

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAID PURCHASING ADMINISTRATION
Olympia, Washington**

To: All Providers
Managed Care Organizations

Memo #: 10-73
Re-issued: December 30, 2010

From: Doug Porter, Administrator and
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Authority/Medicaid Purchasing
Administration

For information, contact:
1-800-562-3022 or go to:
<http://hrsa.dshs.wa.gov/contact/prucontact.asp>

Subject: January 1, 2011 Benefit Changes

Washington State is in the midst of a serious economic downturn and faces another critical shortfall in state revenue as we approach the new biennium. Governor Gregoire is addressing that deficit, working with legislative leaders to implement budget cuts needed to balance the state's revenue and expenditures. On December 11, 2010, the Legislature passed HR3225 ("Operating Budget – Second Special Session Amendments"). **Effective January 1, 2011**, Medicaid will eliminate coverage of many optional health care services from all benefit packages for clients 21 years of age and older as a consequence of that legislation.

Exception: Clients served by the Division of Developmental Disabilities retain current level of coverage under a new dental program. All current policy and requirements remain in effect for these clients.

Effective January 1, 2011, the following optional services will no longer be available because they are being eliminated. Unless specifically stated, these changes do not apply to clients 20 years of age and younger:

For Clients 21 Years of Age and Older

- ✓ **Dental Services** will no longer be available. **Exceptions:** First, clients served by the Division of Developmental Disabilities will retain coverage under the Developmentally Disabled Dental Program. Second, all clients will continue to be eligible for the emergency treatment of pain, infection, or trauma in the mouth or jaw, under conditions specified in the [*Physician-Related Services/Healthcare Professional Services Billing Instructions*](#).

The Department will change the name of the current *Dental Services for Clients 21 Years of Age and Older Billing Instructions* to [*Dental Services for Clients of the Division of Developmental Disabilities Who Are 21 Years of Age and Older Billing Instructions*](#) effective January 1, 2011.

- ✓ **Hearing Hardware** will no longer be available. The services eliminated include hearing aids, Bone-Anchored Hearing Aids (BAHA), cochlear implants, and parts and batteries for such equipment, including repairs. When it is medically necessary, the removal of cochlear implants will be available. **Hearing tests by a healthcare professional are still covered.**

The Department will change the name of the *Hearing Aids & Services Billing Instructions* to [Hearing Hardware for Clients 20 Years of Age and Younger Billing Instructions](#) effective January 1, 2011.

- ✓ **Vision Hardware** will no longer be available. This includes eyeglasses (frames and lenses), contact lenses, and low vision aids (e.g., magnifiers and telescopic eyeglass lenses). Eye exams, refractions and fitting services performed by a healthcare professional will continue to be available. Refer to the [Physician-Related Services/Healthcare Professional Services Billing Instructions](#) for more information.

The Department will change the name of the *Vision Care Billing Instructions* to [Vision Hardware for Clients 20 Years of Age and Younger Billing Instructions](#) effective January 1, 2011.

Note: Please refer to the Department's website for details on these benefit changes. Make sure you check this website often as the Department may make changes to this information: <http://hrsa.dshs.wa.gov/News/Budget.htm>.

- ✓ **Foot Care Benefit.** Some foot care benefit services will no longer be covered. The only services the Department will continue to cover are those defined as being medically necessary by specific diagnosis. Refer to the [Physician-Related Services/Healthcare Professional Services Billing Instructions](#) for a list of diagnosis codes that the Department will consider medically necessary.

The Department will change the name of the *Physician-Related Services Billing Instructions* to [Physician-Related Services/Healthcare Professional Services Billing Instructions](#) effective January 1, 2011.

For Children in a School Program

- **School-Based Healthcare for Special Education Students.** The Department will no longer pay school districts for special education-related healthcare services delivered to Medicaid-enrolled children in special education in accordance with the Individuals with Disabilities Education Act. In addition, the Department will no longer pay school districts for Early Intervention services for children birth to age three.

The Department will discontinue the [*School-Based Healthcare for Special Education Students Billing Instructions*](#) effective January 1, 2011.

Note: Please refer to the Department's website for details on these benefit changes. Make sure you check this website often as the Department may make changes to this information: <http://hrsa.dshs.wa.gov/News/Budget.htm>.

For All Clients (Regardless of Age)

- **Medicare Part D Co-Pays** for pharmacy services will no longer be paid by the Department for clients who have Medicare Part D.
- **Federally Qualified Health Center (FQHC)/Rural Health Clinic (RHC).** Effective **January 1, 2011**, the Department will reduce cost-based encounter payments to FQHCs and RHCs by reinstating the federal prospective payment system (PPS) that was replaced by an alternate payment methodology (APM) in 2009.

Note: Please refer to the Department's website for details on these benefit changes. Make sure you check this website often as the Department may make changes to this information: <http://hrsa.dshs.wa.gov/News/Budget.htm>.

Additional Things You Should Know

- Check the Department's website frequently to keep current on changes to this information: <http://hrsa.dshs.wa.gov/News/Budget.htm>.
- Effects of these changes on the Billing the Client rules:
 - ✓ A waiver is not required when the client chooses to pay for services that are identified in this memo as being eliminated and are now excluded from the client's benefit package. Refer to [WAC 388-502-0160](#), Billing a Client, for details.
 - ✓ Please see program-specific billing instructions for additional information about billing the client for services under that program.
- The Department will complete all authorization requests submitted by midnight on December 31, 2010, for services that currently require prior authorization per Department policy. If authorized, the Department will honor the service(s) to be completed after January 1, 2011.
- Unless authorized by the Department, any service described in this # memo billed with a date of service on or after January 1, 2011, will be denied.

How Can I Get the Department/MPA Provider Documents?

To download and print the Department/MPA provider numbered memos and billing instructions, go to the Department/MPA website at: <http://hrsa.dshs.wa.gov> (click the **Billing Instructions and Numbered Memorandum** link).