copy of the client's driving record obtained from the department of licensing files.

(e) A record of the client's blood alcohol level at the time of arrest or documentation the information was not available.

(f) A record of the client's alcoholism and/or drug treatment history.

(g) The name of the court referring the client for assessment, including the name of the sentencing judge.

(h) A record of the evaluation and assessment of the client's involvement with alcohol and other drugs as required by WAC 275-19-185.

(i) A properly completed authorization for the release of information form.

(j) Copies of any assessment reports sent to the department of licensing, referring court, the client's attorney, or other person or agency.

(k) Copies of all correspondence relating to the client.

(l) Each entry in a client's record shall be authenticated.

(5) Alcohol information schools or drug information schools shall have individual case records including:

(a) An intake form, including the client's full name, sex, birthdate, and home address;

(b) Dates in attendance;

(c) Source of referral;

(d) Copies of all reports, letters, certificates, and other correspondence sent to attorneys, courts, department of licensing, or any other agency;

(e) A record of any referral of the client to other services;

(f) A properly completed authorization for release of information form;

(g) A copy of the completed post-test as written in *An Instructor's Guide to Alcohol Information School*, published January 1980, as now or hereafter amended.

(h) Each entry in a client's record shall be authenticated.

(6) Emergency service patrols shall maintain a log including:

(a) The time and origin of the call received,

(b) The time of arrival at the scene,

(c) The location of the pickup,

(d) The name and sex of the person transported,

(e) The destination of transport (either home or inpatient detoxification facility), and

(f) The time of transport completion.

(g) In nonpickup cases, notation shall be made of the reason why said pickup was not made.

(h) Each entry in the log shall be dated and signed by the person making the entry.

(7) ADATSA chemical dependency assessment centers shall have individual case records including, at a minimum:

(a) An intake form including:

(i) Client's full name;

(ii) Address;

(iii) Sex;

(iv) Birthdate;

(v) Assessment date;

(vi) Address and telephone number of the client's next-of-kin, or other emergency contact; and

(vii) Name and city or telephone number of the client's physician, if any.

(b) A properly completed assessment and case supervision form provided by the bureau;

(c) A record of the assessment of the client's involvement with alcohol and drugs recording all of the information required by WAC 275-19-185(2);

(d) A record of the client's own assessment of his or her involvement with alcohol and drugs;

(e) A record of the client's own assessment of his or her mental health problems and any physical incapacity;

(f) A properly completed authorization for release of confidential information form meeting all state and federal requirements;

(g) A record of the placement of the client in each residential and outpatient ADATSA component including the date of the placement, the name of the treatment center or shelter, and the dates each phase of treatment or shelter will begin;

(h) Copies of all reports and correspondence related to the client;

(i) Notes documenting contacts by telephone or in person concerning the client;

(j) A termination summary; and

(k) Each entry in the client's record shall be authenticated.

(8) All residential treatment facilities shall have a permanent, current register of all persons admitted for care or treatment. This shall include at a minimum the date of admission, the client's name, and the date of discharge or transfer.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-170, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-170, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.040. 83-23-008 (Order 2044), § 275-19-170, filed 11/4/83. Statutory Authority:



RCW 70.96A.090. 81-24-081 (Order 1727), § 275-19-170, filed 12/2/81; 80-02-136 (Order 1486), § 275-19-170, filed 2/1/80.]

**WAC 275-19-185 Assessment procedures.** (1) The procedures for assessing DWI client's involvement with alcohol and other drugs shall include, as a minimum, the following:

(a) A written test of each client, using as a minimum, the Washington alcohol screening inventory;

(b) A review of the following:

(i) When available, the client's blood alcohol level at the time of arrest for any alcohol-related offense; and

(ii) A copy of the client's driving record.

(c) A diagnostic interview with each client which gathers as a minimum:

(i) A history of the client's involvement with alcohol and drugs, including frequency of use, volume, and type of substance used;

(ii) The client's statement concerning his or her current physical condition; and

(iii) Sociological data describing the client's most recent living situation (e.g., family, environment, employment, and school).

(d) A written assessment, based upon the information collected per WAC 275-19-185 (1), shall be completed. It shall include as a minimum the following:

(i) The client's raw score and percentile score from the Washington alcohol screening inventory;

(ii) The client's own assessment of his or her involvement with alcohol or other drugs; and

(iii) The qualified counselor's or the qualified assessment officer's evaluation of the information required by WAC 275-19-185 (2)(a) and (b), a diagnostic statement specifically describing the client's involvement with alcohol or other drugs, and the signs and symptoms leading to that assessment.

(e) Inform the client of the results of the assessment. If the assessment concludes the person has an alcohol or drug problem requiring treatment, the person shall be advised to seek appropriate, approved alcoholism or drug treatment. If the assessment concludes the person requires only alcohol or drug education, the person shall be advised to attend an approved alcohol or drug information school;

(f) All reports required by the courts and the department of licensing shall be properly completed and shall be submitted in a timely manner;

(2) The procedure for assessing ADATSA client's involvement with alcohol and other drugs shall include, at a minimum, the following:

(a) A diagnostic interview with a qualified counselor, as defined in WAC 275-19-145, gathering at a minimum:

(i) The information required on an ADATSA assessment form approved by the bureau;

(ii) A history of the client's involvement with alcohol and other drugs including:

(A) Type,

(B) Frequency of use,

(C) Amount used,

(D) Duration of use, and

(E) Route of administration of each drug used.

(iii) The client's own assessment of his or her own involvement with alcohol and other drugs.

(b) A preliminary screening to determine whether the client may be eligible for social security supplemental income, have a mental illness, or a physical incapacity requiring further evaluation and/or referral to the department's local community service office;

(c) The counselor's written assessment summary statement concerning the client's involvement with alcohol and drugs. If the assessment finds the client is an alcoholic and/or drug addict, the assessment summary must include:

(i) A diagnostic impression of the client's involvement with alcohol and drugs; and

(ii) A listing of the signs and symptoms justifying the conclusions.

(d) A record of the outcome of the assessment interview with the client, indicating the decisions reached by the counselor as to the treatment and shelter plan the client is to follow.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-185, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-185, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.040. 83-23-008 (Order 2044), § 275-19-185, filed 11/4/83.]

**WAC 275-19-400 Long-term treatment facilities—Purpose.** The purpose of WAC 275-19-400 through 275-19-449 is to provide specific operational program standards for facilities providing long-term treatment services as described in WAC 275-19-020. To be approved as a treatment facility to provide long-term treatment services, the facility must comply with the applicable requirements of WAC 275-19-010 through 275-19-199, 275-19-400 through 275-19-499, chapter 248-26 WAC, and chapters 69.54 and/or 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-400, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-400, filed 11/30/84, effective 1/1/85. Statutory Authority: RCW 70.96A.090. 80-02-136 (Order 1486), § 275-19-400, filed 2/1/80.]

**WAC 275-19-450 ADATSA shelters—Purpose.** The purpose of WAC 275-19-450 through 275-19-499 is to provide specific operational program standards for facilities providing ADATSA shelter services as described in WAC 275-19-020. To be approved as an ADATSA shelter, the facility must comply with the applicable requirements of WAC 275-19-450 through 275-19-499 and chapters 69.54 and/or 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-450, filed 9/16/87.]

**WAC 275-19-455 ADATSA shelters—Licensing, support groups, and food services.** (1) ADATSA shelters shall meet the rules, facility regulations, and licensing standards required by the city or county where the shelter is located.

(2) Food services for ADATSA shelters having ten or more clients shall meet the requirements in chapter 248-84 WAC.

(3) ADATSA shelters having ten or more clients shall have at least one staff person awake and in the facility at all times.

(4) Each ADATSA shelter shall coordinate activities with local self-support groups, such as alcoholics anonymous and narcotics anonymous as appropriate to sponsor meetings at the facility for interested clients.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-455, filed 9/16/87.]

**WAC 275-19-550 Extended care recovery house facilities--Purpose.** The purpose of WAC 275-19-550 through 275-19-579 is to provide specific operational program standards for facilities providing extended care recovery house services as described in WAC 275-19-020. To be approved as a treatment facility to provide extended care recovery house services, the facility must comply with the applicable requirements of WAC 275-19-010 through 275-19-199, 275-19-550 through 275-19-599, chapter 248-26 WAC, and chapters 69.54 and/or 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-550, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-550, filed 11/30/84, effective 1/1/85. Statutory Authority: Chapter 70.96A RCW. 83-18-027 (Order 2017), § 275-19-550, filed 8/31/83.]

**WAC 275-19-580 Chemical dependency assessment centers--Purpose.** The purpose of WAC 275-19-580 through 275-19-599 is to provide specific operational program standards for facilities providing chemical dependency assessment center services as described in WAC 275-19-020. To be approved as a chemical dependency assessment center, the facility must comply with the applicable requirements of WAC 275-19-010 through 275-19-199, 275-19-580 through 275-19-599, and chapters 69.54 and 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-580, filed 9/16/87.]

**WAC 275-19-585 Chemical dependency assessment centers--Clients.** Chemical dependency assessment centers shall provide services to all indigent clients seeking or receiving assistance from the department as a result of incapacity due to alcoholism and/or drug addiction.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-585, filed 9/16/87.]

**WAC 275-19-590 Chemical dependency assessment centers--Required services.** Approved chemical dependency assessment centers shall provide:

(1) An alcohol and drug assessment of all clients providing, at a minimum, the evaluation required by WAC 275-19-185(2).

(2) A preliminary screening of clients and referral of those clients qualifying for social security supplemental income or general assistance-unemployable benefits based on mental illness or physical disability to the department's local community services office.

(3) Case supervision of treatment and/or shelter services for clients admitted to the ADATSA program.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-590, filed 9/16/87.]

**WAC 275-19-595 Chemical dependency assessment centers--Discrete assessment centers.** (1) Discrete chemical dependency assessment centers shall be operated in the following counties:

- (a) King County,
- (b) Pierce County,
- (c) Spokane County, and
- (d) Yakima County.

(2) Discrete chemical dependency assessment centers shall not provide client treatment services.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-595, filed 9/16/87.]

**WAC 275-19-650 Intensive outpatient facilities--Purpose.** The purpose of WAC 275-19-650 through 275-19-674 is to provide specific operational program standards for facilities providing intensive outpatient services as described in WAC 275-19-020. To be approved as a treatment facility to provide intensive outpatient treatment services, the facility must comply with the applicable requirements of WAC 275-19-010 through 275-19-199, 275-19-650 through 275-19-699, chapter 248-26 WAC, and chapters 69.54 and/or 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-650, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-650, filed 11/30/84, effective 1/1/85.]

**WAC 275-19-660 Intensive outpatient facilities--Required services.** There shall be an organized program and staff sufficient to provide the following services by qualified counselors:

(1) Assessment of each client's needs regarding specific alcohol and/or drug-related problems as perceived by the client, facility staff, and if possible involved others.

(2) Screening criteria shall be developed and applied including such diagnostic techniques as needed to assure the appropriateness of placement in this treatment modality. The diagnosis shall, at a minimum, include an assessment of the client's:

(a) Progression in the disease of alcoholism and/or drug addiction;

(b) Motivation for recovery and the ability to attain and maintain abstinence on an outpatient basis;

(c) Social support systems, including family or significant others, financial condition, and employment status; and

(d) Physical health and general mental status.

(3) Program requirements. The following services shall be provided to clients and their families:

(a) The program shall deliver a minimum of seventy-two hours of treatment services within a maximum of twelve weeks. The first four weeks of treatment must consist of a minimum of three sessions of at least one hour each on three separate days of each week;

(b) A review of each active case by the client's case manager not less than once in every twenty hours of

treatment. This review shall be noted in the client's case file;

(c) Individual counseling sessions with each client every twenty hours of treatment and additionally as needed;

(d) Education of clients regarding alcohol, alcoholism, and/or drugs and drug addiction;

(e) No more than twenty percent of treatment time shall consist of film presentations;

(f) Group therapy sessions. Sessions shall be limited in attendance to no more than twelve clients per counselor;

(g) Whenever possible, the client's family or other social support system shall be substantially involved in the treatment program;

(h) Upon completion of intensive outpatient treatment, the client shall be referred to a structured after-care program; and

(i) All clients and their families shall be encouraged to participate in Alcoholics Anonymous, Alanon, Alateen, Narcotics Anonymous, and Naranon as appropriate.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-660, filed 9/16/87. Statutory Authority: RCW 69.54.040 and 70.96A.090. 84-24-029 (Order 2171), § 275-19-660, filed 11/30/84, effective 1/1/85.]

**WAC 275-19-675 ADATSA outpatient treatment facilities--Purpose.** The purpose of WAC 275-19-675 through 275-19-699 is to provide specific operational program standards for facilities providing ADATSA outpatient treatment services as described in WAC 275-19-020. To be approved as an ADATSA outpatient treatment facility, the facility must comply with the applicable requirements in WAC 275-19-010 through 275-19-199, 275-19-675 through 275-19-699, and chapters 69.54 and 70.96A RCW.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-675, filed 9/16/87.]

**WAC 275-19-680 ADATSA outpatient treatment facilities--Required services.** Facilities providing ADATSA outpatient treatment services shall have an organized program and staff sufficient to provide the following services to clients by qualified counselors:

(1) Counseling services focused on assisting the clients to avoid relapse,

(2) Counseling services assisting the clients in preparing for and obtaining employment,

(3) Assistance to clients in developing living skills necessary for independent living, and

(4) Assistance to clients in obtaining housing and basic provisions conducive to ongoing recovery.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-680, filed 9/16/87.]

**WAC 275-19-940 All methadone treatment facilities--Intake treatment requirements.** (1) Sick physicals. Methadone treatment facilities shall provide each patient, upon application by the patient for admission to methadone treatment, a sick physical by a program

physician or other appropriately licensed health professional. Methadone treatment facilities shall not prescribe methadone for a patient until a sick physical has been completed and a diagnosis of current physiological dependence on an opiate drug has been reached, except as provided in subsections (8) and (9) of this section. The sick physical shall include observations of the presence or absence of the following signs which shall be documented in the clinical file:

(a) Rinorrhea [rhinorrhea],

(b) Pupillary dilation,

(c) Piloerection,

(d) Elevated body temperature,

(e) Elevated pulse rate,

(f) Elevated blood pressure,

(g) Elevated respiration rate,

(h) Lacrimation, and

(i) Intravenous injection site scars.

(2) Overall health evaluation. Methadone treatment facilities shall conduct and document in the client file an overall health evaluation of each patient by a program physician or other appropriately licensed health practitioner within one week of admission to methadone treatment.

(3) Physician involvement in sick physicals. Methadone treatment facilities shall make a program physician available for consultation by telephone or in person when sick physicals are conducted by anyone other than a program physician. A program physician shall conduct sick physicals for all juvenile patients and for all adult patients with unusual or ambiguous signs or symptoms.

(4) Follow-up examination. Following the initial dose of methadone, treatment facilities shall conduct and document an in-person, physical examination of the patient. Such an examination shall be conducted as close as possible to the time when methadone blood levels are highest, typically three to four hours after a dose is provided to the patient. The examination shall establish adequacy of dose, including signs and symptoms of withdrawal, patient comfort, and side effects from over-medication.

(5) Documentation of addiction history. Methadone treatment facilities shall note all observations, tests, reported symptoms, and documents certifying addiction history, and shall retain such documentation in the patient's clinical record. Methadone treatment facilities shall include in each patient file a summary analysis of all diagnostic data.

(6) Documentation of doses. Methadone treatment facilities shall note the date and amount of the initial dose and the date and amount of all dose changes in the patient's clinical record.

(7) Documentation of physiologic addiction. Methadone treatment facilities shall document evidence supporting diagnoses of addiction for all patients who are prescribed methadone. The department shall conduct an after-the-fact review of a random sample of all patient records, examining sick physical documentation and the resulting diagnosis.

(8) Exception to sick physicals. Recently detoxified patients. Methadone treatment facilities may restart

methadone medication without a sick physical for patients detoxified from methadone within the last two years, who continue to receive at least one face-to-face counseling session per month, lasting at least forty-five minutes per session.

(9) Exception to sick physicals—Penal, chronic care, and pregnant clients. Methadone treatment facilities may admit and prescribe methadone to penal, chronic care, and pregnant patients without meeting sick physical requirements, provided the facility has followed the rules outlined in federal regulations, 21 C.F.R. Part 291.505 (d)(3)(iii)(a) and (b), adopted September 19, 1980.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-940, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-940, filed 10/29/86.]

**WAC 275-19-950 All methadone treatment facilities—Urinalysis treatment requirements.** (1) Urinalysis frequency. All patients shall submit urine samples for urinalysis at least once per month. After a patient has a positive urine, the patient shall submit four urine samples per month for urinalysis. The patient shall continue to submit at least four samples per month until the patient has at least four consecutive negative urines, after which the patient may return to once-a-month submittal.

(2) Random sampling. Methadone treatment facilities shall randomly schedule all urine sample submissions, without prior warning to the patient.

(3) Sampling procedures. Methadone treatment facilities shall ensure staff observation of all collections of urine samples. Facility staff shall seal samples immediately in patient's presence with a prenumbered seal. The patient shall initial a log of sample seal numbers next to the seal number. Methadone treatment facilities shall void and retain broken or unusable seals. Facilities shall keep logs of sample seal numbers confidential, apart from all other patient records. Facilities shall discard contaminated samples and samples with broken seals.

(4) Required screens. Each urinalysis shall include qualitative analysis for the presence of opiates, methadone, amphetamines, cocaine, barbiturates, and other drugs as indicated by the patient's drug use history. The urinalysis may instead include qualitative analysis for metabolites of such drugs, if such analysis would yield more accurate results.

(5) Refusal to give sample. Methadone treatment facilities shall treat a patient's refusal to provide a urine sample upon request, for whatever reason, or a patient's refusal to initial the log of seal number in the same manner as a positive urine.

(6) Positive urines. Methadone treatment facilities shall report all positive urines to the patient and discuss in counseling within seven days of obtaining the results.

(7) Dose increase justification. Following stabilization, methadone treatment facilities shall justify all dose increases in the patient's record. Positive urines alone shall not be considered adequate justification. Additional

data on desirability of dose increases shall be documented in the patient's record, including signs and symptoms of withdrawal, patient discomfort, or other medically justifiable reasons.

(8) Mandatory discharge for positive urines. Methadone treatment facilities shall discharge any patient with three consecutive positive urines collected later than ninety days after admission. Patients so discharged may not be readmitted to methadone treatment at any facility for thirty days following the first discharge and for ninety days following the second and subsequent discharges.

(9) Mandatory discharge for absence of methadone in urine—Absence of methadone. Methadone treatment facilities shall discharge any patient receiving methadone and whose urinalysis fails to confirm the presence of methadone or methadone metabolite, unless the facility can confirm physiological reasons for the lack of detectable methadone or methadone metabolite. Confirmation may include a dose level less than ten milligrams daily, a urinalysis of a second sample taken twenty-four hours after in-person administration of a dose which also fails to confirm the presence of methadone or methadone metabolite, or documentation showing the client has taken six doses per week at the clinic until a urinalysis shows the presence of methadone or methadone metabolite in the urine. The facility may use other medically justifiable means of confirming physiological reasons for failure to confirm presence of methadone or metabolite. Any confirmation shall be documented in detail in the patient's record. No methadone treatment facility may admit a patient who has been discharged from any methadone facility pursuant to this subsection during the previous thirty days.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-950, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-950, filed 10/29/86.]

**WAC 275-19-960 All methadone treatment facilities—Detoxification treatment requirements.** (1) Planned detoxification dates required. Within ninety days of admission, methadone treatment facilities shall establish and document a planned detoxification date for each patient. The planned detoxification date may be revised.

(2) Criteria for planned detoxification dates. Methadone treatment facilities shall adopt and adhere to written criteria for establishing and revising planned detoxification dates for all patients entering treatment. The criteria shall include, at a minimum, addiction history, current dose, health, employability, age, personality, support system strengths, and treatment progress to date. Planned detoxification of pregnant clients shall take into account postnatal social and psychological factors and prenatal physical factors.

(3) Planned detoxification dates for patients under age twenty-four. Methadone treatment facilities shall not plan detoxification dates in excess of the following:

(a) All patients under eighteen years of age (at time of admission) shall have a planned detoxification date not later than six months after admission.

(b) All patients eighteen to twenty-four years of age (at time of admission) shall have a planned detoxification date not later than twenty-four months after admission.

(c) Extension of planned detoxification dates beyond the limits specified in subsection (3)(a) or (3)(b) of this section may be made only after prior approval of the department.

(4) Patient records. Methadone treatment facilities shall note in the patient's record the factors considered and how the factors affected the choice of planned detoxification date. Facilities shall also note in the patient's record all changes in planned detoxification date and the reasons for the change.

(5) Detoxification for nonpayment. Any patient detoxified for reasons of nonpayment shall be provided an individual detoxification schedule consistent with sound medical practices approved by the program's physician.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-960, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-960, filed 10/29/86.]

**WAC 275-19-970 All methadone treatment facilities—Dispensary operational requirements.** (1) Authorization of dispensary personnel. Methadone treatment facilities shall designate individuals authorized to enter the dispensary. Those authorizations shall be limited to persons with a clear need to enter.

(2) Dispensary staffing. Methadone treatment facilities shall establish written procedures, especially record-keeping practices, designed to minimize the number of individuals who need to be in the dispensary.

(3) Methadone handling procedures. Methadone treatment facilities shall establish written procedures for all activities involving handling methadone (compounding, dispensing, etc.). Such procedures shall be designed to minimize error and minimize possibilities for diversion of methadone by staff or others.

(4) Methadone stock inventory. Methadone treatment facilities shall ensure dispensary staff measure all opened stocks of methadone before and after each period of time during which methadone is compounded, dispensed, or administered. A period of time shall be deemed to conclude, or a new period begin, whenever any staff person enters or leaves the dispensary. Staff shall note the amount measured in methadone inventory records and verify the entry with initials or signature. All newly opened stocks of methadone shall be measured immediately and the actual amount recorded in the same manner. Methadone treatment facilities shall reconcile inventory changes with doses dispensed. If any discrepancy is uncovered during reconciliation of doses dispensed and inventory changes, and any variations in inventory between previous close and current open, the facility shall obtain statements from all dispensary staff persons involved. The program director shall investigate the discrepancy and report to the federal drug enforcement agency, Washington state board of pharmacy, and the department of social and health services.

(5) Dispensary schedule. Methadone treatment facilities shall schedule dispensing and other activities to

minimize impact on neighboring businesses and residences.

(6) Quantitative analysis. Methadone treatment facilities shall conduct a quantitative analysis of all open methadone stocks whenever a transfer case is reported to the program director pursuant to WAC 275-19-990(6), or whenever the program director has other reason to believe dilution and diversion of methadone stocks may be occurring. Methadone concentration below the manufacturer's tolerance shall be reported immediately to the federal drug enforcement administration, the Washington board of pharmacy, and the department of social and health services.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-970, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-970, filed 10/29/86.]

**WAC 275-19-980 All methadone treatment facilities—Counseling treatment requirements.** (1) Individual and group counseling. Methadone treatment facilities shall make available sufficient individual and group counseling for each patient to accomplish treatment plan goals and objectives. Counseling shall be intensified (increased in frequency, duration, and/or mode) when problems arise, when requested by the patient, or when progress is no longer being made.

(2) Minimum counseling. Methadone treatment facilities shall provide and document, at a minimum, one face-to-face counseling session lasting at least forty-five minutes (group or individual) each week for each patient during the first ninety days after admission. Counseling may be reduced to two face-to-face sessions per month during the next twelve months, and to once per month thereafter. Facilities may not use group counseling sessions with more than twelve patients in attendance to meet this requirement.

(3) Semiannual review. Methadone treatment facilities shall conduct and document an individual counseling session lasting forty-five minutes or more with each patient, between six and seven months after admission, and once every six months thereafter. The purpose of the session is to review treatment progress, revise or reaffirm treatment plan and planned detoxification date, and to review all relevant facts concerning the use of methadone.

(4) Counseling. Methadone treatment facilities shall ensure all counseling is provided by qualified drug abuse counselors or counselor-trainees in a manner that is physically and organizationally separate from other activities, particularly dispensing and fee collection, except to the extent necessary for coordination or for resolution of compliance problems such as nonpayment or missed doses. Facilities may not credit counseling occurring while dispensing methadone or collecting fees toward meeting the counseling requirements of this section.

(5) Counselor/patient ratio. Methadone treatment facilities shall provide at least one qualified counselor (full-time equivalent) for each fifty patients. Facilities shall assign each patient to a primary counselor, who

shall be a qualified drug counselor. The primary counselor will bear responsibility for the conduct and management of all cases assigned to him or her. No more than fifty cases may be assigned to any primary counselor at one time.

(6) Counselor-trainees. Methadone treatment facilities may provide counseling services using counselor-trainees, if the counselor-trainees are under the direct, close supervision of a qualified drug counselor. A qualified drug counselor with one or more counselor-trainees may be assigned as primary counselor up to seventy-five patients, including those cases delegated to the counselor-trainees. Each qualified drug counselor may supervise as many counselor-trainees as he or she desires and delegate cases in a responsible fashion, except that no counselor-trainee may be delegated more than thirty-five patients. Primary counselor responsibility for all cases shall rest with a qualified drug counselor, regardless of whom provides counseling services.

(7) Individualized treatment plans. Methadone treatment facilities shall prepare and document individualized treatment plans for each patient, which must specify the patient's problems; the frequency, mode, and duration of counseling sessions; and the planned detoxification date.

(8) Pregnancy and drugs. Methadone treatment facilities shall provide, to any patient who requests, at least one hour per month of counseling and education on matters relating to pregnancy and street drugs, and the effects of methadone treatment when provided during pregnancy. This session may be provided in an individual or group setting at the discretion of the facility director.

(9) Family planning professional. Methadone treatment facilities shall have at least one professional, either a qualified drug counselor, physician, or physician's assistant, who has appropriate training in family planning, prenatal health, and parenting skills.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-980, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-980, filed 10/29/86.]

**WAC 275-19-985 All methadone treatment facilities--Take-home medication operational requirements.**

(1) Minimum take-home criteria. Methadone treatment facilities may provide all patients with take-home medication for Sundays and for any legal holiday set forth in RCW 1.16.050, at the discretion of the program physician. Take-home medication on other days shall be permitted only for stabilized patients who have been receiving methadone for a minimum of ninety days and who have had negative urines for the last sixty days.

(2) Criteria for allowing increased take-homes. Methadone treatment facilities may increase frequency of take-home medication when a patient is judged capable of handling increased frequency of take-home medication. The program shall consider and document in the client file the following in determining whether a patient is responsible in handling methadone:

- (a) Absence of abuse of drugs and alcohol;
- (b) Regularity of attendance, both dispensing and counseling;

(c) Absence of known criminal activity or activities, especially drug sales;

(d) Stability of home environment and social relationships;

(e) Ability to safely store take-home medications;

(f) A positive balance between therapeutic benefit and the risk of diversion of take-home medication; and

(g) The program physician shall approve all changes in take-home medication.

(3) Restriction of take-home privileges following dose increase. For at least seven days following an increase in dose at any time during treatment, methadone treatment facilities may provide a patient with take-home medications only for Sundays and legal holidays.

(4) Maximum take-home privileges. Methadone treatment facilities shall limit the minimum weekly attendance for in-person administration of methadone, the maximum number of daily doses of take-home medication that is provided at any one time, and the maximum total amount of methadone (number of doses multiplied by dose amount) that is provided at any one time, according to the following schedule:

Months Since Admission to Methadone Treatment	Minimum Attendance (In-Person Administration)	Maximum Number of Take-Home Medication Doses	Maximum Total Amount of Take-Home Medication
0 to 3 months	6 days/week	one-day supply	100 mg.
4 to 6 months	5 days/week	two-day supply	70 mg.
7 to 24 months	3 days/week	two-day supply	120 mg.
over 24 months	2 days/week	three-day supply	150 mg.

(5) Maximum take-homes following positive urine. Methadone treatment facilities shall limit the maximum number of daily doses of take-home medication of patients who have one positive urine in the last ninety days and shall require minimum clinic attendance for in-person administration of methadone for such patients according to the following schedule:

Months Since Admission to Methadone Treatment	Minimum Attendance (In-Person Administration)	Maximum Number of Take-Home Medication Doses
0 to 6 months	6 days/week	one-day supply
7 to 24 months	5 days/week	one-day supply
over 24 months	3 days/week	two-day supply

Maximum total amount of take-home medication shall not exceed the amounts set forth in the schedule of subsection (4) of this section. Patients who are restricted to the schedule set forth in this subsection may be placed on the schedule set forth in subsection (4) of this section if they have no additional positive urines for ninety days.

(6) Exceptional take-home; Saturday or Monday holidays. Methadone treatment facilities may provide all patients with one extra take-home dose in addition to the supply limits set forth in subsections (4) and (5) of this section, when a legal holiday falls on a Monday or a Saturday, or when two legal holidays fall on successive days, and restrictions on the patient's take-home medication will not otherwise permit sufficient take-home medication doses for both Sunday and the legal holiday or for both legal holidays.



(7) Labeling. Methadone treatment facilities shall label take-home medication containers with the name of the prescriber, complete directions for use, the name of the drug either by the brand or generic name, the name of the patient, and the date dispensed.

(8) Restarting methadone medication. Methadone treatment facilities may restart medication for patients who undergo planned detoxification, but remain in counseling (at least one face-to-face event per thirty days) for up to two years. Such patients are not considered discharged and may restart medication without sick physicals. Facilities shall not provide take-home medication to such patients, other than for Sundays and legal holidays, for at least seven days following the restart of medication. After the seven-day period has concluded, facilities may reinstate take-home medication privileges as if medication was uninterrupted.

(9) Waivers of take-home standards. A facility's medical director may approve a maximum of three additional take-home doses in a calendar month and a maximum of six additional doses in a calendar year for an individual client. The medical director shall document in the client's file the reasons for approving the additional take-home doses. Methadone treatment facilities shall request approval from the department of social and health services for any and all waivers of take-home medication requirements, in excess of those the medical director can approve, on a case-by-case basis in advance.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-985, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-985, filed 10/29/86.]

**WAC 275-19-990 All methadone treatment facilities—Additional requirements.** (1) All methadone treatment facilities shall comply with the applicable requirements in chapter 69.54 RCW.

(2) Double enrollment. Methadone treatment facilities shall participate in periodic meetings, scheduled and coordinated by the department for the purpose of identifying duplicate or prohibited admissions. Facility participation shall include attendance by at least one dispensary staff person and provision of a clear, recent photograph of any active patient and the latest photographs of all patients discharged for drug abuse or failure to consume take-home medication who are still barred from readmission by these rules. Programs shall be required to specifically identify all patients admitted since the previous meeting, all patients enrolled in a methadone treatment facility which is not the closest to their residence, and any patients identified by the department as potential duplicate admissions or barred admissions. All such meetings shall be closed to the public to preserve confidentiality of patient records.

(3) Reporting requirements. All methadone treatment facilities shall report to the department the dose level of each patient, plus such other information as the department may reasonably require, in the form and manner prescribed by the department. Such reports shall be submitted in a timely and accurate manner.

(4) Identifying patients. All methadone treatment facilities shall establish written policies and procedures to reasonably verify the identity of patients. The policies and procedures shall respect the confidentiality of patient records as set forth in federal regulations (42 C.F.R., part 2, published July 1, 1975).

(5) Patient photographs. All methadone treatment facilities shall maintain in the dispensary a file of photographs of all patients. Photographs shall be updated whenever the client's physical appearance changes significantly or every two years, whichever comes first.

(6) Transfer patients. The initial dose of all transfer patients shall be the same as the last prescribed dose at the previous facility. Doses may be increased after the initial dose in the manner and under the conditions required elsewhere in these rules. Detailed evaluation of dose adequacy is mandatory for all transfer patients requesting dose increases. If any transfer patient reporting an inadequate dose at the previous facility is determined to be stabilized at that same dose at the transfer facility, such case shall be immediately reported to the program director of the previous facility and to the department of social and health services.

(7) Transfer fees. Methadone treatment facilities may not levy unreasonable transfer fees on patients attempting to transfer to another facility. Transfer fees may not exceed the actual cost of duplicating and forwarding records.

(8) Rate setting. All services (other than admission services) required by these standards shall be included in the basic daily, weekly, or monthly rate, including dispensing, urinalysis, and counseling. Medical services unrelated to diagnosis and treatment of addiction, such as primary care and prenatal or postnatal care, may be provided at additional charge.

(9) Fees. The patient shall be provided a complete schedule of fees and applicable fee policies prior to the initiation of any treatment services.

[Statutory Authority: 1987 c 406 and 410. 87-19-072 (Order 2537), § 275-19-990, filed 9/16/87. Statutory Authority: RCW 69.54.040. 86-22-020 (Order 2438), § 275-19-990, filed 10/29/86.]

## Chapter 275-27 WAC

### DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES RULES

#### WAC

275-27-220	Family support services.
275-27-223	Service need levels.
275-27-400	Notification.

**WAC 275-27-220 Family support services.** (1) The intent of family support services is to reduce or eliminate the need for out-of-home residential placements of clients wherein the in-home placement is in the client's best interest, to allow clients to live in the most independent setting possible, and to have access to services best suited to clients' needs.

(2) Family support services include, but are not limited to, the following services:

(a) Emergency or planned respite care;



- (b) Attendant care;
- (c) Therapeutic services, including physical therapy, occupational therapy, behavior management therapy, and communication therapy;
- (d) The purchase, rental, loan or refurbishment of specialized equipment, environmental modifications, and other adaptations;
- (e) Other service pursuant to subsection (1) of this section approved by the director or designee.

(3) Family support services are time-limited. Services are authorized for a specified period. A service authorization shall state the type of, amount, and period (duration) of service. Each authorization constitutes a new service for a new period. If requested family support services are not authorized, such actions are deemed a denial of services. Family support services may be authorized below the level requested for the period. If during the authorized service period, family support services are reduced or terminated below the levels specified in service authorizations, such actions are deemed a reduction or termination of services.

(4) The department shall authorize family support services in accordance with policies established by the director. The department shall base monthly service authorizations on:

- (a) Service requests for family support services described in subsection (2) of this section;
- (b) Service need levels as described in WAC 275-27-223 of this chapter;
- (c) Availability of requested family support services;
- (d) Monthly regional family support services funding allocations, except for emergencies as defined in WAC 275-27-020(11); and
- (e) Authorization by a review committee, in each regional office, which reviews each request for service.

[Statutory Authority: RCW 71.20.070. 88-05-004 (Order 2596), § 275-27-220, filed 2/5/88; 86-18-049 (Order 2418), § 275-27-220, filed 8/29/86.]

**WAC 275-27-223 Service need levels.** (1) The department shall use service need levels to determine monthly family support service authorizations.

(2) Service need levels in order of priority for funding are:

- (a) Service need level 1: The client is an active recipient of children's protective services or adult protective services.
- (b) Service need level 2: Out-of-home placement will be needed within two months without provision of family support services.
- (c) Service need level 3: Client is at risk of out-of-home placement without provision of family support due to the following:
  - (i) Caregiver/family is:
    - (A) Experiencing acute and/or chronic stresses; or
    - (B) Has acute or chronic physical limitations; or
    - (C) Has acute or chronic mental/emotional impairments; and
  - (ii) The client requires total physical assistance in at least three of the following areas:
    - (A) Bathing,

- (B) Toileting,
- (C) Feeding,
- (D) Mobility,
- (E) Dressing; or
- (iii) The client has special medical support requirements:
  - (A) Apnea monitor,
  - (B) Tracheotomy,
  - (C) Heart monitor,
  - (D) Ventilator,
  - (E) Constant monitoring due to continuous seizures,

or

(F) Immediate life-saving intervention due to life-threatening seizures.

(iv) The client has current behavioral episodes which have resulted in:

- (A) Physical injury to the client or others; and/or
- (B) Substantial damage to property; and/or
- (C) Chronic sleep pattern disturbances or chronic continuous screaming behavior.

(d) Service need level 4: Caregiver may lose the ability to provide care without family support assistance due to caregiver conditions described in subsection (2)(c)(i) of this section.

(e) Service need level 5: Client condition as described in subsection (2)(c)(ii), (iii), and (iv) of this section is present. Family support is needed to maintain current functioning and prevent deterioration of client or family.

(f) Service level level 6: Family needs temporary or ongoing services in order to:

- (i) Get a break in care to relieve and/or prevent stress of caregiver/family; or
- (ii) Enhance the current functioning.

(3) The department shall determine service need level of the client's service request by reviewing information received from the client, family, and other sources about:

(a) Whether client is an active recipient of children's protective services or adult protective services;

(b) Indicators of risk of out-of-home placement, and indicators of the imminence of such an event. Assessment of such risk may include:

- (i) Review of family's requests for placement;
- (ii) History of family's involvement with children's protective services or adult protective services;
- (iii) Client's current adjustment;
- (iv) Parental history of psychiatric hospitalization;
- (v) Clinical assessment of family's condition; and
- (vi) Statements from other professionals.

(c) Caregiver conditions, such as acute and/or chronic stress, acute and/or chronic physical limitations, and acute and/or chronic mental and/or emotional impairments;

(d) Client need for intense medical or physical or behavioral support;

(e) Family's ability to use typical community resources;

(f) Availability of private, local, state, or federal resources to help meet the need for family support;

(g) Severity and chronicity of family or client problems; and

(h) Degree to which family support services will ameliorate or alleviate such problems and reduce the risk of out-of-home placement.

[Statutory Authority: RCW 71.20.070, 88-05-004 (Order 2596), § 275-27-223, filed 2/5/88.]

**WAC 275-27-400 Notification.** (1) The department shall notify the client or applicant, the parent when the client or applicant is a minor, and the guardian when the client or applicant is an adult, of the following decisions:

(a) Denial or termination of eligibility set forth in WAC 275-27-030;

(b) Development or modification of the individual service plan set forth in WAC 275-27-060;

(c) Authorization, denial, reduction, or termination of services set forth in WAC 275-27-230; and

(d) Admission or readmission to, or discharge from, a residential habilitation center.

(2) The notice shall set forth appeal rights pursuant to WAC 275-27-500 and a statement that the client's case manager can be contacted for an explanation of the reasons for the action.

(3)(a) The department shall provide notice of a denial or partial authorization of a family support services request and a statement of reason for denial or partial authorization to the person or persons described in subsection (1) of this section. The department shall send such notice no later than five working days before the end of the month previous to the month for which service was requested;

(b) The department shall make available an administrative review of a decision to deny or partially authorize services upon receipt of a written request by a person or persons described in subsection (1) of this section to the administrator of the region in which the client is living. The regional office must receive a request for administrative review by the last working day of the month;

(c) The client shall state in the written request why the client or client's family believes their service priority designation is not correct;

(d) Upon receipt of request for administrative review, the regional administrator or designee shall review the request and the client file; and

(e) The department shall send the results of the administrative review to the client and/or family within the first five working days of the service month for which the client is being denied or receiving a partial authorization for services.

(4) The department shall provide at least thirty days' advance notice of action to terminate a client's eligibility, terminate or reduce a client's service, or discharge a client from a residential habilitation center to the community, except for the transfer or removal of a client from a service set forth in WAC 275-27-500 (5)(f).

(5) All parties affected by such department decision shall be consulted, whenever possible, during the decision process by the responsible field services regional office in person and/or by telephone.

(6) The division shall ensure notification to the school district in which a school-aged child is to be placed when a placement decision is reached.

[Statutory Authority: RCW 71.20.070, 88-05-004 (Order 2596), § 275-27-400, filed 2/5/88; 86-18-049 (Order 2418), § 275-27-400, filed 8/29/86; 84-15-058 (Order 2124), § 275-27-400, filed 7/18/84. Statutory Authority: RCW 72.01.090, 72.33.040, 72.33.125 and 72.33.165, 78-04-033 (Order 1280), § 275-27-400, filed 3/16/78; Order 1143, § 275-27-400, filed 8/11/76.]

**Chapter 275-30 WAC**

**JUVENILE PAROLE REVOCATION**

**WAC**

275-30-010	Definitions.
275-30-020	Conditions of parole.
275-30-030	Parole suspension, arrest, and detention.
275-30-040	Parole revocation petition.
275-30-050	Waiver of hearing.
275-30-060	Parole revocation hearing.
275-30-070	Confinement.
275-30-080	Reinstatement of parole.

**WAC 275-30-010 Definitions.** (1) "Department" means the department of social and health services.

(2) "Juvenile parole officer" means a state employee, or person under contract to the state, whose responsibilities include supervising juveniles on parole.

(3) "Juvenile parolee" means a person under age twenty-one released from a juvenile correctional facility and placed under the supervision of a juvenile parole officer.

(4) "Modification of parole conditions" means a change in the order of parole conditions provided by the juvenile parole officer with full knowledge of the change by the juvenile parolee.

(5) "Parole" means a period of supervision following release from a juvenile correctional facility, during which time certain conditions must be adhered to or consequences from a predetermined list may be invoked.

(6) "Secretary" means secretary of the department of social and health services or his or her designee.

(7) "Violation" means behavior by a juvenile parolee contrary to written parole conditions.

[Statutory Authority: RCW 13.40.210, 88-20-083 (Order 2709), § 275-30-010, filed 10/5/88.]

**WAC 275-30-020 Conditions of parole.** (1) Following a juvenile's release from a residential facility, the department may require the juvenile to comply with a program of parole in his or her community for a period no longer than eighteen months. The program of parole may require the juvenile to:

(a) Undergo available medical or psychiatric treatment, including urinalysis;

(b) Report as directed to a parole officer;

(c) Pursue a course of study or vocational training;

(d) Remain within prescribed geographical boundaries and notify the department of any address change; and

(e) Refrain from committing new offenses.

(2) An order of parole conditions, on department forms, shall be signed by the juvenile, or a witness attesting the order of parole conditions has been explained to the juvenile and the juvenile refuses to sign, and the juvenile's parole officer. A copy shall be provided to the juvenile.

(3) An order of parole conditions may be modified by the parole officer so long as the juvenile is given an opportunity to comment on the proposed modification prior to its taking effect.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-020, filed 10/5/88.]

**WAC 275-30-030 Parole suspension, arrest, and detention.** (1) When a juvenile parole officer believes a juvenile parolee has violated a condition of parole, the officer may issue an order of parole suspension, arrest, and detention if:

(a) The juvenile parolee poses an imminent danger to himself or herself or other persons; or

(b) The juvenile parolee is unlikely to voluntarily appear at a parole revocation hearing, considering such factors as whether the juvenile parolee has failed to appear at other judicial or administrative hearings.

(2) The order of parole suspension, arrest, and detention, on department forms, shall include a complete statement of the nature of violation and the date thereof, and shall inform the juvenile parolee of his or her right to be represented by an attorney. Copies of the order of parole suspension, arrest, and detention shall be sent to the appropriate local law enforcement agencies, to the detention facility, and to the secretary.

(3) A juvenile parolee held in detention for an alleged violation of parole conditions is entitled, within twenty-four hours (excluding Saturdays, Sundays, and holidays) of being placed in detention, to an informal hearing to determine whether there is probable cause to believe a parole violation occurred and whether continued detention pending a parole revocation hearing is necessary. The hearing shall be conducted by a parole supervisor or designee not directly involved in the case. The parole supervisor or designee shall interview both the juvenile parolee and the juvenile parole officer suspending the parole. Immediately following the hearing, the parole supervisor or designee shall issue a decision, with reasons, on department forms, either releasing the juvenile parolee or authorizing continued detention. In no event shall a juvenile parolee be held in detention longer than seventy-two hours (excluding Saturdays, Sundays, and holidays) without a parole revocation petition being filed pursuant to WAC 275-30-040.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-030, filed 10/5/88.]

**WAC 275-30-040 Parole revocation petition.** (1) If a juvenile parole officer believes a juvenile parolee has violated a condition of parole, the juvenile parole officer may file a parole revocation petition. The petition, on department forms, shall include the following:

(a) A statement of the nature of the violation and date thereof;

(b) The number of days of confinement sought by the juvenile parole officer as a result of the violation;

(c) Notice of the time, date, and location of the parole revocation hearing; and

(d) Notice of the juvenile parolee's right to be represented by an attorney, either one of his or her own choosing or one appointed at public expense.

(2) The parole revocation petition shall be filed with the local office of the state office of administrative hearings. A copy of the petition shall be served either personally or by certified mail, return receipt requested, on the juvenile parolee or the juvenile parolee's attorney, and on the juvenile parolee's parents or guardian. Another copy shall be filed with the secretary.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-040, filed 10/5/88.]

**WAC 275-30-050 Waiver of hearing.** A juvenile parolee, only through his or her attorney, on department forms, may waive the right to a parole revocation hearing and agree to the parole revocation and confinement proposed by the juvenile parole officer.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-050, filed 10/5/88.]

**WAC 275-30-060 Parole revocation hearing.** (1) Unless waived by the juvenile parolee, a parole revocation hearing shall be held on every parole revocation petition for the purpose of determining whether the alleged parole violation occurred. If the juvenile parolee is held in detention pursuant to WAC 275-30-030, the hearing shall be held within seventy-two hours (excluding Saturdays, Sundays, and holidays) of service of the petition. Otherwise the hearing shall be held no sooner than fourteen days after service of the petition.

(2) At the parole revocation hearing, the juvenile may waive his or her right to be represented by an attorney. A juvenile waiving the right to an attorney may either contest or agree to the parole revocation.

(3) Parole revocation hearings shall be conducted by an administrative law judge in accordance with chapter 10-08 WAC. The parole revocation petition shall be granted if the administrative law judge finds by a preponderance of the evidence the violation occurred and the violation warrants revocation. If the parole revocation petition is granted, the administrative law judge shall order the period of confinement requested in the petition.

(4) The administrative law judge shall issue an oral decision immediately following the parole revocation hearing. Within forty-eight hours of the hearing, the administrative law judge shall issue a written decision. The decision shall constitute a final administrative decision. A copy of the decision shall be provided the juvenile parole officer, the juvenile parolee and his or her attorney, the juvenile parolee's parents or guardian, and the secretary.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-060, filed 10/5/88.]

**WAC 275-30-070 Confinement.** (1) Confinement for violating one or more conditions of parole, as alleged in a parole revocation petition, may not exceed thirty days. Confinement may be continuous, or for a portion

of each day, or for certain days each week with the balance of time under supervision. Credit against any period of confinement shall be given for days served in detention pending a parole revocation hearing. Confinement shall be served in a county detention facility unless otherwise ordered by the secretary.

(2) If a juvenile's parole is revoked two or more times, the secretary, at his or her discretion, may release the juvenile from any confinement exceeding a combined total of thirty days during one parole period.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-070, filed 10/5/88.]

**WAC 275-30-080 Reinstatement of parole.** Immediately following any period of confinement for suspension or revocation of parole, the order of parole conditions shall be deemed reinstated.

[Statutory Authority: RCW 13.40.210. 88-20-083 (Order 2709), § 275-30-080, filed 10/5/88.]

### Chapter 275-35 WAC CONSOLIDATED JUVENILE SERVICES PROGRAMS

#### WAC

275-35-020	Definitions.
275-35-030	Establishment of a consolidated juvenile services program.
275-35-040	General provisions.
275-35-050	Organization.
275-35-060	Administration.
275-35-070	Monitoring of performance and evaluation of program impact.
275-35-080	Distribution of funds and fiscal management.
275-35-090	Repealed.
275-35-100	Exceptions to rules.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

275-35-090	Services. [Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-090, filed 4/4/85.] Repealed by 88-13-028 (Order 2632), filed 6/7/88. Statutory Authority: RCW 13.06.030.
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**WAC 275-35-020 Definitions.** (1) "Activities" means specific tasks or units of accomplishment which lead to a desired result or outcome.

(2) "Administration" means discrete, assignable activities and costs necessary for overall management and support of a consolidated juvenile services program.

(3) "Application" means the document requesting state funds for specific projects under the consolidated juvenile services program.

(4) "Case plan" means the document establishing direction, providing updates, and revisions of a juvenile's activities in a project or program.

(5) "Consolidated juvenile services program" or "program" means that portion of the county's juvenile justice, education, and social service systems providing services to a juvenile who has been adjudicated an offender, referred to a diversion unit, or is at risk of becoming involved in the juvenile justice system.

(6) "Consolidated juvenile services review committee" or "review committee" means a group of individuals whose function is to provide input and review and make comments regarding the application. Said review committee shall be selected by the program administrator in consultation with the executive body and include, but not necessarily be limited to, representatives from the following: The executive's office, juvenile court judges and staff, law enforcement, prosecuting and defense attorneys, educators, ethnic minorities, children services professionals, citizens, and private sector youth-serving groups.

(7) "Director" means the director of the division of juvenile rehabilitation or his or her designee.

(8) "Division" means the division of juvenile rehabilitation.

(9) "Indirect costs" means costs for staff, goods, and services which exist or are required exclusive of the consolidated juvenile services program.

(10) "Juvenile" means an individual under the chronological age of eighteen years and who has not been transferred to adult court.

(11) "Juvenile justice system" or "system" means the organizational structure and process existing in the county for handling juveniles accused of or adjudicated for an offense.

(12) "Juvenile offender" means a juvenile found by the juvenile court to have committed an offense, including a person eighteen years of age or older over whom the juvenile court has extended jurisdiction.

(13) "Participating county" means a county or counties making application under this chapter.

(14) "Planning body" means that individual or group of individuals responsible for the development of the application.

(15) "Program administrator" or "administrator" means the person designated to administer the consolidated juvenile services program.

(16) "Project" means a single unit of work to be performed as part of a consolidated juvenile services program.

(17) "Project supervisor" or "supervisor" means a person designated to supervise a project or projects in the consolidated juvenile services program.

(18) "Regional administrator" means the regional administrator of one of the division's six administrative regions, or his or her designee.

(19) "Regional plan" means the document developed by the regional administrator setting forth regional program emphasis and priorities for the ensuing funding period.

(20) "Results" means outcomes or indications that activities have been accomplished.

[Statutory Authority: RCW 13.06.030. 88-13-028 (Order 2632), § 275-35-020, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-020, filed 4/4/85.]

**WAC 275-35-030 Establishment of a consolidated juvenile services program.** (1) Request to participate.

(a) A request by a county or group of counties to participate under these provisions shall include a resolution or letter of intent submitted to the division by the executive body expressing intent to participate.

(b) After official acceptance by the regional administrator, the county's application shall be considered in determining the division's community program expenditure for the ensuing funding period.

(c) Other public and private sector agencies within the county shall be considered in the development of the application and may be included as subcontractors in the county's request for funding by the division.

(d) Other public and private sector agencies may apply directly to the division for program funds. In such instances said agencies shall be responsible to meet all obligations and requirements specified for participating counties under this chapter.

(2) Program planning process and approval.

(a) Based upon divisional goals, the regional administrator develops the regional plan to assist planning bodies in formulating local priorities and program strategies.

(b) Each participating county shall develop through its existing planning process a program application for the delivery of services and shall agree through submission of the application to comply with the provisions of this chapter.

(c) The application shall be submitted to the review committee who shall review and make comments, which shall include but not be limited to the following areas:

(i) Efforts to identify and utilize existing community services;

(ii) The avoidance of service duplication;

(iii) Appropriate linkage to and support from other elements of the county's existing juvenile justice, education, and social service systems; and

(iv) The extent to which the regional plan has been addressed.

(d) Prior to the submission of the application to the regional administrator, the comments of the review committee shall be considered by the planning body who shall, if needed, either modify the plan or attach to the plan the reasons for not making suggested modifications.

(e) Written guidelines and instructions for preparing the application shall be provided by the division. The application shall be developed in consultation with the regional administrator to ensure the coordination of state, county, and private sector resources within regional boundaries and shall be submitted to the regional administrator for review and approval.

(f) The division may provide planning bodies and review committees with technical services in the development of the application.

[Statutory Authority: RCW 13.06.030, 88-13-028 (Order 2632), § 275-35-030, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040, 85-09-003 (Order 2221), § 275-35-030, filed 4/4/85.]

**WAC 275-35-040 General provisions.** (1) Access to services and use of existing community resources.

(a) Program administrators shall ensure all juveniles participating in the program have access to appropriate services, activities, and opportunities.

(b) Planning bodies shall avoid duplicating existing community services. If proposed services are similar to those already existing in the community, clear evidence must be presented in the application to demonstrate why such existing services are inappropriate or unavailable to meet identified needs or why such services cannot be provided through cooperative program planning or shared funding arrangements.

(2) All juveniles served by projects covered under this chapter shall be afforded due process in all contacts, especially those which may result in a more restrictive intervention.

(3) All projects included in the application shall comply with the provisions of this chapter, applicable divisional policies and standards, juvenile court rules, as well as other applicable standards and rules.

[Statutory Authority: RCW 13.06.030, 88-13-028 (Order 2632), § 275-35-040, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040, 85-09-003 (Order 2221), § 275-35-040, filed 4/4/85.]

**WAC 275-35-050 Organization.** The organizational structure of the program is the prerogative of the county or private sector agency participating under this chapter and shall not be dictated by these standards.

[Statutory Authority: RCW 13.06.030, 88-13-028 (Order 2632), § 275-35-050, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040, 85-09-003 (Order 2221), § 275-35-050, filed 4/4/85.]

**WAC 275-35-060 Administration.** (1) Approval of the application shall be contingent upon the designation of a program administrator as well as a supervisor for each project.

Said administrators and supervisors are responsible for the implementation of the program and the accomplishment of stated activities and results.

(2) Administrators or supervisors shall meet at least twice annually with the regional administrator to review progress toward the achievement of results and other matters related to the overall implementation and funding of projects within the program.

(3) Administrators or supervisors shall submit reports and data as requested relating to programs and/or projects covered under this chapter to the regional administrator and shall participate with the regional administrator in the development of program and/or project status reports as may be required by the division.

(4) Case records and management information.

(a) Administrators and supervisors shall ensure a case record is kept for each juvenile in projects covered under this chapter. Diversion units will keep only such information as is necessary to monitor and evaluate the referral and disposition activities.

(b) Juvenile offender records shall minimally contain a case plan, based upon assessed factors related to risk to reoffend, setting forth specific objectives and methods and a termination/closing report summarizing case activity and results.

(c) Case records and plans shall be current and reviewed at least quarterly by the project supervisor. Reviews shall be documented in the case record.

(d) The provisions of chapter 13.50 RCW pertaining to the maintenance and confidentiality of social and legal information apply to all programs and projects covered under this chapter.

(e) Administrators and/or supervisors shall provide necessary statistical data to maintain case files in the division's management information system.

(5) Policies and procedures.

(a) Each administrator shall maintain written policies and procedures for the reporting of serious criminal incidents involving juveniles participating in the program and misconduct or malfeasance by staff of the program to the regional administrator.

(b) These policies and procedures shall be submitted as attachments to the application.

(6) Change in application.

(a) Modification of a project requires the advance written approval of the regional administrator and may, at the regional administrator's discretion, require review and comment by the review committee.

(b) Changes in the budget during a funding period are accomplished by transfer, modification, or amendment.

(i) Transfers. The reallocation of funds between line items of the contract not exceeding four thousand dollars or five percent, whichever is less, of the total budget within a fiscal year and which does not change the overall scope of the program may be accomplished by written notification to the regional administrator.

(ii) Modifications. Reallocation of funds between line items of the contract exceeding four thousand dollars or five percent, whichever is less, of the total budget within a fiscal year requires advance written approval of the regional administrator. The regional administrator may require review and comment by the review committee.

(iii) Amendments. Amendments shall be processed through the division's regional office, and may, at the regional administrator's discretion, require review and comment by the review committee. Amendments are necessary when:

(A) Contract amounts are increased or decreased;

(B) A project is added or deleted;

(C) Increased agency staffing is requested;

(D) A change exceeds ten percent of the total contract budget;

(E) A change moves moneys into a previously vacant line item.

(7) Training. Each participating county or agency shall ensure program staff receive training necessary to execute programs covered under this chapter.

(8) Assumption of division services.

(a) The assumption of division services shall be negotiated between the regional administrator and the administrator and will be reviewed by the director prior to a final decision.

(b) Where such services are assumed, the regional administrator shall provide appropriate orientation and training.

(9) Review board authority in projects covered by this chapter shall rest with the administrator.

[Statutory Authority: RCW 13.06.030. 88-13-028 (Order 2632), § 275-35-060, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-060, filed 4/4/85.]

**WAC 275-35-070 Monitoring of performance and evaluation of program impact.** (1) It shall be the responsibility of the administrator to submit activity reports, narrative reports, corrective action plans and reports, and other such reports as specified in the division's monitoring instructions for the program to the regional administrator.

(2) It shall be the responsibility of the regional administrator to submit to the director progress reports as specified in the division's monitoring instructions for the program.

(3) The regional administrator may, at any time, request a formal program/project or fiscal audit and may also request other available technical services to assist in monitoring and evaluating the program/projects.

[Statutory Authority: RCW 13.06.030. 88-13-028 (Order 2632), § 275-35-070, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13.40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-070, filed 4/4/85.]

**WAC 275-35-080 Distribution of funds and fiscal management.** (1) Funding constraints.

(a) Funds for programs covered by this chapter shall be utilized for the achievement of activities and results stated for each project.

(b) Failure on the part of any project to perform in accordance with the provisions of this chapter or to achieve established activities and results may result in the termination or reduction of funds.

(c) The administrator shall be responsible for the management of all fiscal matters related to the program, shall comply with state and local policies and procedures and the terms and conditions of the contract, and shall provide information to the regional administrator at regular and requested intervals.

(2) Limitations of funding.

(a) Funds received by participating counties shall not be used for indirect costs.

(b) Mileage reimbursement and per diem may not exceed the current allowable state or county rate, whichever is less.

(c) Equipment purchases shall be approved in advance by the regional administrator and shall be processed through the regional office whenever possible and feasible.

(d) Funds for evaluation are allowable, but the design, scope, and the expected final product shall be clearly specified in the application.

(e) Funds for administration may not exceed ten percent of the total contract award.

(f) Further limitations on the distribution of funds for certain expenditure categories may be set forth in the division's application and budget instructions for the program.

[Statutory Authority: RCW 13.06.030. 88-13-028 (Order 2632), § 275-35-080, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13-40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-080, filed 4/4/85.]

**WAC 275-35-090 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-35-100 Exceptions to rules.** A waiver of the specific requirements of this chapter may be requested by written application to the director in situations where the imposition of such provisions can be shown to be detrimental or impractical to overall program operations. The director shall give each waiver request individual consideration and promptly advise the applicant in writing of the director's decision regarding the waiver and explain the basis for such decision.

[Statutory Authority: RCW 13.06.030. 88-13-028 (Order 2632), § 275-35-100, filed 6/7/88. Statutory Authority: RCW 13.06.030, 13-40.210 and 72.72.040. 85-09-003 (Order 2221), § 275-35-100, filed 4/4/85.]

### Chapter 275-38 WAC

#### IMR PROGRAM AND REIMBURSEMENT SYSTEM

##### WAC

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#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

275-38-575	Reporting for an abbreviated period. [Statutory Authority: RCW 74.09.120. 82-16-080 (Order 1853), § 275-38-575, filed 8/3/82.] Repealed by 88-12-087 (Order 2629), filed 6/1/88. Statutory Authority: RCW 74.09.120.
275-38-735	Disclosure and approval of joint facility cost allocation. [Statutory Authority: RCW 74.09.120. 82-16-080 (Order 1853), § 275-38-735, filed 8/3/82.] Repealed by 88-12-087 (Order 2629), filed 6/1/88. Statutory Authority: RCW 74.09.120.
275-38-905	Requests for revision of a prospective rate. [Statutory Authority: RCW 74.09.120. 82-16-080 (Order 1853), § 275-38-905, filed 8/3/82.] Repealed by 88-12-087 (Order 2629), filed 6/1/88. Statutory Authority: RCW 74.09.120.

**WAC 275-38-001 Terms.** Unless the context clearly requires otherwise, the following terms shall have the meaning set forth in this section when used in this chapter.

(1) "Accrual method of accounting" – A method of accounting where revenues are reported in the period when earned, regardless of when collected, and expenses are reported in the period incurred, regardless of when paid.

(2) "Active treatment in institutions for the mentally retarded" requires the following:

(a) The individual's regular participation, in accordance with an individual habilitation plan, in professionally developed and supervised activities, experiences, or therapies.

(b) A written individual habilitation plan setting forth measurable goals or objectives stated in terms of desirable behavior and prescribing an integrated program of activities, experiences, or therapies necessary for the individual to reach the goals or objectives. The overall purpose of the plan is to help the individual function at



the greatest physical, intellectual, social, or vocational level he or she can presently or potentially achieve.

(c) An interdisciplinary professional evaluation:

(i) Completed, for a recipient, before admission to the institution but not more than three months before, and for an individual applying for Medicaid after admission, before the institution requests payment;

(ii) Consisting of complete medical, social, psychological diagnosis and evaluations, and an evaluation of the individual's need for institutional care; and

(iii) Made by a physician, a social worker, and other professionals, at least one of whom is a qualified mental retardation professional.

(d) Reevaluation medically, socially, and psychologically at least annually by the staff involved in carrying out the resident's individual plan of care. The reevaluation must include review of the individual's progress toward meeting the plan objectives, the appropriateness of the individual plan of care, assessment of his or her continuing need for institutional care, and consideration of alternate methods of care.

(e) An individual post-institutionalization plan, as part of the individual plan of care, developed before discharge by a qualified mental retardation professional and other appropriate professionals.

(3) "Administration and management" – Activities employed to maintain, control, and evaluate the efforts and resources of a facility or organization for the accomplishment of the objectives and policies of that facility or organization.

(4) "Allowable costs" – See WAC 275-38-680.

(5) "Appraisal" – The process of establishing the fair market value or reconstruction of the historical cost of an asset acquired in a past period as performed by an individual professionally designated either by the American Institute of Real Estate Appraisers as a member, appraisal institute (MAI), or by the Society of Real Estate Appraisers as a senior real estate analyst (SREA) or a senior real property appraiser (SRPA). The process includes a systematic, analytic determination, the recording and analyzing of property facts, rights, investments, and values based on a personal inspection and inventory of the property.

(6) "Arm's-length transaction" – A transaction resulting from good-faith bargaining between a buyer and seller who have adverse positions in the market place. Sales or exchanges of IMR or nursing home facilities among two or more parties where all parties subsequently continue to own one or more of the facilities involved in the transaction shall not be considered arm's-length transactions. Sale of an IMR facility which is subsequently leased back to the seller within five years of the date of sale shall not be considered an arm's-length transaction for purposes of chapter 275-38 WAC.

(7) "Assets" – Economic resources of the contractor, recognized, and measured in conformity with generally accepted accounting principles. Assets also include certain deferred charges which are not resources but which are recognized and measured in accordance with generally accepted accounting principles. The value of assets acquired in a change of ownership entered into after

September 30, 1984, shall not exceed the acquisition cost of the owner of record as of July 18, 1984.

(8) "Bad debts" – Amounts considered to be uncollectable from accounts and notes receivable.

(9) "Beds" – Unless otherwise specified, the number of set-up beds in the IMR facility, not to exceed the number of licensed beds.

(10) "Beneficial owner" – Any person:

(a) Directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:

(i) Voting power including the power to vote, or to direct the voting of such ownership interest; and/or

(ii) Investment power including the power to dispose, or to direct the disposition of such ownership interest.

(b) Directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or device with the purpose or effect of divesting himself or herself of beneficial ownership of an ownership interest or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of this chapter.

(c) Subject to subsection (4) of this section, has the right to acquire beneficial ownership of such ownership interest within sixty days, including but not limited to any right to acquire:

(i) Through the exercise of any option, warrant, or right;

(ii) Through the conversion of an ownership interest;

(iii) Pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or

(iv) Pursuant to the automatic termination of a trust, discretionary account, or similar arrangement;

Except, any person acquiring an ownership interest or power specified in subsection (10)(c)(i), (ii), or (iii) of this section shall be deemed to be the beneficial owner of the ownership interest acquired through the exercise or conversion of such ownership interest or power.

(d) Any person who in the ordinary course of business is a pledgee of ownership interest under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged ownership interest except under the following conditions:

(i) The pledgee shall take all formal steps necessary and be required to:

(A) Declare a default and determine the power to vote; or

(B) Direct the vote; or

(C) Dispose or direct the disposition of how such pledged ownership interest will be exercised; and

(ii) The pledge agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the contractor, nor in connection with any transaction having such purpose or effect, including any transaction with persons who meet the conditions set forth in subsection (10)(b) of this section; and

(iii) The pledge agreement, prior to default, does not grant to the pledgee:

(A) The power to vote or direct the vote of the pledged ownership interest; or

(B) The power to dispose or direct the disposition of the pledged ownership interest, other than the grant of such power or powers pursuant to a pledge agreement where credit is extended and where the pledgee is a broker or dealer.

(11) "Boarding home" – Means any home or other institution licensed in accordance with chapter 18.20 RCW.

(12) "Capitalization" – The recording of an expenditure as an asset.

(13) "Capitalized lease" – A lease required to be recorded as an asset and associated liability in accordance with generally accepted accounting principles.

(14) "Cash method of accounting" – A method of accounting where revenues are recognized only when cash is received, and expenditures are expensed, and asset items are not recorded until cash is disbursed.

(15) "Change of ownership" – A change in the individual or legal organization responsible for the daily operation of an IMR facility.

(a) Events changing ownership include but are not limited to the following:

(i) The form of legal organization of the owner is changed (such as a sole proprietor forms a partnership or corporation);

(ii) Title to the IMR enterprise is transferred by the contractor to another party;

(iii) The IMR facility is leased, or an existing lease is terminated;

(iv) Where the contractor is a partnership, any event occurs dissolving the partnership;

(v) Where the contractor is a corporation, the corporation is dissolved, merges with another corporation which is the survivor, or consolidates with one or more other corporations to form a new corporation.

(b) Ownership does not change when the following occurs:

(i) A party contracts with the contractor to manage the enterprise as the contractor's agent, (i.e., subject to the contractor's general approval of daily operating decisions);

(ii) If the contractor is a corporation, some or all of its stock is transferred.

(16) "Charity allowances" – Reductions in charges made by the contractor because of the indigence or medical indigence of a resident.

(17) "Contract" – A contract between the department and a contractor for the delivery of IMR services to eligible Medicaid recipients.

(18) "Contractor" – An entity contracting with the department to deliver IMR services to eligible Medicaid recipients.

(19) "Courtesy allowances" – Reductions in charges in the form of an allowance to physicians, clergy, and others, for services received from the contractor. Employee fringe benefits are not considered courtesy allowances.

(20) "CSO" – The local community services office of the department.

(21) "DDD" – The division of developmental disabilities of the department.

(22) "Department" – The department of social and health services (DSHS) and employees.

(23) "Depreciation" – The systematic distribution of the cost or other base of a tangible asset, less any salvage, over the estimated useful life of the asset.

(24) "Donated asset" – An asset the contractor acquired without making any payment in the form of cash, property, or services. An asset is not a donated asset if the contractor made even a nominal payment in acquiring the asset. An asset purchased using donated funds is not a donated asset.

(25) "Entity" – An individual, partnership, corporation, public institution established by law, or any other association of individuals, capable of entering enforceable contracts.

(26) "Equity capital" – Total tangible and other assets necessary, ordinary, and related to resident care from the most recent provider cost report minus related total long-term debt from the most recent provider cost report plus working capital as defined in this section.

(27) "Facility" – A residential setting certified as an IMR by the department in accordance with federal regulations. A state facility is a state-owned and operated residential habilitation center. A nonstate facility is a residential setting licensed in accordance with chapter 18.51 RCW as a nursing home or chapter 18.20 RCW as a boarding home.

(28) "Fair market value" – The price the asset would have been purchased for on the date of acquisition in an arm's-length transaction between a well-informed buyer and seller, neither being under any compulsion to buy or sell.

(29) "Financial statements" – Statements prepared and presented in conformity with generally accepted accounting principles and this chapter including, but not limited to, balance sheet, statements of operations, statements of changes in financial position, and related notes.

(30) "Fiscal year" – The operating or business year of a contractor. All contractors report on the basis of a twelve-month fiscal year, but provision is made in this chapter for reports covering abbreviated fiscal periods.

(31) "Generally accepted accounting principles" – Accounting principles currently approved by the financial accounting standard board (FASB).

(32) "Generally accepted auditing standards" – Auditing standards approved by the American Institute of Certified Public Accountants (AICPA).

(33) "Goodwill" – The excess of the price paid for a business over the fair market value of all other identifiable, tangible, and intangible assets acquired. Also, the excess of the price paid for an asset over fair market value.

(34) "Habilitation services" – Those services required by the individual habilitation plan provided or directed by qualified therapists.

(35) "Historical cost" – The actual cost incurred in acquiring and preparing an asset for use, including feasibility studies, architects' fees, and engineering studies.

(36) "Imprest fund" – A fund regularly replenished in exactly the amount expended from the fund.

(37) "IMR" – When referring to a facility, one certified as an intermediate care facility for the mentally retarded by Title XIX to provide services to the mentally retarded or persons with related conditions. When referring to a level of care, IMR is a range of services required for the mentally retarded or persons with related conditions. When referring to a person, a recipient requiring IMR services.

(38) "Interest" – The cost incurred for the use of borrowed funds, generally paid at fixed intervals by the user.

(39) "Joint facility costs" – Any costs representing expenses incurred benefiting more than one facility, or one facility and any other entity.

(40) "Lease agreement" – A contract between two parties for the possession and use of real or personal property or assets for a specified period of time in exchange for specified periodic payments. Elimination or addition of any party to the contract, expiration, or modification of any lease term in effect on January 1, 1980, or termination of the lease by either party by any means shall constitute a termination of the lease agreement. An extension or renewal of a lease agreement, whether or not pursuant to a renewal provision in the lease agreement, shall be considered a new lease agreement. A strictly formal change in the lease agreement which modifies the method, frequency, or manner in which the lease payments are made, but does not increase the total lease payment obligation of the lessee shall not be considered modification of a lease term.

(41) "Levels of care" – The classification of levels of services provided to residents by a contractor, (e.g., levels A, B, C, D, and E).

(42) "Medicaid program" – The state medical assistance program provided under RCW 74.09.500 or authorized state medical services.

(43) "Medical assistance recipient" – An individual determined eligible for medical assistance by the department for the services provided in chapter 74.09 RCW.

(44) "Modified accrual method of accounting" – A method of accounting in which revenues are recognized only when cash is received, and expenses are reported in the period in which incurred, regardless of when paid.

(45) "Net book value" – The historical cost of an asset less accumulated depreciation.

(46) "Nonallowable costs" – Same as "unallowable costs."

(47) "Nonrestricted funds" – Donated funds not restricted to a specific use by the donor, (e.g., general operating funds).

(48) "Nursing home" – A home, place, or institution, licensed in accordance with chapter 18.51 RCW, where skilled nursing, intermediate care, and/or IMR services are delivered.

(49) "Operating lease" – A lease under which rental or lease expenses are included in current expenses in accordance with generally accepted accounting principles.

(50) "Owner" – A sole proprietor, general or limited partner, or beneficial interest holder of five percent or more of a corporation's outstanding stock.

(51) "Ownership interest" – All interests beneficially owned by a person, calculated in the aggregate, regardless of the form such beneficial ownership takes.

(52) "Per diem (per resident day) costs" – Total allowable costs for a fiscal period divided by total resident days for the same period.

(53) "Prospective daily payment rate" – The daily amount the department assigns to each contractor for providing services to IMR residents. The rate is used to compute the maximum participation of the department in the contractor's costs.

(54) "Qualified mental retardation professional (QMRP)" – A therapist approved by the department having specialized training and one year's experience in working with the mentally retarded or developmentally disabled.

(55) "Qualified therapist" – Any of the following:

(a) An activities specialist having specialized education, training, or experience as specified by the department.

(b) An audiologist eligible for a certificate of clinical competence in audiology or having the equivalent education and clinical experience.

(c) A dental hygienist as defined by chapter 18.29 RCW.

(d) A dietitian: Eligible for registration by the American Dietetic Association under requirements in effect on January 17, 1974; or having a baccalaureate degree with major studies in food and nutrition, dietetics, or food service management; having one year supervisory experience in the dietetic service of a health care institution; and participating annually in continuing dietetic education.

(e) An occupational therapist being a graduate of a program in occupational therapy, or having the equivalent of such education or training, and meeting all requirements of state law.

(f) A pharmacist as defined by chapter 18.64 RCW.

(g) A physical therapist as defined by chapter 18.74 RCW.

(h) A physician as defined by chapter 18.71 RCW or an osteopathic physician as defined by chapter 18.57 RCW.

(i) A psychologist as defined by chapter 18.83 RCW.

(j) A qualified mental retardation professional.

(k) A registered nurse as defined by chapter 18.88 RCW.

(l) A social worker who is a graduate of a school of social work.

(m) A speech pathologist eligible for a certificate of clinical competence in speech pathology or having the equivalent education and clinical experience.

(56) "Recipient" – An eligible medical care recipient.

(57) "Regression analysis" – A statistical technique through which one can analyze the relationship between a dependent or criterion variable and a set of independent or predictor variables.

(58) "Regional services" – Local office division of developmental disabilities.

(59) "Related organization" – An entity which is under common ownership and/or control with, or has control of or is controlled by, the contractor. An entity is deemed to "control" another entity if one entity has a five percent or greater ownership interest in the other, or if an entity has capacity, derived from any financial or other relationship, and whether or not exercised, to influence directly or indirectly the activities of the other.

(60) "Relative" – Spouse; natural parent, child, or sibling; adopted child or adoptive parent; stepparent, stepchild, stepbrother, stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law; grandparent or grandchild; uncle, aunt, nephew, niece, or cousin.

(61) "Resident day" – A calendar day of resident care. In computing calendar days of care, the day of admission is always counted. The day of discharge is counted only when the resident was admitted on the same day. A resident is admitted for purposes of this definition when he or she is assigned a bed and a resident record is opened.

(62) "Resident living staff (also known as resident care and training staff)" – Staff whose primary responsibility is the care and development of the residents, including:

- (a) Resident activity program;
- (b) Domiciliary services; and/or
- (c) Habilitative services under the supervision of the QMRP.

(63) "Restricted fund" – A fund where the use of the principal and/or income is restricted by agreement with or direction by the donor to a specific purpose, in contrast to a fund over which the owner has complete control. These generally fall into three categories:

- (a) Funds restricted by the donor to specific operating purposes;
- (b) Funds restricted by the donor for additions to property, plant, and equipment; and
- (c) Endowment funds.

(64) "Secretary" – The secretary of DSHS.

(65) "Start-up costs" – The one-time preopening costs incurred from the time preparation begins on a newly constructed or purchased building until the first resident is admitted. Start-up costs include administrative and nursing salaries, utility costs, taxes, insurance, repairs and maintenance, training costs, etc. Start-up costs do not include expenditures for capital assets.

(66) "Title XIX" – The 1965 amendments to the Social Security Act, P.L. 89-07, as amended.

(67) "Unallowable costs" – Costs not meeting every test of an allowable cost, as determined in WAC 275-38-680.

(68) "Uniform chart of accounts" – A list of account titles identified by code numbers established by the department for contractors to use in reporting costs.

(69) "Vendor number (also known as provider number)" – A number assigned to each contractor delivering IMR services to IMR Medicaid recipients.

(70) "Working capital" – Total current assets necessary, ordinary, and related to resident care as reported in the most recent cost report minus total current liabilities necessary, ordinary, and related to resident care from the most recent cost report.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-001, filed 6/1/88; 85-06-063 (Order 2213), § 275-38-001, filed 3/6/85; 84-19-042 (Order 2150), § 275-38-001, filed 9/17/84; 82-16-080 (Order 1853), § 275-38-001, filed 8/3/82.]

**WAC 275-38-005 IMR care.** (1) The department has the administrative and legal responsibility to purchase the services of an institution for the mentally retarded and persons with similar conditions (IMR), and IMR-based services for eligible developmentally disabled persons. The department has the responsibility to assure adequate care, service, and protection are provided through licensing and certification procedures.

(2) The intent of this chapter is to establish standards for habilitative training, health related care, supervision, and residential services to eligible persons.

(3) Each state and nonstate IMR facility shall be certified as a Title XIX IMR facility.

(4) Each nonstate IMR facility with a certified capacity of sixteen beds or more shall be licensed as a nursing home in accordance with chapter 18.51 RCW.

(5) Each nonstate IMR facility with a certified capacity of fifteen beds or less shall be licensed as a boarding home for the aged in accordance with chapter 18.20 RCW.

(6) Facilities certified to provide IMR services must comply with all applicable federal regulations under Title XIX, Section 1905 of the Social Security Act 42 U.S.C. as amended, as well as state regulations governing the licensing of nursing homes or boarding homes for the aged, and other relevant state regulations.

(7) The sections of this chapter will supersede and replace any and all sections affecting IMR facilities or programs in chapters 388-88 and 388-96 WAC except where specifically referenced in this chapter.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-005, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-005, filed 8/3/82.]

**WAC 275-38-520 Projected budget for new contractors.** (1) Unless a shorter period is approved by the division director, each new contractor shall submit a one-year projected budget to the department at least sixty days before the contract will become effective. For purposes of this section, a "new contractor" is one:

- (a) Operating a new facility;
- (b) Acquiring or assuming responsibility for operating an existing facility;
- (c) Obtaining a certificate of need approval due to an addition to or renovation of a facility.

(2) The projected budget shall cover the twelve months immediately following the date the contractor will enter the program. The projected budget shall be prepared on forms and in accordance with instructions provided by the department, and shall include all earnest money, purchase, and lease agreements involved in the transaction.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-520, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-520, filed 8/3/82.]

**WAC 275-38-525 Change of ownership.** (1) On the effective date of a change of ownership, as defined in WAC 275-38-001, the department's contract with the former owner shall be terminated. The former owner shall give the department sixty days written notice of such termination in accordance with the terms of the contract. When certificate of need is required for the new owner to acquire the facility, and the new owner wishes to continue to provide service to recipients without interruption, certificate of need shall be obtained before the former owner submits a notice of termination.

(2) If the new contractor desires to participate in the cost-related reimbursement system, the contractor shall meet the conditions specified in WAC 275-38-515, and shall submit a projected budget in accordance with WAC 275-38-520. The IMR contract with the new owner shall be effective as of the date of the change of ownership.

(3) A new contractor shall submit the following as a part of the projected budget:

(a) A statement disclosing the identity of all individuals and organizations having beneficial ownership interest in the current operating entity or in the land, building, or equipment of the facility; and

(b) The identity of individuals or organizations having beneficial ownership in the purchasing or leasing entity.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-525, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-525, filed 8/3/82.]

**WAC 275-38-530 Termination of contract.** (1) When a contract is terminated for any reason, the former contractor shall give the department sixty days written notice of such termination in accordance with the terms of the contract.

(2) When a contractor terminates for any reason, the former contractor shall submit final reports in accordance with WAC 275-38-546.

(3) Upon notification of a contract termination, the department shall determine by preliminary or final settlement calculations the amount of any overpayments made to the contractor, including overpayments disputed by the contractor. If preliminary or final settlements are unavailable for any period up to the date of contract termination, the department shall make a reasonable estimate of any overpayment or underpayments for such periods. The department shall base a reasonable estimate upon prior period settlements, available audit findings, the projected impact of prospective rates, and other information available to the department.

(4) Payments for one or more months for care provided under a contract will be held until the former contractor has filed a properly completed final annual cost report, and the final settlement has been determined. In lieu of the withheld payments, the former contractor may provide security, in a form acceptable to the department, in the amount of determined and estimated

overpayments, whether or not the overpayments are the subject of good-faith dispute. Security shall consist of:

(a) A surety bond issued by a bonding company acceptable to the department; or

(b) An assignment of funds to the department; or

(c) Collateral acceptable to the department; or

(d) A purchaser's assumption of liability for the prior contractor's overpayment; or

(e) Any combination of (4)(a), (b), (c), or (d) of this subsection.

(5) A surety bond or assignment of funds shall:

(a) Be at least equal in amount to determined or estimated overpayments, whether or not the subject of good-faith dispute, minus withheld payments;

(b) Be issued or accepted by a bonding company or financial institution licensed to transact business in Washington state;

(c) Be for a term sufficient to ensure effectiveness after final settlement and the exhaustion of administrative and judicial remedies: *Provided*, That the bond or assignment shall initially be for a term of five years, and shall be forfeited if not renewed thereafter in an amount equal to any remaining overpayment in dispute;

(d) Provide the full amount of the bond or assignment, or both, shall be paid to the department if a properly completed final cost report is not filed in accordance with this chapter, or if financial records supporting this report are not preserved and made available to the auditor; and

(e) Provide an amount equal to any recovery the department determines is due from the contractor at settlement, but not exceeding the amount of the bond and assignment. The bond or assignment or both shall be paid to the department if the contractor does not pay the refund within sixty days following receipt of written demand or the conclusion of administrative or judicial proceedings to contest settlement issues.

(6) The department shall release any payment withheld as security if alternate security, acceptable to the department, is provided under subsection (4) of this section in an amount equivalent to determined and estimated overpayments.

(7) If the total of withheld payments, bonds, and assignments is less than the total of determined and estimated overpayments, the unsecured amount of such overpayments shall be a debt due the state. The debt shall become a lien against the real and personal property of the contractor from the time of filing by the department with the county auditor of the county where the contractor resides or owns property. Such a lien claim has preference over the claims of all unsecured creditors.

(8) The contractor shall file a properly completed final cost report in accordance with the requirements of chapter 275-38 WAC, which may be audited by the department. A final settlement shall be determined within ninety days following completion of the audit process (including any administrative review of the audit requested by the contractor) or within twelve months if audit is not performed.

(9) Following determination of settlement for all periods, security held pursuant to this section shall be released to the contractor after overpayments determined in connection with final settlement have been paid by the contractor. If the contractor contests the settlement determination in accordance with WAC 275-38-886, the department shall hold the security, not to exceed the amount of estimated unrecovered overpayments being contested, pending completion of the administrative appeal process.

(10) If, after calculation of settlements for any periods, it is determined that overpayments exist in excess of the value of security held by the state, the department may seek recovery of these additional overpayments as provided by law.

(11) The department may accept an assignment of funds if the assignment meets the requirements of subsection (4) of this section.

(12) When a contract is terminated, any accumulated liabilities assumed by a new owner shall be reversed against the appropriate accounts by the contractor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-530, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-530, filed 8/3/82.]

**WAC 275-38-535 Due dates for reports.** (1) Non-state facilities' annual cost reports for a calendar year shall be submitted by March 31 of the following year.

(2) State facilities' annual cost reports for a fiscal year shall be submitted by December 31 of that year.

(3) If a contract is terminated for any reason, the former owner shall submit a final cost report, in addition to any reports due under subsection (1) of this section, within one hundred twenty days after the effective date of termination for the period January 1 of the year of termination through the effective date of termination.

(4) A new contractor shall submit, by March 31 of the following year, a cost report for the period from the effective date of the contract through December 31 of the year the contract was made effective, unless an exception is granted by the division director.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-535, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-535, filed 9/17/84; 82-16-080 (Order 1853), § 275-38-535, filed 8/3/82.]

**WAC 275-38-540 Requests for extensions.** (1) The department, upon a written request setting forth reasons for the necessity of an extension, may grant two extensions of up to thirty days each for filing any required report, if the written request is received at least ten days prior to the due dates of the reports.

(2) Extensions shall be granted only if the circumstances stated clearly indicate the due date cannot be met and the circumstances were not foreseeable by the contractor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-540, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-540, filed 8/3/82.]

**WAC 275-38-545 Reports.** (1) Each nonstate contractor shall submit to the department an annual cost

report for the period from January 1 through December 31 of the preceding year.

(2) Each state facility shall submit to the department an annual cost report for the period from July 1 of the preceding year through June 30 of the current year, i.e., state fiscal year.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-545, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-545, filed 8/3/82.]

**WAC 275-38-546 Failure to submit final reports.**

(1) If a contract is terminated, the former contractor shall submit a final report as required by WAC 275-38-530(2) and 275-38-535(3). The former contractor shall submit final reports to the department within one hundred twenty days after the contract is terminated or prior to the expiration of any department-approved extension granted pursuant to WAC 388-96-107. When the contractor fails to submit a final report, all payments made to the contractor relating to the period for which a report has not been received shall be a debt owed to the department. The contractor shall refund the amount due to the department within thirty days after receiving written demand from the department.

(2) Effective thirty days after written demand for the payment is received by the contractor, interest will begin to accrue on any unpaid balance at the rate of one percent per month.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-546, filed 6/1/88.]

**WAC 275-38-550 Improperly completed or late reports.** (1) For 1981 and subsequent annual cost reporting periods, contractors shall submit an annual report, including the proposed settlement computed by cost center pursuant to WAC 275-38-886, in accordance with chapter 275-38 WAC, departmental regulations and instructions. The department may return an annual cost report deficient in any of these respects in whole or in part to the contractor for proper completion. Submit annual reports by the due date determined in accordance with WAC 275-38-535.

(2) If a the department does not receive properly completed report on or before the due date of the report, including any approved extensions, all or a part of any payments due under the contract may be held by the department until the improperly completed or delinquent report is properly completed and received by the department.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-550, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-550, filed 8/3/82.]

**WAC 275-38-555 Completing reports and maintaining records.** (1) All reports shall be legible and reproducible. All entries shall be in black or dark blue ink or provided in an acceptable, indelible copy.

(2) Contractors shall complete reports in accordance with instructions provided by the department. If no specific instruction covers a situation, follow generally accepted accounting principles.



(3) Contractors shall use the accrual method of accounting, except for governmental institutions operated on a modified accrual method of accounting. Reverse all revenue and expense accruals against the appropriate accounts if not received or paid within one hundred twenty days after the accrual is made, unless special circumstances are documented justifying continuing to carry all or part of the accrual (e.g., contested billings). Accruals for vacation, holiday, sick pay, and taxes may be carried for longer periods, provided the contractor's usual policy and generally accepted accounting principles are followed.

(4) Contractor shall consistently apply methods of allocating costs [shall be consistently applied], including indirect or overhead costs. Contractors operating multi-service facilities or facilities incurring joint facility costs shall allocate costs in accordance with benefits received from the resources represented by those costs.

(5) The contractor shall maintain records relating to an IMR so reported data can be audited for compliance with generally accepted accounting principles and the department's reimbursement principles and reporting instructions. If a contractor maintains records utilizing a chart of accounts other than that established by the department, the contractor shall provide to the department a written schedule specifying the way in which the contractor's individual account numbers correspond to the department's chart of accounts. Contractors shall make records available for review by authorized personnel of the department and of the United States Department of Health and Human Services during normal business hours at a location in the state of Washington specified by the contractor.

(6) If a contractor fails to maintain records adequate for audit purposes or fails to allow inspection of such records by authorized personnel as provided in the contractor's IMR contract, the department may suspend all or part of subsequent reimbursement payments due under the contract until compliance is forthcoming. Upon compliance, the department shall resume current contract payments and shall release payments suspended pursuant to the contractor's IMR contract.

[Statutory Authority: RCW 74.09.120, 88-12-087 (Order 2629), § 275-38-555, filed 6/1/88; 86-18-002 (Order 2412), § 275-38-555, filed 8/21/86; 82-16-080 (Order 1853), § 275-38-555, filed 8/3/82.]

**Reviser's note:** RCW 34.04.058 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

**WAC 275-38-560 Certification requirement.** Each required report shall be accompanied by a certification signed on behalf of the contractor responsible to the department during the report period. If the contractor files a federal income tax return, the certification shall be executed by the person normally signing this return. The certification shall also be signed by the administrator of the IMR facility. If the report is prepared by someone other than an employee of the contractor, include a separate statement with the certification signed by the individual preparing the report and indicating his or her

status with the contractor. Submit only the original signature of the certification of the cost report.

[Statutory Authority: RCW 74.09.120, 88-12-087 (Order 2629), § 275-38-560, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-560, filed 8/3/82.]

**WAC 275-38-565 Reports--False information.** (1) If a contractor knowingly or with reason to know files a report containing false information, such action constitutes cause for termination of the contractor's contract with the department.

(2) Adjustments to reimbursement rates required because a false report was filed will be made in accordance with WAC 275-38-900.

(3) Contractors filing false reports may be referred for prosecution under applicable statutes.

[Statutory Authority: RCW 74.09.120, 88-12-087 (Order 2629), § 275-38-565, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-565, filed 8/3/82.]

**WAC 275-38-570 Amendments to reports.** (1) For purposes of determining allowable costs for computing a final settlement, the department shall consider an amendment to an annual report only if filed by the contractor before receipt of notification scheduling the department's field audit. If no audit is conducted by the department and the preliminary settlement report becomes the final settlement report, the department shall consider an amendment to an annual report only if filed within thirty days after the contractor receives the final settlement report for which no audit has been conducted. For only the purpose of adjusting reimbursement rates for errors or omissions, the contractor may file an amendment subsequent to notification scheduling the department's field audit pursuant to the provision of WAC 275-38-900. A contractor may file an amendment and the department can consider it only if the errors or omissions are significant. Errors or omissions shall be deemed "significant" if errors or omissions would mean a net difference of two cents or more per resident day or one thousand dollars or more in reported costs, whichever is higher, in any cost area. To file an amendment, only pages where changes are required need to be filed, together with the certification required by WAC 275-38-560. Adjustments to reimbursement rates resulting from an amended report will be made in accordance with WAC 275-38-885.

(2) If an amendment is filed, a contractor shall also submit with the amendment an account of the circumstances relating to and the reasons for the amendment, along with supporting documentation. The department may refuse to consider an amendment resulting in a more favorable settlement or rate to a contractor if the amendment is:

(a) Not the result of circumstances beyond the control of the contractor; or

(b) The result of good-faith error under the system of cost allocation and accounting in effect during the reporting period in question.



(3) Acceptance or use by the department of an amendment to a cost report shall in no way be construed as a release of applicable civil or criminal liability.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-570, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-570, filed 8/3/82.]

**WAC 275-38-575 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-38-585 Requirement for retention of reports by the department.** The department shall retain each required report for a period of five years following the date the report was submitted. If at the end of five years there are unresolved audit questions, the department shall retain the report until such questions are resolved.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-585, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-585, filed 8/3/82.]

**WAC 275-38-586 Requirements for retention of records by the contractor.** The contractor shall retain all records supporting the required reports for a period of five years subsequent to filing at a location in the state of Washington specified by the contractor. If at the end of five years there are unresolved audit questions, the records shall be retained until these questions are resolved. All such data shall be made available upon demand to authorized representatives of the department and of the United States Department of Health and Human Services. When a contract is terminated, final settlement shall not be made until accessibility to and preservation of the records within the state of Washington are assured.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-586, filed 6/1/88.]

**WAC 275-38-600 Field audits.** (1) The department shall field audit all cost reports for calendar year 1983.

(2) The department may field audit cost reports for years subsequent to 1983 by auditors employed by or under contract with the department. The department shall notify facilities selected for audit within one hundred twenty days after submission of a complete and correct cost report of the department's intent to audit. The department shall complete such audits within one year after notification of the department's intent to audit unless the contractor fails to allow access to records and documentation or otherwise prevents the audit from being completed in a timely manner.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-600, filed 6/1/88; 84-09-018 (Order 2091), § 275-38-600, filed 4/10/84; 82-16-080 (Order 1853), § 275-38-600, filed 8/3/82.]

**WAC 275-38-605 Preparation for audit by the contractor.** (1) The department shall normally notify the contractor at least ten working days in advance of a field audit.

(2) The contractor shall provide the auditors with access to the IMR and to all financial and statistical records. These financial and statistical records shall

include income tax returns relating to the cost report directly or indirectly, and work papers supporting the data in the cost report or relating to resident trust funds. Such records shall be made available at a location in the state of Washington specified by the contractor.

(3) The contractor shall reconcile reported data with applicable federal income and payroll tax returns and with the financial statement as of the end of the period covered by the report. Such reconciliation shall be in suitable form for verification by the auditors.

(4) The contractor shall designate and make available one or more individuals familiar with the internal operations of a facility being audited in order to respond to questions and requests for information and documentation from the auditors. If the individual or individuals designated cannot answer all questions and respond to all requests, an alternative individual with sufficient knowledge and access to records and information must be provided by the contractor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-605, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-605, filed 8/3/82.]

**WAC 275-38-610 Scope of field audits.** (1) Auditors shall review the contractor's record keeping and accounting practices and, where appropriate, make written recommendations for improvements.

(2) Auditors shall examine the contractor's financial and statistical records to verify:

(a) Supporting records are in agreement with reported data; and

(b) Only assets, liabilities, and revenue and expense items the department has specified as allowable costs have been included by the contractor in computing the costs of services provided under the contract; and

(c) Allowable costs have been accurately determined and are necessary, ordinary, and related to resident care; and

(d) Related organizations and beneficial ownerships or interests have been correctly disclosed; and

(e) Resident trust funds have been properly maintained.

(3) Auditors shall prepare and provide draft audit narratives and summaries to the contractor before final narratives and summaries are prepared.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-610, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-610, filed 8/3/82.]

**WAC 275-38-615 Inadequate documentation.** The auditors shall disallow any assets, liabilities, revenues, or expenses reported as allowable which are not supported by adequate documentation in the contractor's financial records. Documentation must show:

(1) The costs were incurred during the period covered by the report and were related to resident care and training; and

(2) Assets reported were used in the provision of resident care and training.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-615, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-615, filed 8/3/82.]

**WAC 275-38-620 Deadline for completion of audits.** (1) The department shall complete field audits within one year after a properly completed annual cost report is received or within one year after an IMR facility is notified it has been selected for audit, provided field auditors are given timely access to the IMR facility and to all records necessary to audit the report.

(2) For state IMRs, the department shall complete field audits within three years after a properly completed cost report is received by the department, provided field auditors are given timely access to the facility and all records necessary to audit the report.

(3) The department shall give priority to any field audits of final annual reports and whenever possible shall begin such field audits within ninety days after a properly completed final annual report is received.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-620, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-620, filed 8/3/82.]

**WAC 275-38-650 Accounting procedures for resident trust accounts.** (1) The provider shall maintain a subsidiary ledger with an account for each resident for whom the provider holds money in trust. Each account and related supporting information shall:

- (a) Be maintained at the facility;
- (b) Be kept current;
- (c) Be balanced each month, and;
- (d) Show in detail, with supporting verification, all moneys received on behalf of the individual resident and the disposition of all moneys so received.

(2) The contractor shall make each account available for audit and inspection by a department representative and be maintain such accounts for a minimum of five years. The provider further agrees to notify the division of developmental disabilities, regional services office of the department when:

- (a) The account of any individual certified on or before December 31, 1973, having an award letter limit of two hundred dollars cash, reaches the sum of one hundred seventy-five dollars.

The regional services office shall reevaluate the status of each recipient certified under the eligibility criteria prior to January 1, 1974, having an award letter specifying a two hundred dollar cash limit.

- (b) The account of any individual certified on or after January 1, 1974, whose resources are within one hundred dollars of the amount listed on the award letter.

(c) The accumulation toward the limit under subsection (2)(a) or (b) of this section, after admission to the facility, is permitted only from savings from the clothing and personal incidentals allowance and other income the department specifically designates as exempt income from time to time.

(d) No resident may overdraw his or her account (show a debit balance). If a resident wants to spend an amount greater than in his or her trust account, the IMR may provide money from its own funds. The IMR can collect the debt by installments from that portion of

the resident's allowance remaining at the end of each month. No interest may be charged to residents for such loans.

(3) Resident trust accounts may not be charged for services provided under the Title XIX program. Any charge for medical services otherwise properly made to a resident's trust account must be supported by a written denial from the department.

(a) A request for additional equipment such as a walker, wheelchair or crutches must have a written denial from the department of social and health services before a resident's trust account can be charged.

(b) Except as otherwise provided below, a request for physical therapy, drugs, or other medical services must have a written denial from the department before a resident trust account can be charged.

A written denial from the department is not required when the pharmacist verifies a drug is not covered by the program (e.g., items on the FDA list of ineffective or possible effective drugs, nonformulary over-the-counter (OTC) medications such as vitamins, nose drops, etc.). The pharmacist's notation to this effect is sufficient.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-650, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-650, filed 8/3/82.]

**WAC 275-38-655 Trust moneys--Imprest fund.** (1) The provider may maintain a petty cash fund originating from trust moneys of an amount reasonable and necessary for the size of the facility and the needs of the residents, not to exceed five hundred dollars. This petty cash fund shall be an imprest fund. The contractor shall deposit all moneys over and above the trust fund petty cash amount intact in a trust fund checking account, separate and apart from any other bank account(s) of the facility or other facilities.

(2) Cash deposits of resident allowances shall be made intact to the trust account within one week from the time payment is received from the department, social security administration, or other payor.

(3) The contractor shall make any related bankbooks, bank statements, checkbook, check register, and all voided and cancelled checks, available for audit and inspection by a department representative, and shall be maintained by the IMR for not less than five years.

(4) No service charges for such checking account shall be paid by resident trust moneys.

(5) The trust account per bank shall be reconciled monthly to the trust account per resident ledgers.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-655, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-655, filed 8/3/82.]

**WAC 275-38-660 Trust moneys control or disbursement.** The contractor shall hold trust moneys and not to be turned over to anyone other than:

(a) The resident or his or her guardian without the written consent of the resident,

(b) His or her designated agent as appointed by power of attorney, or

(c) Appropriate department of social and health services personnel as designated by the DDD regional services administrator.

(1) Complete a receipt in duplicate when moneys are received; give one copy to the person making payment or deposit, and retain the other copy in the receipt book for easy reference.

(2) Residents shall endorse any checks received. Each resident receiving a check or state warrant is responsible for endorsement by his or her own signature. Only when the resident is incapable of signing his or her name may the provider assume the responsibility of securing the resident's mark "X" followed by the name of the resident and the signature of two witnesses.

(3) If both the general fund account and the trust fund account are at the same bank, deposit the trust portion of checks including care payments can be deposited directly to trust by including a trust account deposit slip for the correct amount with the checks and the general account deposit slip.

(4) The contractor shall credit the resident's trust account ledger sheet with the allowance received. This should be referenced with the receipt number and must be supported by a copy of the deposit slip (one copy for all deposits made).

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-660, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-660, filed 8/3/82.]

**WAC 275-38-667 Accounting upon change of ownership.** (1) Upon sale of the facility or other transfer of ownership, the former contractor shall provide the new contractor with a written accounting, in accordance with generally accepted auditing standards, of all resident funds being transferred, and obtain a written receipt for the funds from the new contractor.

(2) The facility shall give each resident or representative a written accounting of any personal funds held by the facility before any transfer of ownership occurs.

(3) In the event of a disagreement with the accounting provided by the former contractor, the resident retains all rights and remedies provided under state law.

[Statutory Authority: 74.09.120. 88-12-087 (Order 2629), § 275-38-667, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-667, filed 8/3/82.]

**WAC 275-38-680 Allowable costs.** (1) Allowable costs are documented costs which are necessary, ordinary, and related to the provision of IMR services to IMR residents, and are not expressly declared nonallowable by applicable statutes or regulations. Costs are ordinary if costs are of the nature and magnitude which prudent and cost-conscious management would pay.

(2) Upon a request for a rate adjustment pursuant to WAC 275-38-900 or 275-38-906, costs previously audited and not disallowed are subject to review by the department pursuant to subsection (1) of this section.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-680, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-680, filed 8/3/82.]

**WAC 275-38-685 Substance prevails over form.** (1) In determining allowable costs, the substance of a transaction shall prevail over the transaction's form. Accordingly, allowable costs shall not include increased costs resulting from transactions or the application of accounting methods which circumvent the principles of the prospective cost-related reimbursement system.

(2) The department shall not allow increased costs resulting from a series of transactions between the same parties and involving the same assets (e.g., sale and leaseback, successive sales or leases of a single facility or piece of equipment).

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-685, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-685, filed 8/3/82.]

**WAC 275-38-690 Offset of miscellaneous revenues.**

(1) The contractor shall reduce allowable costs whenever the item, service, or activity covered by such costs generates revenue or financial benefits (e.g., purchase discounts or rebates) other than through the contractor's normal billing for IMR services. The contractor shall not deduct unrestricted grants, gifts, endowments, and interest therefrom, from the allowable costs of a non-profit facility.

(2) Where goods or services are sold, the amount of the reduction shall be the actual cost relating to the item, service, or activity. In the absence of adequate documentation of cost, the amount of the reduction shall be the full amount of the revenue received. Where financial benefits such as purchase discounts or rebates are received, the amount of the reduction shall be the amount of the discount or rebate.

(3) The department shall recover only allowable costs under this section. Costs allocable to activities or services not included in IMR services (e.g., costs of vending machines and services specified in chapter 388-86 WAC which are not included in IMR services) are nonallowable costs.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-690, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-690, filed 8/3/82.]

**WAC 275-38-695 Costs of meeting standards.** All necessary and ordinary expenses a contractor incurs in providing IMR services meeting all applicable standards will be allowable costs. The expenses include necessary and ordinary costs of:

- (1) Meeting licensing and certification standards;
- (2) Fulfilling accounting and reporting requirements imposed by chapter 275-38 WAC; and
- (3) Performing any resident assessment activity required by the department.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-695, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-695, filed 8/3/82.]

**WAC 275-38-700 Limit on costs to related organizations.** (1) The department shall allow costs applicable to services, facilities, and supplies furnished by organizations related to the contractor only to the extent:

(a) The costs do not exceed the lower of the cost to the related organization; or

(b) The price of comparable services, facilities, or supplies are purchased elsewhere. The term "related organization" is defined in WAC 275-38-001.

(2) Nonstate facilities shall make documentation of costs to related organizations available to the auditors at the time and place the financial records relating to the entity are audited. State facilities shall make documentation of costs to related organizations available to the auditors at the time the facility is audited at the department's offices of accounting services, financial recovery, or budget. The department shall disallow payments to or for the benefit of the related organization where the cost to the related organization cannot be documented.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-700, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-700, filed 8/3/82.]

**WAC 275-38-705 Start-up costs.** The department shall allow necessary and ordinary start-up costs, as defined in WAC 275-38-001, in the administration and operations rate component. Start-up costs shall be amortized over not less than sixty consecutive months beginning with the month the first resident is admitted for care.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-705, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-705, filed 8/3/82.]

**WAC 275-38-706 Organization costs.** (1) The department shall allow necessary and ordinary costs directly incident to the creation of a corporation or other form of business of the contractor and that are incurred prior to the admission of the first resident. The department will allow these costs in the administration and operations cost area if they are amortized over not less than sixty consecutive months beginning with the month in which the first resident is admitted for care.

(2) Allowable organization costs include, but are not limited to, legal fees incurred in establishing the corporation or other organization and fees paid to states for incorporation. Organization costs do not include costs relating to the issuance and sale of shares of stock or other securities.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-706, filed 6/1/88.]

**WAC 275-38-715 Education and training.** (1) The department shall allow ordinary expenses of on-the-job training and in-service training required for employee orientation and certification training when directly related to the performance of duties assigned.

(2) Ordinary expenses of resident life staff training pursuant to chapter 18.52A RCW shall be allowable costs.

(3) Necessary and ordinary expenses of recreational and social activity training conducted by the contractor for volunteers shall be allowable costs. Expenses of training programs for other nonemployees shall not be allowable costs, except training provided to employees of

a county-contracted training program which is provided by an IMR as a condition of their agreement with the county-contracted training program.

(4) The department shall allow expenses for travel in the states of Idaho, Oregon, and Washington and the Province of British Columbia associated with education and training if the expenses meet the requirements of chapter 275-38 WAC.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-715, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-715, filed 8/3/82.]

**WAC 275-38-720 Total compensation--Owners, relatives, and certain administrative personnel.** For purposes of the tests in WAC 275-38-725 and 275-38-730, total compensation shall be as provided in the employment contract, including benefits, whether such contract is written, verbal, or inferred from the acts of the parties. In the absence of a contract, total compensation shall include gross salary or wages and fringe benefits (e.g., health insurance) made available to all employees but excludes payroll taxes paid by the contractor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-720, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-720, filed 8/3/82.]

**WAC 275-38-725 Owner or relative--Compensation.** (1) The department shall limit total compensation of an owner or relative of an owner to the ordinary compensation for necessary services actually performed.

(a) Compensation is ordinary if it is the amount usually paid for comparable services in a comparable facility to an unrelated employee, and does not exceed limits set out in this chapter.

(b) A service is necessary if the service is related to resident care and training and would have had to be performed by another person if the owner or relative had not performed the service.

(2) The contractor, in maintaining customary time records adequate for audit, shall include such records for owners and relatives receiving compensation. Such records shall document compensated time was spent in provision of necessary services actually performed.

(3) For purposes of this section, if the contractor with the department is a corporation, "owner" includes all corporate officers and directors.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-725, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-725, filed 8/3/82.]

**WAC 275-38-735 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-38-745 Allowable interest.** (1) The department shall allow the contractor's necessary and ordinary interest for working capital and capital indebtedness.

(a) To be necessary, interest must be incurred in connection with a loan satisfying a financial need of the contractor and be for a purpose related to resident care and training. Interest expense relating to business opportunity or goodwill will not be allowed.

(b) To be ordinary, interest must be at a rate not in excess of what a prudent borrower would have to pay at the time of the loan in an arm's-length transaction in the money market.

(c) Interest expense shall include amortization of bond discounts and expenses related to the bond issue. Amortization shall be over the period from the date of sale to the date of maturity or, if earlier, the date of extinguishment of the bonds.

(d) Interest expense for assets acquired in a change of ownership entered into after September 30, 1984, shall be disallowed in proportion to the amount by which the loan principal for the acquired assets exceeds the original depreciation base of the owner of the assets as of July 18, 1984.

(2) Interest paid to or for the benefit of a related organization shall be allowed only to the extent the actual interest does not exceed the cost to the related organization of obtaining the use of the funds.

(3) The contractor shall capitalize interest expense and loan origination fees relating to construction incurred during the period of construction. Such costs shall be amortized over the life of the asset from the date the first resident is admitted or the asset is put into service for resident care and training.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-745, filed 6/1/88; 85-06-063 (Order 2213), § 275-38-745, filed 3/6/85; 82-16-080 (Order 1853), § 275-38-745, filed 8/3/82.]

**WAC 275-38-750 Offset of interest income.** (1) In computing allowable costs, the contractor shall deduct interest income from the investment or lending of non-restricted funds from allowable interest expense, except for a nonprofit facility.

(2) Interest income from the investment or lending of restricted funds shall not be deducted from allowable interest expense.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-750, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-750, filed 8/3/82.]

**WAC 275-38-770 Capitalization.** The contractor shall capitalize the following costs:

(1) Expenditures and costs for equipment including furniture and furnishings, with historical cost in excess of one hundred fifty dollars per unit and a useful life of more than one year from the date of purchase.

(2) Expenditures and costs for equipment including furniture and furnishings, with historical cost of one hundred fifty dollars or less per unit if either:

(a) The item was acquired in a group purchase where the total cost exceeded one hundred fifty dollars; or

(b) The item was part of the initial equipment or stock of the IMR facility.

(3) Effective January 1, 1981, for settlement purposes for periods subsequent to that date, and for purposes of setting rates for periods beginning July 1, 1982, and subsequently, subsection (1) of this section shall be applied with the sum "five hundred dollars" replacing the sum "one hundred fifty dollars."

(4) Expenditures for and costs of building, and other real property items, components, and improvements and leasehold improvements, if required or authorized by the lease agreement, in excess of five hundred dollars and involving one or more of the following:

(a) Increase the interior floor space of the structure;

(b) Increase or renewal of paved areas outside the structure adjacent to or providing access to the structure;

(c) Modification of the exterior or interior walls of the structure;

(d) Installation of additional heating, cooling, electrical water-related, or similar fixed equipment;

(e) Landscaping or redecorating;

(f) Increase the useful life of the structure by two years or more;

(g) For a leasehold improvement, the asset shall be amortized over the asset's useful life in accordance with American hospital association guidelines.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-770, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-770, filed 8/3/82.]

**WAC 275-38-775 Depreciation expense.** Depreciation expense on depreciable assets required in the regular course of providing resident care and training shall be an allowable cost. The depreciation expense shall be:

(1) Identifiable and recorded in the contractor's accounting records, and

(2) Computed using the depreciation base, lives and methods specified in chapter 275-38 WAC.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-775, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-775, filed 8/3/82.]

**WAC 275-38-780 Depreciable assets.** (1) Tangible assets of the following types where a contractor has an economic interest through ownership are subject to depreciation:

(a) Building - The basic structure or shell and additions thereto.

(b) Building fixed equipment - Attachments to buildings, such as wiring, electrical fixtures, plumbing, elevators, heating system, and air conditioning system. The general characteristics of this equipment are:

(i) Affixed to the building and not subject to transfer; and

(ii) A fairly long life, but shorter than the life of the building where affixed.

(c) Major movable equipment - Such items as beds, wheelchairs, desks, and x-ray machines. The general characteristics of this equipment are:

(i) A relatively fixed location in the building;

(ii) Capable of being moved as distinguished from building equipment;

(iii) A unit cost sufficient to justify ledger control;

(iv) Sufficient size and identity to make control feasible by means of identification tags; and

(v) A minimum life of approximately three years. Effective January 1, 1981, for settlement purposes for periods subsequent to that date, and for purposes of setting

rates for periods beginning July 1, 1982, and subsequently, this equipment shall be characterized by a minimum life of greater than one year.

(d) Minor equipment – Such items as waste baskets, bed pans, syringes, catheters, silverware, mops, and buckets properly capitalized. No depreciation shall be taken on items not properly capitalized (see WAC 275-38-770). The general characteristics of minor equipment are:

(i) In general, no fixed location and subject to use by various departments;

(ii) Small in size and unit cost;

(iii) Subject to inventory control;

(iv) Fairly large number in use; and

(v) Generally, a useful life of one to three years.

(e) Land improvements – Such items as paving, tunnels, underpasses, on-site sewer and water lines, parking lots, shrubbery, fences, walls, etc., where replacement is the responsibility of the contractor.

(f) Leasehold improvements – Betterments and additions made by the lessee to the leased property, which become the property of the lessor after the expiration of the lease.

(2) Land is not depreciable. The cost of land includes the cost of such items as off-site sewer and water lines, public utility charges necessary to service the land, governmental assessments for street paving and sewers, the cost of permanent roadways and grading of a nondepreciable nature, and the cost of curbs and sidewalks, replacement of which is not the responsibility of the contractor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-780, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-780, filed 8/3/82.]

**WAC 275-38-785 Depreciation base.** (1) The depreciation base shall be the historical cost of the contractor in acquiring the asset from an unrelated organization and preparing depreciation base for use, less goodwill and less accumulated depreciation incurred during periods the assets have been used in or as a facility by the contractor, such accumulated depreciation to be measured in accordance with subsection (4) of this section and WAC 275-38-790, 275-38-795, and 275-38-800. If the department challenges the historical cost of an asset or a contractor is not able to provide adequate documentation of the historical cost of an asset, the department may have the fair market value of the asset at the time of purchase established by appraisal. The fair market value of items of equipment will be established by appraisals performed by vendors of the particular type of equipment. When these appraisals are conducted, the depreciation base of the asset will not exceed fair market value. Estimated salvage value, if any, shall be deducted from historical cost where the straight-line or sum-of-the-years digits method of depreciation is used.

(2) Effective January 1, 1981, for purposes of setting rates for rate periods beginning July 1, 1982, and subsequently, subsection (1) of this section shall be applied

with the phrase "in an arm's-length transaction" replacing the phrase "from an unrelated organization."

(3) Effective July 1, 1982, in all cases subsection (1) of this section shall be applied with the phrase "in an arm's-length transaction" replacing the phrase "from an unrelated organization."

(4) Where depreciable assets are acquired from a related organization, the contractor's depreciation base shall not exceed the base the related organization had or would have had under a contract with the department.

(5) Effective October 1, 1984, the depreciation base for assets acquired in a change of ownership entered into on or after July 18, 1984, shall not exceed the lower of the purchase price of the new owner or the acquisition cost base of the owner of the assets on or after July 18, 1984. Costs (including legal fees, accounting and administrative costs, travel costs, and the cost of feasibility studies) attributable to the negotiation or settlement of the assets acquired in the change of ownership, where any payment has previously been made by Title XIX, shall not be allowed.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-785, filed 6/1/88; 86-01-008 (Order 2312), § 275-38-785, filed 12/5/85; 85-06-063 (Order 2213), § 275-38-785, filed 3/6/85; 82-16-080 (Order 1853), § 275-38-785, filed 8/3/82.]

**WAC 275-38-790 Depreciation base—Donated or inherited assets.** (1) The depreciation base of donated assets, as defined in WAC 275-38-001, or of assets received through testate or intestate distribution, shall be the lesser of:

(a) Fair market value at the date of donation or death, less goodwill. Estimated salvage value, if any, shall be deducted from fair market value where the straight-line or sum-of-the-years digits method of depreciation is used; or

(b) The historical cost of the owner last contracting with the department, if any.

(2) If the donation or distribution is between related organizations, the base shall be the lesser of:

(a) Fair market value, less goodwill and, where appropriate, salvage value, or

(b) The depreciation base the related organization had or would have had for the asset under a contract with the department.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-790, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-790, filed 8/3/82.]

**WAC 275-38-800 Methods of depreciation.** (1) Buildings, building improvements, land improvements, leasehold improvements, and fixed equipment shall be depreciated using the straight-line method. Major-minor equipment shall be depreciated using either the straight-line method, the sum-of-the-years digits method, or declining balance method not to exceed one hundred fifty percent of the straight-line rate. Contractors electing to take either the sum-of-the-years digits method or the declining balance method of depreciation on major-minor equipment may change to the straight-line method without permission of the department.



(2) The annual provision for depreciation shall be reduced by the portion allocable to use of the asset for purposes not both necessary and related to resident care and training.

(3) No further depreciation shall be claimed after an asset has been fully depreciated unless a new depreciation base is established pursuant to WAC 275-38-785.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-800, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-800, filed 8/3/82.]

**WAC 275-38-812 Handling of gains and losses upon retirement of depreciable assets—Other periods.** (1) This section shall apply in the place of WAC 275-38-810 effective January 1, 1981, for purposes of settlement for settlement periods subsequent to that date, and for purposes of setting rates for rate periods beginning July 1, 1982, and subsequently.

(2) A gain or loss on the retirement of an asset shall be the difference between the remaining undepreciated base and any proceeds received for, or to compensate for loss of, the asset.

(3) If the retired asset is replaced, the gain or loss shall be applied against or added to the cost of the replacement asset, provided a loss will only be so applied if the contractor has made a reasonable effort to recover at least the outstanding book value of the asset.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-812, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-812, filed 8/3/82.]

**WAC 275-38-815 Recovery of excess over straight-line depreciation.** If a contractor terminates the contract without selling or otherwise retiring equipment which was depreciated using an accelerated method, depreciation schedules relating to these assets for periods the contractor participated in the IMR program shall be adjusted. The difference between reimbursement actually paid for depreciation in any period beginning on or after January 1, 1978, and the reimbursement which would have been paid for depreciation if the straight-line method had been used, shall be recovered by the department.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-815, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-815, filed 8/3/82.]

**WAC 275-38-820 Unallowable costs.** (1) Costs shall be unallowable if not documented, necessary, ordinary, and related to the provision of services to IMR residents.

(2) Unallowable costs include, but are not limited to, the following:

(a) Costs of items or services not covered by the medical program. Costs of nonprogram items or services will be unallowable even if indirectly reimbursed by the department as the result of an authorized reduction in resident contribution.

(b) Costs of services and items provided to IMR residents covered by the department's medical care program but not included in IMR services respectively. Items and

services covered by the medical care program are listed in chapter 388-86 WAC.

(c) Costs associated with a capital expenditure subject to Section 1122 approval (part 100, Title 42 CFR) if the department found the capital expenditure was not consistent with applicable standards, criteria or plans. If the department was not given timely notice of a proposed capital expenditure, all associated costs will be nonallowable as of the date the costs are determined not to be reimbursable under applicable federal regulations.

(d) Costs associated with a construction or acquisition project requiring certificate of need approval pursuant to chapter 70.38 RCW if such approval was not obtained.

(e) Costs of outside activities (e.g., costs allocable to the use of a vehicle for personal purposes, or related to the part of a facility leased out for office space).

(f) Salaries or other compensation of officers, directors, stockholders, and others associated with the contractor or home office, except compensation paid for service related to resident care and training.

(g) Costs in excess of limits or violating principles set forth in this chapter.

(h) Costs resulting from transactions or the application of accounting methods circumventing the principles of the prospective cost-related reimbursement system.

(i) Costs applicable to services, facilities, and supplies furnished by a related organization in excess of the lower of the cost to the related organization or the price of comparable services, facilities or supplies purchased elsewhere.

(j) Bad debts.

(k) Charity and courtesy allowances.

(l) Cash, assessments, or other contributions, excluding dues, to charitable organizations, professional organizations, trade associations, or political parties, and cost incurred to improve community or public relations.

(i) Any portion of trade association dues attributable to legal and consultant fees and costs in connection with lawsuits, or other legal action against the department.

(ii) Travel expenses for members of trade association boards of directors, otherwise meeting the requirements of chapter 275-38 WAC, for more than twelve meetings per year.

(m) Vending machine expenses.

(n) Expenses for barber or beautician services not included in routine care.

(o) Funeral and burial expenses.

(p) Costs of gift shop operations and inventory.

(q) Personal items such as cosmetics, smoking materials, newspapers and magazines, and clothing, except items used in resident activity programs or in IMR programs where clothing is a part of routine care.

(r) Fund-raising expenses, except those directly related to the resident activity program.

(s) Penalties and fines.

(t) Expenses related to telephones, televisions, radios, and similar appliances in residents' private accommodations.

(u) Federal, state, and other income taxes.

(v) Costs of special care services, except where authorized by the department.



(w) Expenses of key-man insurance and other insurance or retirement plans not in fact made available to all employees.

(x) Expenses of profit-sharing plans.

(y) Expenses related to the purchase and/or use of private or commercial airplanes in excess of what a prudent contractor would expend for the ordinary and economic provision of such a transportation need related to resident care.

(z) Personal expenses and allowances of owners or relatives.

(aa) All expenses of maintaining professional licenses or membership in professional organizations.

(bb) Costs related to agreements not to compete.

(cc) Goodwill and amortization of goodwill.

(dd) Expenses related to vehicles in excess of what a prudent contractor would expend for the ordinary and economic provision of transportation needs related to resident care.

(ee) Legal and consultant fees in connection with a fair hearing against the department, including but not limited to accounting services in preparation of administrative or judicial review, where the final administrative decision is rendered in favor of the department or where otherwise the determination of the department stands at the termination of administrative review.

(ff) Legal and consultant fees in connection with a lawsuit against the department, including appeals of administrative decision suits.

(gg) Lease acquisition costs and other intangibles not related to resident care and training.

(hh) Interest charges assessed by the state of Washington for failure to make timely refund of overpayments and interest expenses incurred for loans obtained to make such refunds.

(ii) Travel expenses outside the states of Idaho, Oregon, and Washington and the Province of British Columbia. However, travel to and from the home and central office of a chain organization operation will be allowed outside those areas if such travel is necessary, ordinary, and related to resident care and training.

(jj) Moving expenses of employees in the absence of a demonstrated, good-faith effort to recruit within the states of Idaho, Oregon, and Washington and the Province of British Columbia.

(3) If a contractor provides goods or services not reimbursable under chapter 275-38 WAC, any material indirect or overhead costs must be allocated to such goods or services and not be reported as an allowable cost.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-820, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-820, filed 8/3/82.]

**WAC 275-38-840 Prospective reimbursement rate for new contractors.** (1) A prospective reimbursement rate for a new contractor shall be established within sixty days following receipt by the department of a properly completed projected budget (see WAC 275-38-520). The reimbursement rate shall be effective as of the effective date of the contract.

(2) The prospective reimbursement rate shall be based on the contractor's projected cost of operations, and on costs and payment rates of the prior contractor, if any, and/or of other contractors in comparable circumstances taking into account applicable lids or maximums.

(3) If a properly completed projected budget is not received at least sixty days prior to the effective date of the contract, the department shall establish a preliminary rate based on the other factors specified in subsection (2) of this section. The preliminary prospective rate shall remain in effect until an initial prospective rate can be set.

(4) Where a change of ownership is involved which is not an arm's-length transaction as defined in WAC 275-38-001, the new contractor's prospective rates in the administration and operation and property cost areas shall be no higher than the rates of the old contractor, adjusted if necessary to take into account economic trends.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-840, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-840, filed 8/3/82.]

**WAC 275-38-845 Rate determination.** (1) Each contractor's reimbursement rate shall be determined prospectively once each calendar year to be effective July 1. Rates may be adjusted to take into consideration legislative inflation adjustments or pursuant to WAC 275-38-900 or 275-38-906.

(2) If the contractor participated in the program for at least six months of the prior calendar year, its rates shall be based on the contractor's allowable costs in the prior period. If the contractor participated in the program for less than six months of the prior calendar year, its rates shall be based on its rate determined per WAC 275-38-840.

(3) Contractors submitting correct and complete cost reports by March 31, shall be notified of their rates by July 1, unless circumstances beyond the control of the department interfere.

(4) The department shall take data used in determining rates from the most recent, complete, desk-reviewed cost report submitted by the contractor.

(5) Data containing obvious errors shall be excluded from the determination of predicted costs, cost averages, and rate upper limits for WAC 275-38-870.

(6) Inflation factor adjustments shall be specified in division policy Directive 406.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-845, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-845, filed 9/17/84; 83-17-074 (Order 2012), § 275-38-845, filed 8/19/83; 82-16-080 (Order 1853), § 275-38-845, filed 8/3/82.]

**WAC 275-38-846 Desk review for rate determination.** (1) The department shall analyze each cost report to determine if the information is correct, complete, and reported in conformity with generally accepted accounting principles, the requirements of chapter 275-38 WAC, and such rules and instructions issued by the department. An analysis by the department to determine whether reported information is correct and complete may include, but is not limited to:

(a) An examination of reported costs for prior years;  
 (b) An examination of desk review adjustments made in prior years and their final disposition; and

(c) An examination of findings, if any, from field audits of cost reports from prior years and findings, if any, from the field audit of the cost report under analysis.

(2) If it appears from the analysis a contractor has not correctly determined or reported its costs, the department may make adjustments to the reported information for purposes of establishing reimbursement rates. The department shall provide a schedule of such adjustments to contractors and shall include an explanation for the adjustment and the dollar amount for each adjustment made. Adjustments shall be subject to review and appeal as provided in subsection (2)(a) or (b) below.

(a) If a contractor believes an adjustment is in error, the adjustment shall be subject to review pursuant to WAC 275-38-900; and

(b) If a satisfactory resolution of issues is not reached between the contractor and the department, the adjustment shall be subject to further review pursuant to WAC 275-38-950 and 275-38-960.

(3) The department may accumulate data from properly completed cost reports for use in exception profiling and establishing rates.

(4) The department may further utilize such accumulated data for analytical, statistical, or informational purposes as deemed necessary by the department.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-846, filed 6/1/88; 83-17-074 (Order 2012), § 275-38-846, filed 8/19/83.]

**WAC 275-38-860 Resident care and habilitation cost center rate.** (1) For C and D level facilities, the resident care and habilitation cost center will reimburse for resident living services, habilitative and training services, recreation services, and nursing services in accordance with applicable federal and state regulation.

(2) For E level facilities, the resident care and habilitation cost center will reimburse for resident living services, habilitative and training services, recreation services, and nursing services in accordance with applicable federal and state regulation. The cost center will also reimburse for resident care and training staff performing administration and operations functions specified in WAC 275-38-870.

(3) A facility's resident care and habilitation cost center rate shall be the facility's most recent desk-reviewed costs per resident day adjusted for inflation.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-860, filed 6/1/88; 86-18-002 (Order 2412), § 275-38-860, filed 8/21/86; 86-01-008 (Order 2312), § 275-38-860, filed 12/5/85; 85-06-063 (Order 2213), § 275-38-860, filed 3/6/85; 84-19-042 (Order 2150), § 275-38-860, filed 9/17/84; 83-17-074 (Order 2012), § 275-38-860, filed 8/19/83; 82-16-080 (Order 1853), § 275-38-860, filed 8/3/82.]

**WAC 275-38-869 Management agreements, management fees, central office services, and board of directors.** (1) If a contractor intends to enter into a management agreement with an individual or firm which will manage the IMR facility as agent of the contractor,

a copy of the agreement must be submitted by the contractor at least sixty days before the agreement is to become effective. A copy of any amendment to a management agreement must also be received by the department at least thirty days in advance of the date the amendment is to become effective. No management fees for periods prior to the time the department receives a copy of the applicable agreement shall be allowable. When necessary for the health and safety of facility residents, the sixty-day notice requirement may be waived, in writing, by the department.

(2) Management fees shall be allowed only if:

(a) A written management agreement both creates a principal and/or agent relationship between the contractor and the manager, and sets forth the items, services, and activities to be provided by the manager; and

(b) Documentation demonstrates the services contracted for were actually delivered.

(c) To be allowable, fees must be for necessary, non-duplicative services.

(3) The contractor shall limit allowable fees for general management services, including corporate or business entity management and board of director's fees and including the overhead and indirect costs associated with providing general management services to:

(a) The maximum allowable compensation under WAC 275-38-868 of the licensed administrator and, if the facility has at least eighty set-up beds, of an assistant administrator; less

(b) Actual compensation received by the licensed administrator and by the assistant administrator, if any. In computing maximum allowable compensation under WAC 275-38-868 for a facility with at least eighty set-up beds, include the maximum compensation of an assistant administrator even if no assistant administrator is employed;

(c) For IMR facilities of fifteen or fewer beds, the maximum allowable compensation under WAC 275-38-868, less the actual compensation received by the QMRP.

(4) A management fee paid to or for the benefit of a related organization shall be allowable to the extent the fee does not exceed the lesser of:

(a) The limits set out in subsection (3) of this section; or

(b) The lower of the actual cost to the related organization of providing necessary services related to resident care and training under the agreement, or the cost of comparable services purchased elsewhere.

Where costs to the related organization represents joint facility costs, the measurement of such costs shall comply with WAC 275-38-868.

(5) Central office costs, owner's compensation, and other fees or compensation, including joint facility costs, for general administrative and management services, shall include the overhead and indirect costs associated with providing general management expense not allocated to specific services. Such costs shall be subject to the management fee limits determined in subsections (3) and (4) of this section.

(6) Necessary travel and housing expenses of nonresident staff working at a contractor's IMR facility are allowable costs if the visit does not exceed three weeks. Such costs in excess of three weeks shall be subject to the management fee limits determined in subsections (3) and (4) of this section.

(7) Bonuses paid to employees at a contractor's IMR facility are compensation. Bonuses paid to employees at a contractor's central office or otherwise not employed at the IMR facility, who are not engaged in nonmanagerial services such as accounting, are management costs and shall be subject to the management fee limits determined in subsections (3) and (4) of this section.

(8) Fees paid to members of the board of directors of corporations operating IMR facilities shall be subject to the management fee limits determined in subsection (3) and (4) of this section.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-869, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-869, filed 9/17/84. Formerly WAC 275-38-740.]

**WAC 275-38-880 Return on equity.** (1) The department will pay a return on equity to proprietary contractors.

(2) A contractor's net equity will be calculated using the appropriate items from the contractor's most recent desk-reviewed cost report utilizing the definition of equity capital in WAC 275-38-001 and applying relevant Medicare rules and regulations, except that goodwill is not includable in the determination of net equity and monthly equity calculations will not be used.

(3) The contractor's net equity will be multiplied by the prior calendar year's December 31 Medicare rate of return for the twelve-month period ending on the date of the closing date of the contractor's cost report. The amount will be divided by the contractor's annual resident days for the cost report period to determine a rate per resident day. Where a contractor's cost report covers less than a twelve-month period, annual resident days will be estimated using the contractor's reported resident days. The contractor shall be paid a prospective rate which is the lesser of the amount calculated pursuant to this section or two dollars per resident day.

(4) The information on which the return on equity is calculated is subject to field audit. Field audit shall determine whether the desk-reviewed reported equity exceeds the equity documented and calculated in conformance with Medicare rules and regulations as modified by this section. Using the determinations of field audit, the department shall recalculate the contractor's return on equity rate for the rate period using the report. Any payments in excess of the rate shall be refunded to the department as part of the settlement procedure established by WAC 275-38-886.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-880, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-880, filed 9/17/84; 83-17-074 (Order 2012), § 275-38-880, filed 8/19/83; 82-16-080 (Order 1853), § 275-38-880, filed 8/3/82.]

**WAC 275-38-886 Principles of settlement.** (1) Settlement shall be calculated at the lower of prospective

reimbursement rate or audited allowable costs, except as otherwise provided in this chapter.

(2) Each contractor shall complete a proposed preliminary settlement as part of the annual cost report and submit it by the due date of the annual cost report. After review of the proposed preliminary settlement, the department shall issue a preliminary settlement report to the contractor.

(3) If a field audit is conducted, the department shall evaluate the audit findings after completion of the audit and shall issue a final settlement which takes account of such findings and evaluations.

(4) Pursuant to preliminary or final settlement and the procedures set forth in chapter 275-38 WAC[, the contractor shall refund overpayments to the department and the department shall pay underpayments to the contractor].

(5) When payment for services is first made following preliminary or final settlement for the period during which the services were provided, payment shall be at the most recent available settlement rate.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-886, filed 6/1/88; 85-06-063 (Order 2213), § 275-38-886, filed 3/6/85; 84-19-042 (Order 2150), § 275-38-886, filed 9/17/84; 83-17-074 (Order 2012), § 275-38-886, filed 8/19/83.]

**Reviser's note:** RCW 34.04.058 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

**WAC 275-38-887 Procedures for overpayments and underpayments.** (1) The department shall make payment of underpayments determined by preliminary or final settlement within thirty days after the preliminary or final settlement report is submitted to the contractor.

(2) A contractor found to have received overpayments or payments in error as determined by preliminary or final settlement shall refund such payments to the department within thirty days after receipt of the preliminary or final settlement report as applicable.

(3) If a contractor fails to comply with subsection (2) of this section, the department shall:

(a) Deduct from current monthly amounts due the contractor the refund due the department and interest on the unpaid balance at the rate of one percent per month; or

(b) If the contract has been terminated:

(i) Deduct from any amounts due the contractor the refund due the department and interest on the unpaid balance at the rate of one percent per month; or

(ii) Pursue, as authorized by law and regulation, recovery of the refund due and interest on the unpaid balance at the rate of one percent per month.

(4) If a facility is pursuing timely filed administrative or judicial remedies in good faith regarding settlement report, the contractor need not refund. The department shall not withhold any refund or interest from current amounts due the facility if the refund is specifically disputed by the contractor on review or appeal. The department may recover portions of refunds not

specifically disputed by the contractor on review or appeal and assess interest as provided in subsection (3) of this section. If the administrative or judicial remedy sought by the facility is not granted or is granted only in part after exhaustion or mutual termination of all appeals, the facility shall refund all amounts due the department within sixty days after the date of decision or termination plus interest as payable on judgments from the date the review was requested pursuant to WAC 275-38-950 and 275-38-960 to the date the repayment is made.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-887, filed 6/1/88.]

**WAC 275-38-888 Preliminary settlement.** (1) Effective January 1, 1985, the proposed preliminary settlement submitted by a contractor pursuant to WAC 275-38-886 shall use the prospective rate for the resident care and habilitation cost center at which the contractor was paid during the report period, including any client specific payment adjustments made for the resident care and habilitation cost center. Such payments shall be weighted by the number of paid resident days reported for the period each rate was in effect. These payments shall be compared to the contractor's allowable costs for the resident care and habilitation cost center divided by total resident days.

(2) A contractor's administration, operations, and property cost center settlement rate shall be its prospective rate for the report period weighted by the number of paid resident days reported for the period each rate was in effect.

(3) A contractor's return on equity settlement rate shall be its prospective rate for the report period weighted by the number of paid resident days reported for the period each rate was in effect.

(4) Within one hundred twenty days after a proposed preliminary settlement is received, the department shall review it for accuracy and either accept or reject the proposal of the contractor. If accepted, the proposed preliminary settlement shall become the preliminary settlement report. If rejected, the department shall issue a preliminary settlement report by cost center which shall fully substantiate disallowed costs, refunds, or underpayments due and adjustments to the proposed preliminary settlement.

(5) A contractor shall have thirty days after receipt of a preliminary settlement report to contest such report pursuant to WAC 275-38-950 and 275-38-960. Upon expiration of the thirty-day period, a preliminary settlement report shall not be subject to review.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-888, filed 6/1/88.]

**WAC 275-38-889 Final settlement.** (1) If an audit is conducted, the department shall issue a final settlement report to the contractor after completion of the audit process, including exhaustion or mutual termination of reviews and appeals of audit findings or determinations.

(2) The final settlement shall be by cost center and shall fully substantiate disallowed costs, refunds, underpayments, or adjustments to the cost reports and financial statements, reports, and schedules submitted by the contractor.

(a) The final settlement report shall use the prospective rate at which the contractor was paid during the report period, including any client specific payment adjustments made for resident care and training cost center. Such payments shall be weighted by the number of paid resident days reported for the period each rate was in effect. The department shall compare these payments to the contractor's audited allowable costs for the period.

(b) A contractor's administration operations and property cost center settlement rate shall be its prospective rate for the period weighted by the number of paid resident days reported for the period each rate was in effect.

(c) A contractor's return on equity rate shall be its prospective rate for the report period weighted by the number of paid resident days reported for the period each rate was in effect.

(3) If the contractor is pursuing an administrative or judicial review or appeal in good faith regarding audit findings or determinations, the department may issue a partial final settlement report in order to recover overpayments based on audit findings or determinations not in dispute on review or appeal.

(4) A contractor shall have thirty days after receipt of a final settlement report to contest such report pursuant to WAC 275-38-950 and 275-38-960. Upon expiration of the thirty-day period, a final settlement report shall not be subject to review.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-889, filed 6/1/88.]

**WAC 275-38-890 Interim rate.** (1) A state facility's interim rate shall be determined utilizing the most recent desk-reviewed costs per resident day. These costs may be adjusted to incorporate federal, state, or department changes in program standards or services.

(2) A facility's interim rate may be adjusted for federal, state, or department changes in program standards or services.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-890, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-890, filed 9/17/84.]

**WAC 275-38-892 Final payment.** (1) A settlement shall be determined to establish a state facility's final payment. A settlement shall be calculated as follows:

(a) If the state facility's allowable costs for the report period are greater than their interim payment, the amount owed to the facility shall be the difference of cost minus interim payment.

(b) If the state facility's allowable costs for the report period are less than their interim payments, the amount owed by the department shall be the difference of interim payment minus cost.

(2) The settlement process shall consist of a preliminary settlement and a final settlement.

(3) The preliminary settlement process shall be as follows:

(a) State facilities shall submit a proposed settlement report with their cost report.

(b) Within one hundred twenty days after receipt of the proposed settlement, the department shall verify the accuracy of the proposal and shall issue a preliminary settlement substantiating the settlement amount.

(4) The final settlement process shall be as follows:

(a) After completion of the audit process, the department shall submit a final settlement report to the state facility substantiating disallowed costs, refunds, underpayments, or adjustments to the contractor's financial statements, cost report, and final settlement.

(b) A preliminary settlement as issued by the department shall become the final settlement if an audit is not to be conducted pursuant to WAC 275-38-620.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-892, filed 6/1/88; 84-19-042 (Order 2150), § 275-38-892, filed 9/17/84.]

**WAC 275-38-900 Adjustments required due to errors or omissions.** (1) The department may adjust prospective rates in accordance with subsection (1) of this section and WAC 275-38-570, as a result of cost report or computational errors or omissions by the department or by the contractor. The department shall notify the contractor in writing of each adjustment and of the effective date, and of any amount due to the department or to the contractor as a result of the rate adjustment. Rates adjusted in accordance with this section shall be effective as of the effective date of the original rate, whether the adjustment is solely for computing a preliminary or final settlement or for the purpose of modifying past or future rate payments as well.

(2) If a contractor claims an error or omission based upon incorrect cost reporting, the contractor shall submit amended cost report pages. Amended pages shall be accompanied by the certification required by WAC 275-38-560 and a written justification explaining why the amendment is necessary. Such amendments shall not be accepted unless the amendments meet the requirements of WAC 275-38-570. If the department determines the changes made by such amendments are material, the amended pages shall be subject to field audit. If the department determines the amendments are incorrect or otherwise unacceptable from a field audit, or other information available to the department, any rate adjustment based on the amendment shall be null and void. Future rate payment increases, if any, scheduled as a result of such an amendment shall be cancelled immediately. Payments based upon the rate adjustment shall be subject to repayment as provided in subsection (3) of this section.

(3) The contractor shall pay or commence repayment for an amount he or she owes the department resulting from an error or omission within sixty days after receipt of notification of the rate adjustment or in accordance with a schedule determined by the department. If the

determination is contested in accordance with WAC 275-38-950 and 275-38-960, the contractor shall pay or commence repayment within sixty days after completion of these proceedings. If a refund is not paid when due, the amount thereof may be deducted from current payments by the department.

(4) The department shall pay any amount owed the contractor as a result of a rate adjustment within thirty days after the department notifies the contractor of the rate adjustment.

(5) No adjustments for any purpose shall be made to a rate more than one hundred twenty days after the final audit narrative and summary is sent to the contractor or more than one hundred twenty days after the preliminary settlement becomes the final settlement.

(a) A final settlement within this one hundred twenty day time limit may be reopened for the sole purpose of making an adjustment to a prospective rate in accordance with WAC 275-38-900.

(b) Only such an adjustment to a prospective rate and its related computation shall be subject to review if timely contested pursuant to WAC 275-38-950 and 275-38-960. Other actions relating to settlement reopened shall not be subject to review unless previously contested in a timely manner.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-900, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-900, filed 8/3/82.]

**WAC 275-38-903 Receivership.** (1) If the IMR facility is providing care to recipients of state medical assistance is placed under receivership pursuant to chapter 388-98 WAC, the receiver shall:

(a) Become the Medicaid contractor for the duration of the receivership period;

(b) Assume all reporting responsibilities for new contractors;

(c) Assume all other responsibilities for new contractors set forth in chapter 275-38 WAC; and

(d) Be responsible for the refund of Medicaid rate payments pursuant to chapter 275-38 WAC in excess of costs during the period of receivership.

(2) In establishing the prospective rate during receivership, the department shall consider:

(a) Compensation, if any, ordered by the court for the receiver. Such compensation may already be available to the receiver through the rate as follows:

(i) The return on equity cost center rate, or

(ii) The administrator's salary in the case of facilities where the receiver is also the administrator.

If these existing sources of compensation are less than what was ordered by the court, additional costs may be allowed in the rate up to the compensation amount ordered by the court;

(b) Start-up costs and costs of repairs, replacements, and additional staff needed for resident health, training, security, and welfare. To the extent such costs can be covered through the return on equity cost center rate, if any, no additional money will be added to the rate; and

(c) Any other allowable costs as set forth in chapter 275-38 WAC.

(3)(a) Upon order of the court, the department shall provide emergency or transitional financial assistance to a receiver not to exceed thirty thousand dollars.

(b) The department shall recover any emergency or transitional expenditure from revenue generated by the facility which is not obligated to the operation of the facility.

(c) If the department has not fully recovered any emergency or transitional expenditure at the termination of receivership, the department may:

(i) File an action against the former licensee or owner to recover such expenditure; or

(ii) File a lien on the facility or on the proceeds of the sale of the facility.

(4) If recommendations on receiver's compensation are solicited from the department by the court, the department shall consider the following:

(a) The range of compensation for nonstate IMR facility managers;

(b) Experience and training of the receiver;

(c) The size, location, and current condition of the facility;

(d) Any additional factors deemed appropriate by the department.

(5) When the receivership terminates, the department may revise the facility's Medicaid reimbursement as follows:

(a) The Medicaid reimbursement rate for the former owner or licensee shall be what it was prior to receivership. Unless the former owner or licensee may request prospective rate revisions from the department as set forth in chapter 275-38 WAC;

(b) The Medicaid reimbursement rate for licensed replacement operators shall be determined consistent with rules governing prospective reimbursement rates for new contractors as set forth in chapter 275-38 WAC.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-903, filed 6/1/88.]

**WAC 275-38-905 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-38-906 Adjustments to prospective rates.**

(1) Prospective rates shall be maximum payment rates for contractors for the periods to which they apply, except as otherwise provided in WAC 275-38-906. The department shall not grant rate adjustments for cost increases which are or were subject to management control or negotiation including, but not limited to, all lease cost increases, or for cost increases not expressly authorized in subsections (2) and (3) of this section.

(2) The department shall adjust rates for any capitalization additions or replacements made as a condition for licensure or certification.

(3) The department shall adjust rates for increased costs that must be incurred and which cannot be otherwise met through the contractor's prospective rate, for the following:

(a) Program changes required by the department;

(b) Changes in staffing levels or consultants at a facility required by the department; and

(c) Changes required by survey.

(4) Contractors requesting an adjustment shall submit:

(a) A financial analysis showing the increased cost and an estimate of the rate increase, computed according to allowable methods, necessary to fund the cost;

(b) A written justification for granting the rate increase; and

(c) A certification and supporting documentation which shows the changes in staffing, or other improvements, have been commenced or completed.

(5) Contractors receiving prospective rate increases pursuant to WAC 275-38-906 must submit quarterly reports, beginning the first day of the month following the date the increase is granted, showing how the additional rate funds were spent. If the funds were not spent for change or improvements approved by the department in granting the adjustment, they shall be subject to immediate recovery by the department.

(6) A contractor requesting an adjustment pursuant to subsection (3)(c) of this section shall submit a written plan specifying additional staff to be added and the resident needs the facility has been unable to meet due to lack of sufficient staff.

(7) In reviewing a request made under subsection (3) of this section, the department shall consider:

(a) Whether additional staff requested by a contractor is appropriate in meeting resident needs;

(b) Comparisons of staffing levels of facilities having similar characteristics;

(c) The physical layout of the facility;

(d) Supervision and management of current staff;

(e) Historic trends in under-spending of a facility's resident care and habilitation;

(f) Numbers and positions of existing staff; and

(g) Other resources available to the contractor under subsection (3) of this section.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-906, filed 6/1/88.]

**WAC 275-38-925 Billing procedures.** (1) A contractor shall bill the department each month by completing and returning the IMR statement provided by the department. The IMR statement shall be completed and filed in accordance with instructions issued by the department.

(2) A contractor shall not bill the department for service provided to a resident until a department award letter relating to the resident has been received. At that time the contractor may bill for service provided back through the date the resident was admitted or became eligible.

(3) Billing shall not cover the day of a resident's death, discharge, or transfer from the IMR facility.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-925, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-925, filed 8/3/82.]

**WAC 275-38-940 Suspension of payment.** (1) Payments to a contractor may be withheld by the department in each of the following circumstances:



(a) A required report is not properly completed and filed by the contractor within the appropriate time period, including any approved extensions. Payments shall be released as soon as a properly completed report is received.

(b) Auditors or other authorized department personnel in the course of his or her duties are refused access to an IMR or are not provided with existing appropriate records. Payments shall be released as soon as such access or records are provided.

(c) A refund in connection with a settlement or rate adjustment is not paid by the contractor when due. The amount withheld shall be limited to the unpaid amount of the refund.

(d) Payments for the final service under a contract, pursuant to WAC 275-38-530, shall be held pending final settlement when the contract is terminated.

(2) No payment shall be withheld until written notification of the suspension is given to the contractor, stating the reason therefor.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-940, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-940, filed 8/3/82.]

**WAC 275-38-945 Termination of payments.** All Medicaid Title XIX payments to a contractor shall end no later than sixty days after any of the following occurs:

(1) A contract expires, is terminated or is not renewed;

(2) A facility license is revoked; or

(3) A facility is decertified as a Title XIX facility.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-945, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-945, filed 8/3/82.]

**WAC 275-38-955 Recoupment of undisputed overpayments.** The department is authorized to withhold from the IMR current payment all amounts found by preliminary or final settlement to be overpayments not identified by the IMR and challenged as overpayments as part of a good-faith administrative or judicial review. Contested amounts retained by the IMR pursuant to this section may be subject to recoupment by the department from the IMR current payment upon completion of judicial and administrative review procedures to the extent the department's position or claims are upheld.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-955, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-955, filed 8/3/82.]

**WAC 275-38-960 Administrative review process.**

(1) Within thirty days after a contractor is notified of an action or determination made by the department pursuant to a rule, contract provision, or policy statement, the contractor wishes to challenge, the contractor shall request in writing the director or his or her designee review such determination. The request shall be forwarded to the office of contracts management if the challenge pertains to audit findings (adjusting journal entries or AJEs) or other audit matters, or the director, division of

developmental disabilities, for other matters (such as rates, desk reviews, and settlements). The request shall be signed by the contractor or the licensed administrator of the facility, shall identify the challenged determination and the date thereof, and shall state as specifically as practicable the grounds for the contractor's or licensed administrator's contention the determination was erroneous. Copies of any documentation the contractor intends to rely on to support the contractor's position shall be included with the request.

(2) After receiving a request meeting the criteria, the department will contact the contractor to schedule a conference for the earliest mutually convenient time. The conference shall be scheduled for no earlier than fourteen days after the contractor was notified of the conference and no later than ninety days after a properly completed request is received unless both parties agree in writing to a specific later date. The conference may be conducted by telephone unless either the department or the contractor requests in writing the conference be held in person.

(3) The contractor and appropriate representatives of the department shall attend the conference. In addition, representatives selected by the contractor may attend and participate. The contractor shall bring to the conference, or provide to the department in advance of the conference, any documentation requested by the department which the contractor is required to maintain for audit purposes pursuant to WAC 275-38-555, and any documentation on which the contractor intends to rely on to support the contractor's contentions. The parties shall clarify and attempt to resolve the issues at the conference. If additional documentation is needed to resolve the issues, a second session of the conference shall be scheduled for not later than thirty days after the initial session unless both parties agree in writing to a specific later date.

(4) Regardless of whether agreement has been reached at the conference, a written decision by the appropriate director or his or her designee will be furnished to the contractor within sixty days after the conclusion of the conference.

(5) A contractor may appeal an adverse decision of the director or his or her designee by filing a written request for a hearing with the department's office of hearings (mailing address: P.O. Box 2465, Olympia, Washington 98504). The request must be filed within thirty days of the date the contractor received the decision of the director. A copy of the director's decision being appealed must be attached to the request for hearing. The request must be signed by the contractor or the administrator of the facility, and shall state as specifically as practicable, the issue or issues and regulation or regulations involved, and the grounds for contending the director's decision is erroneous. Copies of any documentation on which the contractor intends to rely to support its position shall be included with the request.

[Statutory Authority: RCW 74.09.120. 88-12-087 (Order 2629), § 275-38-960, filed 6/1/88; 82-16-080 (Order 1853), § 275-38-960, filed 8/3/82.]

**Chapter 275-54 WAC**  
**JUVENILE INVOLUNTARY TREATMENT**

WAC	
275-54-170	Certification standards for evaluation and treatment program for minors.
275-54-180	Outpatient component.
275-54-190	Emergency component.
275-54-200	Inpatient component.

**WAC 275-54-170 Certification standards for evaluation and treatment program for minors.** (1) The following general requirements shall apply to any agency desiring certification as a component or components of the evaluation and treatment program:

(a) The spectrum of evaluation and treatment services provided by the agency shall include at least one of the following:

- (i) Outpatient.
- (ii) Emergency.
- (iii) Inpatient.

(b) The agency may directly provide one or more of the components specified in subsection (1)(a) of this section, or may indirectly provide one or more through contractual arrangement or agreements with other agencies. Such arrangements shall be set forth in WAC 275-54-160.

(c) The agency shall maintain a written statement describing the organizational structure and objectives. The statement shall include contractual affiliates (if any).

(d) The agency shall document and otherwise ensure:

- (i) Care for patients is provided in a therapeutic environment.
- (ii) Patient rights as described in WAC 275-54-290 is incorporated into this environment.
- (iii) The use of a less restrictive treatment alternative is considered for each patient at the time of detention, admission, discharge, and development of fourteen- and one hundred eighty-day petitions.

(iv) Continuity of care, coordination, and integration of services is provided.

(v) Referral services and assistance in obtaining supportive services appropriate to treatment are provided to each patient.

(e) The agency desiring certification of the agency's component or components shall make application for such certification pursuant to WAC 275-54-160.

(2) In addition to the requirements specified for each in WAC 275-54-180, 275-54-190, and 275-54-200, the following general requirements shall apply to all facilities:

(a) In general, adults and minors shall be provided services separate from one another, wherever possible. Joint use by adults and minors of a facility's inpatient services is permitted only if the minor's clinical record contains documentation that:

(i) The anticipated effects of such joint use on the minor have been considered by the professional staff, and

(ii) A professional judgment has been made that such joint use will not be deleterious to the minor. No minor shall be placed on an adult inpatient unit unless no other

alternative is available, or an emergency exists, and documentation has been made pursuant to subsection (2) of this section.

(b) Treatment plan and clinical record. All components shall:

(i) Maintain, for each patient, a plan of treatment, and a plan for discharge including a plan for follow-up where appropriate. The treatment plan shall address the needs identified in the admission evaluation of the minor. Such treatment and discharge plans shall be entered in the patient's clinical record as appropriate.

(ii) Maintain, for each patient, a clinical record containing sufficient information to justify the diagnosis, delineate the individual treatment plan, and document the course of treatment. The responsibility of the agency is to safeguard the record against loss, defacement, tampering, or use by unauthorized persons.

(c) Evaluation and treatment services provided to minors shall be provided by:

(i) A child mental health specialist, as defined by WAC 275-54-020(2), or

(ii) A mental health professional, as defined by WAC 275-54-020(14) directly supervised by a child mental health specialist, or

(iii) A mental health professional receiving at least one hour per week of clinical consultation from a child mental health specialist for each involuntarily detained minor provided direct client services during the week.

(d) Treatment. The evaluation and treatment program shall:

(i) Provide family therapy as needed.

(ii) Have available, as needed, professional personnel including, but not limited to, a licensed physician and a mental health professional.

(iii) Ensure each patient has access to necessary medical treatment emergency life-sustaining treatment, and medication.

(iv) Have psychiatric consultation available to other physicians or mental health professionals when treatment is not provided by or under the supervision of a psychiatrist.

(e) Use of restraints and seclusion. The use of medication, physical restraints, or locked seclusion rooms in response to assaultive, self-destructive, or unruly patient behavior shall occur only to the extent necessary to ensure the safety of patients and staff, and subject to the following conditions:

(i) In the event of an emergency use of restraints or seclusion, a licensed physician must be notified within one hour and shall authorize the restraints or seclusion.

(ii) No patient shall be restrained or secluded for a period in excess of two hours without having been evaluated by a mental health professional. Such patient must be directly observed every fifteen minutes and the observation recorded in the patient's clinical record.

(iii) If restraint or seclusion exceeds twenty-four hours, patient shall be examined by a licensed physician. The facts determined by his or her examination and any resultant decision to continue restraint or seclusion over twenty-four hours shall be recorded in the patient's clinical record over the signature of the authorizing

physician. This procedure must be repeated for each subsequent twenty-four hour period of restraint or seclusion.

(f) Periodic evaluation. Each involuntary patient shall be evaluated periodically for release from commitment. Such evaluation shall occur at least weekly for fourteen-day commitments, at least monthly for one hundred eighty-day commitments, and documented in each involuntary patient's clinical record.

(g) Training. All components shall develop an inservice training plan and provide regular training to all clinical personnel having responsibility for any aspect of patient care. Documentation of the type and amount of training received by staff members shall be maintained. Such training shall include information about:

(i) The availability and utilization of less restrictive alternatives.

(ii) Methods of patient care.

(iii) Managing assaultive and self-destructive behavior.

(iv) The provisions and requirements of this chapter and chapter 354, Laws of 1985 and standards and guidelines promulgated by the department.

(v) Other appropriate subject matter.

(h) Administration. All components shall:

(i) Maintain written procedures for managing assaultive and/or self-destructive patient behavior, and assure staff has access to and are familiar with these procedures.

(ii) Maintain adequate fiscal accounting records.

(iii) Prepare and submit such reports as are required by the secretary.

(iv) Maintain a procedure for collection of fees and third-party payments.

(3) Whenever a component is also subject to licensure under other federal or state statutes or regulations, the more restrictive standard shall apply.

[Statutory Authority: RCW 34.04.020. 87-19-070 (Order 2535), § 275-54-170, filed 9/16/87. Statutory Authority: 1985 c 354. 86-02-019 (Order 2323), § 275-54-170, filed 12/23/85.]

**WAC 275-54-180 Outpatient component.** (1) The outpatient component is defined as a setting where evaluation and treatment services are provided on a regular basis to patients. These services are intended to stabilize, sustain, and facilitate recovery of the individual within his or her living setting. Services shall be provided directly by a licensed physician licensed pursuant to chapter 18.57 or 18.71 RCW, a psychologist licensed pursuant to chapter 18.83 RCW, a psychiatric nurse licensed pursuant to chapter 18.88 RCW, or by an agency licensed pursuant to chapter 71.24 RCW and chapter 275-54 WAC.

(2) In addition to the general requirements stated in WAC 275-54-170, the following requirements shall apply to all outpatient components:

(a) Such component shall provide a therapeutic program including, but not limited to, at least one of the following:

(i) Individual therapy.

(ii) Group therapy.

(iii) Family/marital therapy.

(iv) Medication management.

(v) Case management.

(b) Such component shall provide treatment to each patient under the supervision of a mental health professional.

(c) Each patient should be seen at least weekly by assigned staff during the period of involuntary treatment. A mental health professional must review each outpatient case at least monthly to ensure updating of the treatment plan and such review must be recorded in the patient's clinical record. The frequency of patient contact and case review may be modified if in the opinion of a mental health professional such is warranted and the reasons for so doing are recorded in the patient's clinical record.

(d) Such component must have access to consultation by a psychiatrist or a physician with at least one year's experience in the direct treatment of mentally ill or emotionally disturbed persons.

(e) Such component shall include medical consultation with the involuntary patient to assess and prescribe psychotropic medication to meet the needs of the patient. Such consultation shall occur at least weekly during the fourteen-day period, and monthly during the one hundred eighty-day period of involuntary treatment unless determined otherwise by the attending physician and the reasons for so doing are recorded in the patient's clinical record.

[Statutory Authority: RCW 34.04.020. 87-19-070 (Order 2535), § 275-54-180, filed 9/16/87. Statutory Authority: 1985 c 354. 86-02-019 (Order 2323), § 275-54-180, filed 12/23/85.]

**WAC 275-54-190 Emergency component.** (1) The emergency component is defined as a public or private agency or hospital having the capacity to detain a person posing an imminent threat to the safety and/or well-being of himself, herself, or others, or is gravely disabled.

(2) In addition to the general requirements stated in WAC 275-54-170, the following requirements shall apply to all emergency components:

(a) Such component shall be available twenty-four hours per day, seven days per week.

(b) Such component shall follow a written protocol for detaining an individual and contacting the county designated mental health professional.

(c) Such component shall provide or have access to medical services.

(d) Such component shall have a written agreement with a certified short-term inpatient component for admission on a seven-day-per-week, twenty-four-hour-per-day basis.

(e) Such component shall follow a written protocol for transporting individuals to short-term inpatient components.

[Statutory Authority: RCW 34.04.020. 87-19-070 (Order 2535), § 275-54-190, filed 9/16/87. Statutory Authority: 1985 c 354. 86-02-019 (Order 2323), § 275-54-190, filed 12/23/85.]

**WAC 275-54-200 Inpatient component.** (1) The inpatient component is a hospital or residential setting where treatment services are provided on a twenty-four-hour-per-day basis for patients on seventy-two-hour detentions, or fourteen-day commitments, or one hundred eighty-day commitments.

(2) In addition to the general requirements stated in WAC 275-54-170, the following requirements shall apply to all inpatient components:

(a) The inpatient component shall meet the standards required for state licensing as a psychiatric hospital, general medical hospital, skilled nursing facility, intermediate care facility, or residential treatment facility.

(b) Such component shall have the capability to admit the patient on a twenty-four-hour-per-day, seven-day-per-week basis.

(c) Such component shall not deny admission except under the following circumstances:

(i) After a psychosocial evaluation, there is a determination by a mental health professional that the person does not present a likelihood of serious harm, or an imminent likelihood of serious harm, or the person is not gravely disabled, and does not require inpatient care. Reference RCW 71.34.170 for necessary action in this case.

(ii) The person requires specialized medical care and support services of a type not provided by the facility.

(iii) A greater degree of control is required than can be provided by the facility.

(iv) No treatment space is available and is so documented.

(v) A less restrictive alternative provided by another facility is more appropriate and available.

(vi) For situations arising pursuant to subsection (2)(a)(ii) through (iv) of this section, the county-designated mental health professional shall make arrangements for the most appropriate placement available.

(d) Such component shall within twenty-four hours of initial detention, to include Saturday, Sunday, and holidays, conduct evaluations to determine the nature of the disorder, the treatment necessary, and whether or not detention is required. Such evaluations shall include at least a:

(i) medical evaluation by a licensed physician,

(ii) Psychosocial evaluation by a mental health professional.

(e) Such component shall have the capability to detain persons dangerous to self, others, or gravely disabled, and shall provide or have access to at least one seclusion room meeting the requirements of WAC 248-18-001 now or as hereafter amended.

(f) Such component shall provide therapeutic services including generally accepted treatment modalities such as:

(i) Individual therapy.

(ii) Family therapy.

(iii) Medication management.

(g) Such component shall provide treatment to each patient under the supervision of the professional person in charge.

(h) A mental health professional must have contact with each involuntary patient daily for the purpose of observation, evaluation, and the provision of continuity of treatment.

(i) Such component shall have access to a mental health professional and a licensed physician for consultation and communication with the patient and the component staff on a twenty-four-hour-per-day, seven-day-per-week basis.

[Statutory Authority: RCW 34.04.020, 87-19-070 (Order 2535), § 275-54-200, filed 9/16/87. Statutory Authority: 1985 c 354, 86-02-019 (Order 2323), § 275-54-200, filed 12/23/85.]

### Chapter 275-55 WAC

#### VOLUNTARY ADMISSION--INVOLUNTARY COMMITMENT, TREATMENT AND/OR EVALUATION OF MENTALLY ILL PERSONS

##### WAC

275-55-021	Repealed.
275-55-050	Repealed.
275-55-060	Repealed.
275-55-071	Repealed.
275-55-115	Transfer of a patient between state-operated hospitals.
275-55-121	Repealed.
275-55-263	Certification standards for evaluation and treatment program.
275-55-271	Outpatient component.
275-55-281	Emergency component.
275-55-291	Short-term inpatient component.
275-55-331	Repealed.

##### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

275-55-021	Application of rules to minors. [Statutory Authority: RCW 71.05.560, 82-07-024 (Order 1775), § 275-55-021, filed 3/11/82.] Repealed by 87-19-071 (Order 2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.
275-55-050	Application for admission—Voluntary minor. [Statutory Authority: RCW 71.05.560, 82-07-024 (Order 1775), § 275-55-050, filed 3/11/82; Order 1122, § 275-55-050, filed 6/2/76; Order 955, § 275-55-050, filed 7/26/74; Order 900, § 275-55-050, filed 1/25/74.] Repealed by 87-19-071 (Order 2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.
275-55-060	Admission to public agency—Voluntary minor. [Statutory Authority: RCW 71.05.560, 82-07-024 (Order 1775), § 275-55-060, filed 3/11/82; Order 1122, § 275-55-060, filed 6/2/76; Order 955, § 275-55-060, filed 7/26/74; Order 900, § 275-55-060, filed 1/25/75.] Repealed by 87-19-071 (Order 2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.
275-55-071	Discharge—Voluntary minor. [Statutory Authority: RCW 71.05.560, 82-07-024 (Order 1775), § 275-55-071, filed 3/11/82.] Repealed by 87-19-071 (Order 2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.
275-55-121	Involuntary detention and commitment—Minor. [Statutory Authority: RCW 71.05.560, 82-07-024 (Order 1775), § 275-55-121, filed 3/11/82.] Repealed by 87-19-071 (Order 2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.
275-55-331	Requirements for evaluation and treatment facilities serving minors. [Statutory Authority: RCW 71.05.560, 84-03-035 (Order 2065), § 275-55-331, filed 1/13/84; 82-07-024 (Order 1775), § 275-55-331, filed 3/11/82.] Repealed by 87-19-071 (Order

2536), filed 9/16/87. Statutory Authority: RCW 34.04.020.

**WAC 275-55-021 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-55-050 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-55-060 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-55-071 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-55-115 Transfer of a patient between state-operated hospitals.** In some instances, it is appropriate for a patient currently residing in a state hospital to be transferred to another state hospital for ongoing hospitalization. The department shall accomplish the transfer with the utmost care given to the therapeutic needs of the patient. This section describes the procedures for handling a transfer between state hospitals in a manner consistent with the best interest of the patient.

(1) The following criteria, if present, shall determine the appropriateness of a transfer:

(a) The patient's family lives within the receiving hospital's catchment area;

(b) The patient's primary home of residence is in the receiving hospital's catchment area;

(c) A particular service or need of the patient is better met at the receiving hospital; and

(d) Transfer to the receiving hospital may facilitate community discharge due to the availability of community service in the receiving hospital's catchment area.

(2) The state hospital shall comply with the following procedure when transferring a patient:

(a) The state hospital shall notify the patient, and the patient's guardian, five days prior to the patient's:

(i) Transfer to another state hospital; and

(ii) Hearing if the patient is a court-ordered commitment.

(b) The sending facility, at the direction of the superintendent, shall contact the designated liaison at the receiving facility who shall obtain information necessary to make a decision relevant to the propriety of the transfer;

(c) The designated liaison at the receiving facility shall discuss his or her recommendation with the superintendent for approval or denial of the transfer proposal;

(d) The receiving superintendent shall make the final determination for the transfer within five days of receipt of the transfer proposal;

(e) The designated liaison at the receiving facility shall notify the liaison at the sending facility of the decision in writing;

(f) The sending facility is responsible for all transfer arrangements, e.g., transportation, staff escort, etc., and shall coordinate the day and time of arrival with the receiving facility liaison; and

(g) The sending facility shall arrange for the transfer of patient's medical record to the receiving facility and for the transfer of the official court file, if the patient is

an involuntary civil or criminal commitment, to the receiving court.

(3) The state hospital shall document the following in the patient's record:

(a) Physician documentation of the medical suitability of the patient for transfer; and

(b) Social worker documentation regarding:

(i) Justification as to why the transfer is considered in the patient's best interests;

(ii) The patient's wishes regarding transfer;

(iii) The family and guardian's wishes regarding transfer and their involvement. Documentation that the family and guardian was notified of the pending transfer;

(iv) Consultation with the patient advocacy agency; and

(v) Notification of the patient's attorney.

(4) The state hospital shall comply with the following additional procedure if the patient is a civil or criminal court-ordered commitment:

(a) Prior to transfer, the department shall file and serve a motion for transfer upon the patient, the patient's attorney, and the patient's guardian, if any;

(b) If a transfer is proposed for a civilly committed patient, the attorney general's office is responsible for taking the necessary legal action. If a transfer is proposed for a criminally committed patient, the local prosecuting attorney's office is responsible for taking the necessary legal action;

(c) The patient shall have the same rights with respect to notice, hearing, and counsel as for an involuntary treatment proceeding, except that the patient shall have no right to a jury trial. The issue determined at the hearing is whether the proposed transfer is in the patient's best interest;

(d) The department shall set a hearing and shall notify the patient of the patient's right to refuse medication or medications for twenty-four hours prior to the hearing; and

(e) If the transfer is approved by the court, the court shall enter a change of venue order to the receiving county. Also, the court shall enter an amended order to indicate the change in facilities, unless the patient's current court order commits the patient to both the sending and receiving facility under RCW 72.23.290 and 72.68-.032 through 72.68.037.

[Statutory Authority: RCW 71.05.560. 88-23-021 (Order 2724), § 275-55-115, filed 11/7/88.]

**WAC 275-55-121 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 275-55-263 Certification standards for evaluation and treatment program.** (1) The following general requirements shall apply to any agency desiring certification as a component or components of the evaluation and treatment program:

(a) The spectrum of evaluation and treatment services provided by the agency shall include at least one of the following:

(i) Outpatient.

(ii) Emergency.

(iii) Short-term inpatient.

(b) The agency may directly provide one or more of the components specified in subsection (1)(a) of this section, or may indirectly provide one or more through contractual arrangement or agreements with other agencies. Such arrangements shall be set forth in WAC 275-55-261(1).

(c) The agency shall maintain a written statement describing the organizational structure and objectives. The statement shall include contractual affiliates (if any).

(d) The agency shall document and otherwise ensure:

(i) Care for patients is provided in a therapeutic environment.

(ii) Patient rights as described in WAC 275-55-211 and 275-55-241 are incorporated into this environment.

(iii) The use of a less restrictive treatment alternative is considered for each patient at the time of detention, admission, discharge, and development of fourteen, ninety, and one hundred eighty-day petitions.

(iv) Continuity of care, coordination, and integration of services is provided.

(v) Referral services and assistance in obtaining supportive services appropriate to treatment are provided to each patient.

(e) The agency desiring certification of the agency's component or components shall make application for such certification pursuant to WAC 275-55-261(3).

(2) In addition to the requirements specified for each in WAC 275-55-271, 275-55-281, and 275-55-291, the following general requirements shall apply to all facilities:

(a) Treatment plan and clinical record. All components shall:

(i) Maintain, for each patient, a plan of treatment, and a plan for discharge including a plan for follow-up where appropriate. Such treatment and discharge plans shall be entered in the patient's clinical record, as appropriate.

(ii) Maintain, for each patient, a clinical record containing sufficient information to justify the diagnosis, delineate the individual treatment plan, and document the course of treatment. The responsibility of the agency is to safeguard the record against loss, defacement, tampering, or use by unauthorized persons.

(b) Treatment. The evaluation and treatment program shall:

(i) Have available, as needed, professional personnel including, but not limited to, a licensed physician and a mental health professional.

(ii) Ensure each patient has access to necessary medical treatment, emergency life-sustaining treatment, and medication.

(iii) Have psychiatric consultation available to other physicians or mental health professionals when treatment is not provided by or under the supervision of a psychiatrist.

(c) Use of restraints and seclusion. The use of medication, physical restraints, or locked seclusion rooms in

response to assaultive, self-destructive, or unruly patient behavior shall occur only to the extent necessary to ensure the safety of patients and staff, and subject to the following conditions:

(i) In the event of an emergency use of restraints or seclusion, a licensed physician must be notified within one hour and shall authorize the restraints or seclusion.

(ii) No patient shall be restrained or secluded for a period in excess of two hours without having been evaluated by a mental health professional. Such patient must be directly observed every fifteen minutes and the observation recorded in the patient's clinical record.

(iii) If restraint or seclusion exceeds twenty-four hours, the patient shall be examined by a licensed physician. The facts determined by his or her examination and any resultant decision to continue restraint or seclusion over twenty-four hours shall be recorded in the patient's clinical record over the signature of the authorizing physician. This procedure must be repeated for each subsequent twenty-four-hour period of restraint or seclusion.

(d) Periodic evaluation. Each involuntary patient shall be evaluated periodically for release from commitment. Such evaluation shall occur at least weekly for fourteen-day commitments, at least monthly for ninety and one hundred eighty-day commitments, and documented in each involuntary patient's clinical record.

(e) Training. All components shall develop an inservice training plan and provide regular training to all clinical personnel having responsibility for any aspect of patient care. Documentation of the type and amount of training received by staff members shall be maintained. Such training shall include information about:

(i) The availability and utilization of less restrictive alternatives.

(ii) Methods of patient care.

(iii) Managing assaultive and self-destructive behavior.

(iv) The provisions and requirements of this chapter and chapter 71.05 RCW, and standards and guidelines promulgated by the department.

(v) Other appropriate subject matter.

(f) Administration. All components shall:

(i) Maintain written procedures for managing assaultive and/or self-destructive patient behavior, and assure staff has access to and are familiar with these procedures.

(ii) Maintain adequate fiscal accounting records.

(iii) Prepare and submit such reports as are required by the secretary.

(iv) Maintain a procedure for collection of fees and third-party payments.

(3) Whenever a component is also subject to licensure under other federal or state statutes or regulations, the more restrictive standard shall apply.

[Statutory Authority: RCW 34.04.020, 87-19-071 (Order 2536), § 275-55-263, filed 9/16/87. Statutory Authority: RCW 71.05.560, 84-03-035 (Order 2065), § 275-55-263, filed 1/13/84; 82-07-024 (Order 1775), § 275-55-263, filed 3/11/82.]



**WAC 275-55-271 Outpatient component.** (1) The outpatient component is defined as a setting where evaluation and treatment services are provided on a regular basis to patients. These services are intended to stabilize, sustain, and facilitate recovery of the individual within his or her living setting. Services shall be provided directly by a licensed physician licensed pursuant to chapter 18.57 or 18.71 RCW, a psychologist licensed pursuant to chapter 18.83 RCW, a psychiatric nurse licensed pursuant to chapter 18.88 RCW, or by an agency licensed pursuant to chapter 71.24 RCW and chapter 275-56 WAC.

(2) In addition to the general requirements stated in WAC 275-55-263(2), the following requirements shall apply to all outpatient components:

(a) Such component shall provide a therapeutic program which may include, but is not limited to, at least one of the following:

- (i) Individual therapy.
- (ii) Group therapy.
- (iii) Family/marital therapy.
- (iv) Medication management.
- (v) Case management.

(b) Such component shall provide treatment to each patient under the supervision of a mental health professional.

(c) Each patient should be seen at least weekly by assigned staff during the period of involuntary treatment. A mental health professional must review each outpatient case at least monthly to ensure updating of the treatment plan and such review must be recorded in the patient's clinical record. The frequency of patient contact and case review may be modified if in the opinion of a mental health professional such is warranted and the reasons for so doing are recorded in the patient's clinical record.

(d) Such component must have access to consultation by a psychiatrist or a physician with at least one year's experience in the direct treatment of mentally ill or emotionally disturbed persons.

(e) Such component shall include medical consultation with the involuntary patient to assess and prescribe psychotropic medication to meet the needs of the patient. Such consultation shall occur at least weekly during the fourteen-day period, and monthly during the ninety-day period and the one hundred eighty-day period of involuntary treatment unless determined otherwise by the attending physician and the reasons for so doing are recorded in the patient's clinical record.

[Statutory Authority: RCW 34.04.020. 87-19-071 (Order 2536), § 275-55-271, filed 9/16/87. Statutory Authority: RCW 71.05.560. 84-03-035 (Order 2065), § 275-55-271, filed 1/13/84; 82-07-024 (Order 1775), § 275-55-271, filed 3/11/82.]

**WAC 275-55-281 Emergency component.** (1) The emergency component is defined as a public or private agency or hospital having the capacity to detain a person posing an imminent threat to the safety and/or well-being of himself/herself or others, or is gravely disabled.

(2) In addition to the general requirements stated in WAC 275-55-263(2), the following requirements shall apply to all emergency components:

(a) Such component shall be available seven days per week, twenty-four hours per day.

(b) Such component shall follow a written protocol for detaining an individual and contacting the county designated mental health professional.

(c) Such component shall provide or have access to medical services.

(d) Such component shall have a written agreement with a certified short-term inpatient component for admission on a seven-day-per-week, twenty-four-hour-per-day basis.

(e) Such component shall follow a written protocol for transporting individuals to short-term inpatient components or state hospitals.

[Statutory Authority: RCW 34.04.020. 87-19-071 (Order 2536), § 275-55-281, filed 9/16/87. Statutory Authority: RCW 71.05.560. 84-03-035 (Order 2065), § 275-55-281, filed 1/13/84; 82-07-024 (Order 1775), § 275-55-281, filed 3/11/82.]

**WAC 275-55-291 Short-term inpatient component.**

(1) The inpatient component is a hospital or residential setting where treatment services are provided on a twenty-four-hour-per-day basis for patients on seventy-two hour detentions or fourteen-day commitments.

(2) In addition to the general requirements stated in WAC 275-55-263(2), the following requirements shall apply to all inpatient components:

(a) The inpatient component shall meet the standards required for state licensing as a psychiatric hospital, general medical hospital, skilled nursing facility, intermediate care facility, or residential treatment facility.

(b) Such component shall have the capability to admit the patient on a twenty-four-hour-per-day, seven-day-per-week basis.

(c) Such component shall not deny admission except under the following circumstances:

(i) After a psychosocial evaluation, there is a determination by a mental health professional that the person does not present a likelihood of serious harm, or an imminent likelihood of serious harm, or the person is not gravely disabled, and does not require inpatient care. Reference RCW 71.05.190 for necessary action in this case.

(ii) The person requires specialized medical care and support services of a type not provided by the facility.

(iii) A greater degree of control is required than can be provided by the facility.

(iv) No treatment space is available and is so documented.

(v) A less restrictive alternative provided by another facility is more appropriate and available.

(vi) For situations arising pursuant to subsection (2)(a)(ii) through (iv) of this section, the county-designated mental health professional shall make arrangements for the most appropriate placement available.

(d) Such component shall within twenty-four hours of initial detention, to include Saturday, Sunday, and holidays, conduct evaluations to determine the nature of the

disorder, the treatment necessary, and whether or not detention is required. Such evaluations shall include at least a:

- (i) Medical evaluation by a licensed physician.
- (ii) Psychosocial evaluation by a mental health professional.

(e) Such component shall have the capability to detain persons dangerous to self, others, or gravely disabled, and shall provide or have access to at least one seclusion room meeting the requirements of WAC 248-18-001(65) now or as hereafter amended.

(f) Such component shall provide therapeutic services including generally accepted treatment modalities such as:

- (i) Individual therapy.
- (ii) Medication management.
- (g) Such component shall provide treatment to each patient under the supervision of the professional person in charge.

(h) A mental health professional must have contact with each involuntary patient daily for the purpose of observation, evaluation, and the provision of continuity of treatment.

(i) Such component shall have access to a mental health professional and a licensed physician for consultation and communication with the patient and the component staff on a twenty-four-hour-per-day, seven-day-per-week basis.

[Statutory Authority: RCW 34.04.020, 87-19-071 (Order 2536), § 275-55-291, filed 9/16/87. Statutory Authority: RCW 71.05.560, 84-03-035 (Order 2065), § 275-55-291, filed 1/13/84; 82-07-024 (Order 1775), § 275-55-291, filed 3/11/82.]

**WAC 275-55-331 Repealed.** See Disposition Table at beginning of this chapter.

### Chapter 275-56 WAC

#### COMMUNITY MENTAL HEALTH PROGRAMS

##### WAC

275-56-135 Provider fiscal administration—Written schedule of fees.

**WAC 275-56-135 Provider fiscal administration—Written schedule of fees.** The provider shall establish and use a sliding fee schedule based on the resources available to the client to pay for mental health services and the provider's actual cost of care.

(1) Use of the fee schedule shall be approved by the department as part of the licensing process. Effective April 1, 1987, approval will only be given to sliding scale fee schedules which do not require payment from individuals with an income level equal to or below the grant standards for the general assistance program (WAC 388-29-100).

(2) The fee schedule shall be accessible to the provider's staff and clients.

[Statutory Authority: RCW 71.24.035, 87-06-026 (Order 2474), § 275-56-135, filed 2/27/87; 83-09-002 (Order 1957), § 275-56-135, filed 4/7/83.]

### Chapter 275-59 WAC

#### CRIMINALLY INSANE PERSON COMMITTED TO THE CARE OF THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—EVALUATION, PLACEMENT, CARE AND DISCHARGE

##### WAC

275-59-071 Transfer of a patient between state-operated hospitals.

**WAC 275-59-071 Transfer of a patient between state-operated hospitals.** In some instances, it is appropriate for a patient currently residing in a state hospital to be transferred to another state hospital for ongoing hospitalization. The department shall accomplish the transfer with the utmost care given to the therapeutic needs of the patient. This section describes the procedures for handling a transfer between state hospitals in a manner consistent with the best interest of the patient.

(1) The following criteria, if present, shall determine the appropriateness of a transfer:

(a) The patient's family lives within the receiving hospital's catchment area;

(b) The patient's primary home of residence is in the receiving hospital's catchment area;

(c) A particular service or need of the patient is better met at the receiving hospital; and

(d) Transfer to the receiving hospital may facilitate community discharge due to the availability of community service in the receiving hospital's catchment area.

(2) The state hospital shall comply with the following procedure when transferring a patient:

(a) The state hospital shall notify the patient, and the patient's guardian, five days prior to the patient's:

- (i) Transfer to another state hospital; and
- (ii) Hearing if the patient is a court-ordered commitment.

(b) The sending facility, at the direction of the superintendent, shall contact the designated liaison at the receiving facility who shall obtain information necessary to make a decision relevant to the propriety of the transfer;

(c) The designated liaison at the receiving facility shall discuss his or her recommendation with the superintendent for approval or denial of the transfer proposal;

(d) The receiving superintendent shall make the final determination for the transfer within five days of receipt of the transfer proposal;

(e) The designated liaison at the receiving facility shall notify the liaison at the sending facility of the decision in writing;

(f) The sending facility is responsible for all transfer arrangements, e.g., transportation, staff escort, etc., and shall coordinate the day and time of arrival with the receiving facility liaison; and

(g) The sending facility shall arrange for the transfer of patient's medical record to the receiving facility and for the transfer of the official court file, if the patient is an involuntary civil or criminal commitment, to the receiving court.

(3) The state hospital shall document the following in the patient's record:

- (a) Physician documentation of the medical suitability of the patient for transfer; and
- (b) Social worker documentation regarding:
- (i) Justification as to why the transfer is considered in the patient's best interests;
- (ii) The patient's wishes regarding transfer;
- (iii) The family and guardian's wishes regarding transfer and their involvement. Documentation that the family and guardian was notified of the pending transfer;
- (iv) Consultation with the patient advocacy agency; and
- (v) Notification of the patient's attorney.
- (4) The state hospital shall comply with the following additional procedure if the patient is a civil or criminal court-ordered commitment:
- (a) Prior to transfer, the department shall file and serve a motion for transfer upon the patient, the patient's attorney, and the patient's guardian, if any;
- (b) If a transfer is proposed for a civilly committed patient, the attorney general's office is responsible for taking the necessary legal action. If a transfer is proposed for a criminally committed patient, the local prosecuting attorney's office is responsible for taking the necessary legal action;
- (c) The patient shall have the same rights with respect to notice, hearing, and counsel as for an involuntary treatment proceeding, except that the patient shall have no right to a jury trial. The issue determined at the hearing is whether the proposed transfer is in the patient's best interest;
- (d) The department shall set a hearing and shall notify the patient of the patient's right to refuse medication or medications for twenty-four hours prior to the hearing; and
- (e) If the transfer is approved by the court, the court shall enter a change of venue order to the receiving county. Also, the court shall enter an amended order to indicate the change in facilities, unless the patient's current court order commits the patient to both the sending and receiving facility under RCW 72.23.290 and 72.68-.032 through 72.68.037.

[Statutory Authority: RCW 71.05.560. 88-23-021 (Order 2724), § 275-59-071, filed 11/7/88.]

### Chapter 275-110 WAC

#### IMPACT ACCOUNT--CRIMINAL JUSTICE COST REIMBURSEMENT

WAC	
275-110-050	Maximum allowable reimbursement for law enforcement costs.
275-110-060	Maximum allowable reimbursement for prosecutorial costs.
275-110-070	Maximum allowable reimbursement for judicial costs.
275-110-080	Maximum allowable reimbursement for jail facilities.

**WAC 275-110-050 Maximum allowable reimbursement for law enforcement costs.** The department shall limit reimbursement to the specific political subdivisions

listed in WAC 275-110-040. The maximum reimbursement rates shall be seventeen dollars and seventeen cents per hour for the period July 1, 1988, through June 30, 1989. These maximum allowable reimbursement rates may be exceeded only in the event that an exception is granted by the secretary as per WAC 275-110-100.

[Statutory Authority: RCW 72.72.040. 88-15-012 (Order 2651), § 275-110-050, filed 7/8/88; 81-15-061 (Order 1682), § 275-110-050, filed 7/20/81; 80-17-004 (Order 1569), § 275-110-050, filed 11/7/80; 80-02-109 (Order 1482), § 275-110-050, filed 1/25/80.]

**WAC 275-110-060 Maximum allowable reimbursement for prosecutorial costs.** The department shall reimburse, at the rate set forth in WAC 275-110-050, for pretrial investigations of crimes committed inside or outside institutions, impacting the political subdivision courts as set forth in WAC 275-110-040. If, after investigation, criminal charges are filed, the department may reimburse fully documented prosecutorial and defense attorney fees. Reimbursement shall not exceed the following rates for each attorney, said reimbursement to include costs for paralegals: Forty-two dollars and forty-nine cents per hour for the period July 1, 1988, through June 30, 1989. These maximum allowable reimbursement rates may be exceeded only in the event that an exception is granted by the secretary as per WAC 275-110-100.

[Statutory Authority: RCW 72.72.040. 88-15-012 (Order 2651), § 275-110-060, filed 7/8/88; 81-15-061 (Order 1682), § 275-110-060, filed 7/20/81; 80-17-004 (Order 1569), § 275-110-060, filed 11/7/80; 80-02-109 (Order 1482), § 275-110-060, filed 1/25/80.]

**WAC 275-110-070 Maximum allowable reimbursement for judicial costs.** (1) The department shall limit judicial costs strictly to cases involving inmates of institutions listed in WAC 275-110-040 and to political subdivisions listed in WAC 275-110-040 except that witness (other than expert) and jury fees are further limited as provided in subsection (3) of this section. Reimbursement shall be limited to judges, court reporters, transcript typing, and witness and jury fees.

(2) The department shall reimburse judges hearing cases including services provided by court clerks and bailiffs at forty-two dollars and fifty-nine cents per hour for the period July 1, 1988, through June 30, 1989. Reimburse court reporters at the rate of seventeen dollars and seventy-five cents per hour for the period July 1, 1988, through June 30, 1989. Reimburse required typing of transcripts at three dollars and fifty-five cents per page for the period July 1, 1988, through June 30, 1989. If required, reimburse expert witnesses at fifty-nine dollars and seventy cents per hour for the period July 1, 1988, through June 30, 1989.

(3) Reimbursement for witness fees (other than expert) and jury fees shall be at the rate established by the local governmental legislative authority but not in excess of twenty-six dollars and eighty-three cents per day. The department shall limit reimbursement of costs of witness (other than expert) and jury fees to those criminal cases involving offenders residing in a state adult or juvenile correctional institution.

(4) These maximum allowable reimbursement rates may be exceeded only in the event that an exception is granted by the secretary as per WAC 275-110-100.

[Statutory Authority: RCW 72.72.040, 88-15-012 (Order 2651), § 275-110-070, filed 7/8/88; 81-15-061 (Order 1682), § 275-110-070, filed 7/20/81; 80-17-004 (Order 1569), § 275-110-070, filed 11/7/80; 80-02-109 (Order 1482), § 275-110-070, filed 1/25/80.]

**WAC 275-110-080 Maximum allowable reimbursement for jail facilities.** The department shall limit jail facility cost reimbursement strictly to incremental costs as defined in WAC 275-110-020 and to political subdivisions listed in WAC 275-110-040. Requests for reimbursement shall be fully documented and shall include the inmate's name and all appropriate admission and release dates. Limit reimbursement to five dollars and two cents per inmate day for the period July 1, 1988, through June 30, 1989. The department shall not reimburse for costs incurred for holding persons regarding parole revocations or for holding persons involved in civil litigation. The department shall reimburse costs of providing security when inmates require hospitalization at the rate of eleven dollars and seventy-three cents per hour for the period July 1, 1988, through June 30, 1989. These maximum allowable reimbursement rates may be exceeded only in the event that an exception is granted by the secretary as per WAC 275-110-100.

[Statutory Authority: RCW 72.72.040, 88-15-012 (Order 2651), § 275-110-080, filed 7/8/88; 81-15-061 (Order 1682), § 275-110-080, filed 7/20/81; 80-17-004 (Order 1569), § 275-110-080, filed 11/7/80; 80-02-109 (Order 1482), § 275-110-080, filed 1/25/80.]

## Title 284 WAC

### INSURANCE COMMISSIONER

#### Chapters

284-02	Description of insurance commissioner's office--Organization operations and obtaining information.
284-07	Requirements as to company reports and annual statements.
284-12	Agents, brokers and adjusters.
284-13	Assets--Liabilities--Investments and reinsurance.
284-17	Licensing requirements and procedures.
284-19	Washington essential property insurance inspection and placement program.
284-23	Washington life insurance regulations.
284-30	Trade practices.
284-32	Plan of operation for Washington Insurance Guaranty Association.
284-44	Health care services contractors--Agents--Contract formats--Standards.
284-46	Health maintenance organizations.
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284-74	Approved insurance tables.
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#### Chapter 284-02 WAC

### DESCRIPTION OF INSURANCE COMMISSIONER'S OFFICE--ORGANIZATION OPERATIONS AND OBTAINING INFORMATION

#### WAC

284-02-010	Authority of insurance commissioner.
284-02-020	Organization and operations.
284-02-030	Obtaining service of process over foreign and alien insurers.
284-02-040	Applying for a license as agent, adjuster, broker or solicitor.
284-02-050	Application for admission as an authorized insurer, fraternal benefit society, health care service contractor, or health maintenance organization.
284-02-060	Filing complaint against company, agent, broker, solicitor, or adjuster.
284-02-070	Hearings of the insurance commissioner.
284-02-080	Publications and information available.
284-02-100	Petition for adoption, amendment, or repeal of rules.

**WAC 284-02-010 Authority of insurance commissioner.** (1) **The office generally.** The position of insurance commissioner was established by the legislature as an independent, elective office in 1907. The insurance commissioner's powers are set forth in chapter 48.02 RCW. To carry out the task of enforcing the insurance code the commissioner may make rules and regulations governing activities under the insurance code consistent therewith; may conduct investigations to determine whether any person has violated any provision of the code, including formal hearings; may take action against an insurance company, fraternal benefit society, health maintenance organization, and a health care service contractor by revocation or suspension of its certificate of authority or certificate of registration; may fine insurance companies, fraternal benefit societies, health care service contractors, and health maintenance organizations; and may revoke or suspend the licenses of insurance agents, brokers, solicitors or adjusters or fine them. In addition, the commissioner may issue a cease and desist order pursuant to the general enforcement powers granted by RCW 48.02.080, or pursuant to that section, the commissioner may bring an action in court to enjoin violations of the insurance code.

(2) **Duties and responsibilities imposed by Title 48 RCW.**

(a) The insurance code is found at Title 48 of the Revised Code of Washington. It deals largely with the commissioner's regulation of insurance companies, insurance agents, brokers, solicitors, and adjusters.

Chapter 48.36A RCW regulates fraternal societies. Agents of fraternal benefit societies are subject to the licensing requirements of chapter 48.17 RCW. Fraternal benefit societies are subject to the provisions of chapter 48.30 RCW relating to unfair trade practices, and RCW 48.36A.360 sets forth the penalties for violation of the fraternal benefit society chapter.