



**STATE OF WASHINGTON**  
**DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
Aging and Long Term-Support Administration  
Management Services Division  
*PO Box 45600, Olympia, WA 98504-5600*

June 26, 2023

**AL TSA: NH Rates #2023-003**

**RE: JULY 1, 2023 MEDICAID PAYMENT RATE**

Dear Nursing Facility Administrator:

The July 1, 2023 Medicaid payment rate for your facility is attached.

The Department calculated your facility's July 1, 2023 adjusted rate using your facility's Medicaid Average Case Mix Index (with defaults) from the Rebased Final 1<sup>st</sup> Semi-Annual Case Mix RUG Reports for 2023 (10/1/2022 through 3/31/2023) MDS 3.0 RUG IV Grouper 57.

For your July 1, 2023 rate, the Department used the most recently available four-quarter average CMS quality data, which for this rate setting is Quarters One through Four of 2022. Thus, your facility's quality measure component may have changed.

Additionally for July 1, 2023:

- The Capital Component has been rebased from 2021 data to 2022.
- Per Legislative Session 2023 ESSB 5187:
  - The Direct and Indirect Care Medians have been rebased from 2020 costs to 2021 costs.
  - The Direct Care and Indirect Care Medians are increased for a 4.7% inflationary adjustment.
  - The Indirect Care Median occupancy calculation has been updated from 75% to 80%.
  - The Direct Care Median Lid was restored back to 100% and the per facility Wage Equity Funding on 6/30/2023 will be added to the Direct Care final rate.
  - The Indirect Care Median Lid was restored back to 90% and the per facility Wage Equity Funding on 6/30/2023 will be added to the Indirect Care final rate.

The COVID-19 add-on will decrease to \$3.33. The \$0.76 Minimum Wage Add-On and \$3.84 Inflation Add-On will continue in your July 1, 2023 rate.

The SNA exemption for high Medicaid utilization threshold has been adjusted to 26,000 days. This threshold is one of a number of exceptions that set a facility's SNA rate to \$1.

If you wish to request an administrative review conference in relation to your July 1, 2023 rate or any subsequent adjusted rate, please keep in mind WAC 388-96-904, the regulation that controls such requests. The regulation provides in part:

(1)...The contractor's request for administrative review shall:

- (a) Be signed by the contractor or by a partner, officer, or authorized employee of the contractor, within twenty-eight (28) calendar days after receiving the notice of the rate;
  - (b) State the particular issues raised; and
  - (c) Include all necessary supporting documentation or other information.
- (2) After receiving a request for administrative review conference that meets the criteria in subsection (1) of this section, the Department shall schedule an administrative review conference. The conference may be conducted by telephone.
- (3) At least fourteen calendar days prior to the scheduled date of the administrative review conference, the contractor must supply any additional or supporting documentation or information upon which the contractor intends to rely in presenting its case. In addition, the Department may request at any time prior to issuing a determination any documentation or information needed to decide the issues raised, and the contractor must comply with such a request within fourteen calendar days after it is received... The Department shall dismiss issues that cannot be decided or resolved due to a contractor's failure to provide requested documentation or information within the required period.  
(Emphasis added)

The Department will enforce this regulation in responding to requests for administrative review. Requests that are not properly signed, that do not state the issues with particularity, or that are not supported by the required documentation or information, will be denied or dismissed. Mail your appeal to the Office of Rates Management at: P.O. Box 45600, Olympia, WA 98504-5600. Do not mail your appeal to our physical address of Blake West 4450 10<sup>th</sup> Ave SE, Lacey, WA 98503. Ground carriers such as UPS and FedEx can deliver to the physical address, but the Post Office will not.

If proof of the date of receipt of the Department's rate notification letter exists, then that date shall be used to determine the timeliness of your request for an administrative review conference. If there is no proof of the date of receipt of the Department's rate notification letter, then you will be deemed to have received notice by July 1, 2023 in accordance with WAC 388-96-904 (1).

If you have questions about your rate, please contact your analyst. The facility/analyst list is available on our website at <https://www.dshs.wa.gov/altsa/management-services-division/nursing-facility-cost-reports>.

Sincerely,



Tiffany A. Hills, Manager  
Nursing Facility Rates  
Office of Rates Management

Nursing Facility Administrator  
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Attachments  
cc: Interested Parties