WSR 25-07-009
PROPOSED RULES
HEALTH CARE AUTHORITY
[Filed March 6, 2025, 4:35 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 25-03-082.

Title of Rule and Other Identifying Information: WAC 182-531-0850 Laboratory and pathology physician-related services reimbursement.

Hearing Location(s): On April 22, 2025, at 10:00 a.m. The health care authority (HCA) holds public hearings virtually without a physical meeting place. To attend the virtual public hearing, you must register in advance at https://us02web.zoom.us/webinar/register/WN_1mfkt8yLSuaGbGRePeDM4w. If the link opens with an error message, please try using a different browser. After registering, you will receive a confirmation email containing information about joining the public hearing.

Date of Intended Adoption: Not sooner than April 23, 2025.

Submit Written Comments to: HCA Rules Coordinator, P.O. Box 42716, Olympia, WA 98504-2716, email arc@hca.wa.gov, fax 360-586-9727, beginning March 7, 2025, at 8:00 a.m., by April 22, 2025, by 11:59 p.m.

Assistance for Persons with Disabilities: Contact Johanna Larson, phone 360-725-1349, fax 360-586-9727, telecommunication relay service 711, email Johanna.Larson@hca.wa.gov, by April 4, 2025.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: HCA is revising this rule section to update language in subsection (3)(d) allowing HCA to adjust fees using market research as necessary to align with other reimbursement WAC and the medicaid state plan.

Reasons Supporting Proposal: See purpose.

Statutory Authority for Adoption: RCW 41.05.021 and 41.05.160.

Statute Being Implemented: RCW 41.05.021 and 41.05.160.

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

Name of Proponent: HCA, governmental.

Name of Agency Personnel Responsible for Drafting: Valerie Freudenstein, P.O. Box 42716, Olympia, WA 98504-2716, 360-725-1344; Implementation and Enforcement: Wendy Steffens, P.O. Box 42716, Olympia, WA 98504, 360-725-5145.

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

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

Scope of exemption for rule proposal from Regulatory Fairness Act requirements:

Is not exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The revisions update language to align with medicare's current terminology; adds "the agency may change fees based on legislative direction" rather than the current language which states "if the legislature grants a vender rate increase or other increase." The rule also proposes to add "if appropriate, the agency may adjust fees using market research." These proposals do not impose more-than-minor costs on small businesses.

March 6, 2025
Wendy Barcus
Rules Coordinator

RDS-6148.2

AMENDATORY SECTION (Amending WSR 11-14-075, filed 6/30/11, effective 7/1/11)

WAC 182-531-0850 Laboratory and pathology physician-related services reimbursement. (1) The ((~~department~~)) agency pays for clinical diagnostic laboratory procedures based on the medicare clinical ((~~diagnostic~~)) laboratory fee schedule ((~~MCDLF~~)) (CLFS) ((~~for the state of Washington. The department~~)). The agency obtains information used to update fee schedule regulations from ((~~Program Memorandum and Regional Medicare Letters as published by HCFA~~)) the CMS CLFS website.

(2) The ((~~department~~)) agency updates budget-neutral fees each July by:

(a) Determining the units of service and expenditures for a base period. Then,

(b) Determining in total the ratio of current ((~~department~~)) agency fees to existing medicare fees. Then,

(c) Determining new ((~~department~~)) agency fees by adjusting the new medicare fee by the ratio. Then,

(d) Multiplying the units of service by the new ((~~department~~)) agency fee to obtain total estimated expenditures. Then,

(e) Comparing the expenditures in ((~~subsection (14)~~))(d) of this ((~~section~~)) subsection to the base period expenditures. Then,

(f) Adjusting the new ratio until estimated expenditures equals the base period amount.

(3) The ((~~department~~)) agency calculates maximum allowable fees (MAF) by:

(a) Calculating fees using methodology described in subsection (2) of this section for procedure codes that have an applicable ((~~medicare clinical diagnostic laboratory fee (MCDLF)~~)) CLFS.

(b) Establishing RSC fees for procedure codes that have no applicable ((~~MCDLF~~)) CLFS.

(c) Establishing maximum allowable fees, or "flat fees" for procedure codes that have no applicable ((~~MCDLF~~)) CLFS or RSC fees. ((~~The department updates flat fee reimbursement only when authorized by the legislature.~~))

(d) If appropriate, the agency may adjust fees using market research. The ((~~department~~)) agency reimbursement for clinical laboratory ((~~diagnostic~~)) procedures does not exceed the regional ((~~MCDLF schedule~~)) CLFS.

(4) The ((~~department increases~~)) agency may change fees ((~~if the legislature grants a vendor rate increase or other increase~~)) based on legislative direction. If the legislatively authorized ((~~increase~~)) change becomes effective at the same time as the ((~~department's~~)) agency's annual update, the ((~~department~~)) agency applies the ((~~increase~~)) change after calculating budget-neutral fees.