

(Effective January 1, 2027)

WAC 182-40-0300 Hospital reimbursement requirements. (1) **In-network hospitals.** The maximum reimbursement paid to an in-network hospital for inpatient and outpatient hospital services, including contractor payments and any applicable member cost-sharing, must be the lesser of:

- (a) The billed charges;
- (b) The contractor's contracted rate with a hospital; or
- (c) One of the following:

(i) For hospitals not primarily engaged in the care and treatment of children located in King or Pierce counties, 200 percent of what medicare would have reimbursed that hospital for the same or similar service; or

(ii) For a hospital primarily engaged in the care and treatment of children and located in either of the following:

(A) **King County** - 150 percent of the hospital-specific medicaid inpatient ratio of costs-to-charges (RCC) published by the authority; or

(B) **Pierce County** - 190 percent of the hospital-specific medicaid inpatient RCC published by the authority.

(2) **Out-of-network hospitals.** The maximum reimbursement amount paid by a contractor, including any applicable enrollee cost-sharing responsibility, to an in-state, out-of-network hospital for inpatient and outpatient hospital services must be the lesser of:

- (a) The billed charges; or
- (b) One of the following:

(i) For hospitals not primarily engaged in the care and treatment of children located in King or Pierce counties, 185 percent of what medicare would have reimbursed that hospital for the same or similar service; or

(ii) For a hospital primarily engaged in the care and treatment of children located in either of the following:

(A) **King County** - 135 percent of the hospital-specific medicaid inpatient RCC published by the authority; or

(B) **Pierce County** - 175 percent of the hospital-specific medicaid inpatient RCC published by the authority.

(3) Contractor reimbursement for services provided by rural hospitals certified by the Centers for Medicare and Medicaid Services (CMS) as critical access hospitals may not be less than 101 percent of allowable costs as defined by CMS for the purpose of medicare cost reporting.

(4) By September 1st of every calendar year, the authority notifies contractors of the published medicaid RCC that applies to reimbursements under subsections (1) and (2) of this section for the following plan year.

(5) A contractor must determine any applicable member cost-sharing based on the reimbursement amount authorized to be paid to hospitals for claims under this section.

(6) If the authority determines a contractor has provided payments that exceed the maximum reimbursement established in subsections (1) and (2) of this section, or is less than the minimum reimbursement established in subsection (3) of this section, the authority will send the contractor a written notice of noncompliance according to WAC 182-40-1400.

(7) The authority determines compliance under this section separately for contractor payments made under the public employees' bene-

fits board program and school employees' benefits board program established under chapter 41.05 RCW.

(8) Annual premiums established by a contractor must take into account projected changes in reimbursement for hospital services anticipated to result from the application of reimbursement caps applied in subsections (1) and (2) of this section.

(9) For purposes of this section:

(a) Reimbursement for inpatient and outpatient services does not include charges for professional services; and

(b) **"The contractor's contracted rate"** means the allowed amount established by the contractor to each in-network hospital for each inpatient and outpatient service in effect when the service was provided.

(10) Except for subsection (3) of this section, this section does not apply to:

(a) Rural hospitals certified by CMS as sole community hospitals or critical access hospitals, except for hospitals owned or operated by a health system that owns or operates more than two acute care hospitals licensed under chapter 70.41 RCW;

(b) Hospitals located on an island operating within a public hospital district in Skagit County; or

(c) Hospitals that:

(i) Are not currently designated as a critical access hospital;

(ii) Do not meet current federal eligibility requirements for designation as a critical access hospital;

(iii) Have combined medicaid and medicare inpatient days greater than 60 percent of all hospital inpatient days; and

(iv) Are located on the land of a federally recognized Indian tribe.

[Statutory Authority: RCW 41.05.021, 41.05.160, and 41.05.028. WSR 25-24-066, s 182-40-0300, filed 12/1/25, effective 1/1/27.]