



# PROPOSED RULE MAKING

**CR-102 (June 2024)**  
**(Implements RCW 34.05.320)**  
Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

**DATE: May 06, 2025**

**TIME: 8:22 AM**

**WSR 25-10-100**

**Agency:** Health Care Authority

**Original Notice**  
 **Supplemental Notice to WSR \_\_\_\_\_**  
 **Continuance of WSR \_\_\_\_\_**  
 **Preproposal Statement of Inquiry was filed as WSR 25-06-087 and WSR 25-06-088 ; or**  
 **Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or**  
 **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**  
 **Proposal is exempt under RCW \_\_\_\_\_.**

**Title of rule and other identifying information:** (describe subject) Chapter 182-565 WAC, Health-Related Social Needs: Subchapter I Housing Transition Navigation Services; and Subchapter II Rental Services

**Hearing location(s):**

<b>Date:</b>	<b>Time:</b>	<b>Location:</b> (be specific)	<b>Comment:</b>
June 10, 2025	10:00 AM	The Health Care Authority holds public hearings virtually without a physical meeting place	To attend the virtual public hearing, <a href="#"><u>you must register in advance:</u></a>  <a href="https://us02web.zoom.us/webinar/register/WN_RL4mX3veTMyprKg2HFD0HA"><u>https://us02web.zoom.us/webinar/register/WN_RL4mX3veTMyprKg2HFD0HA</u></a>  If the link above 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 June 11, 2025

(Note: This is **NOT** the **effective** date)

<b>Submit written comments to:</b>	<b>Assistance for persons with disabilities:</b>
Name HCA Rules Coordinator Address PO Box 42716, Olympia WA 98504-2716 Email <a href="mailto:arc@hca.wa.gov">arc@hca.wa.gov</a> Fax 360-586-9727 Other Beginning (date and time) May 8, 2025, 8:00 AM By (date and time) June 10, 2025, by 11:59 PM	Contact HCA Rules Coordinator Phone 360-725-1306 Fax 360-586-9727 TTY Telecommunication Relay Service (TRS): 711 Email <a href="mailto:arc@hca.wa.gov">arc@hca.wa.gov</a> Other By (date) <u>May 23, 2025</u>

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The agency has developed a new Health-Related Social Needs (HRSN) chapter, which implements services provided through the Washington State Section 1115 Medicaid Demonstration waiver. Subchapter I contains the rules for housing transition navigation services that provide short-term assistance to obtain or maintain affordable housing. Subchapter II provides the rules for rental services that provide stable independent living for people transitioning out of institutional care or congregate settings who are at risk of homelessness.

**Reasons supporting proposal:** HRSN services allow qualifying Medicaid enrollees to receive evidence-based, non-medical services to address unmet, adverse social conditions that contribute to poor health.

**Statutory authority for adoption:** RCW 41.05.021, 41.05.160, 41.05.021(1)(m)(iv)

**Statute being implemented:** RCW 41.05.021, 41.05.160, 41.05.021(1)(m)(iv)

**Is rule necessary because of a:**

Federal Law?

 Yes  No

Federal Court Decision?

 Yes  No

State Court Decision?

 Yes  No

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** None**Name of proponent:** (person or organization)**Type of proponent:**  Private.  Public.  Governmental.**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting	Melinda Froud	PO Box 42716, Olympia, WA 98504-2716	360-725-1408
Implementation	Maureen Bailey	PO Box 55543, Olympia, WA 98504-5543	360-725-9997
Enforcement	Maureen Bailey	PO Box 55543, Olympia, WA 98504-5543	360-725-9997

**Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?** Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name

Address

Phone

Fax

TTY

Email

Other

**Is a cost-benefit analysis required under [RCW 34.05.328](#)?** Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name

Address

Phone

Fax

TTY

Email

Other

 No: Please explain: RCW 34.05.328 does not apply to Health Care Authority rules unless requested by the Joint Administrative Rules Review Committee or applied voluntarily.**Regulatory Fairness Act and Small Business Economic Impact Statement**Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.**(1) Identification of exemptions:**This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s): This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

 This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule. This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(b) (Internal government operations)	<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(e) (Dictated by statute)
<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(c) (Incorporation by reference)	<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(f) (Set or adjust fees)
<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(d) (Correct or clarify language)	<input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4). (Does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of how the above exemption(s) applies to the proposed rule:

**(2) Scope of exemptions:** Check one.

The rule proposal: Is fully exempt. (Skip section 3.) Exemptions identified above apply to all portions of the rule proposal.

The rule proposal: Is partially exempt. (Complete section 3.) The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):

The rule proposal: Is not exempt. (Complete section 3.) No exemptions were identified above.

**(3) Small business economic impact statement:** Complete this section if any portion is not exempt.

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. The Health-Related Social Needs (HRSN) chapter implements services provided through the Washington State Section 1115 Medicaid Demonstration waiver to provide supportive housing benefits. These new programs have positive and potentially negative impacts on smaller community providers. HCA has worked within program limits and funding to make both programs the least burdensome to smaller organizations that will provide services. HCA has worked with the third-party administrator to set up a quicker reimbursement process for small businesses. HCA also has an existing transition assistance program (TAP) and is modeling the new housing transition navigation and rental services programs on the existing TAP to ensure that costs imposed on small businesses are not more than minor.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name  
Address  
Phone  
Fax  
TTY  
Email  
Other

<b>Date:</b> May 7, 2025	<b>Signature:</b> 
<b>Name:</b> Wendy Barcus	
<b>Title:</b> HCA Rules Coordinator	

**Chapter 182-565 WAC**  
**HEALTH-RELATED SOCIAL NEEDS (HRSN) PROGRAM**

**SUBCHAPTER I - HOUSING TRANSITION NAVIGATION SERVICES**

NEW SECTION

**WAC 182-565-0100 Purpose.** (1) The Washington state health-related social needs (HRSN) program allows qualifying Washington apple health clients to receive limited, evidence-based, nonmedical services to address a client's unmet, adverse social conditions that contribute to poor health.

(2) Subject to available funds, allowable expenditures are covered up to the medicaid agency's financial limit.

(3) Housing transition navigation services are designed to remove barriers to affordable housing. Services include transition costs and housing deposits to assist with identifying, coordinating, securing, or funding one-time services and modifications necessary to help a client establish a basic household.

(4) The agency may contract with third parties to administer funds for the HRSN program.

(5) This subchapter applies to the portion of HRSN services administered by the medicaid agency.

NEW SECTION

**WAC 182-565-0110 Definitions.** The following definitions and those found in chapter 182-500 WAC apply to this chapter:

(1) "Activities of daily living" has the same meaning as defined in 24 C.F.R. § 700.105 and WAC 388-106-0010.

(2) "Adverse benefit determination" means one or more of the following:

(a) The denial or limited authorization of a requested health-related social needs service, including determinations based on the type of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a service;

(b) The reduction, suspension, or termination of a previously authorized service;

(c) The denial, in whole or in part, of payment for a service;

(d) The failure to provide services in a timely manner, as defined by the state; or

(e) The failure of the third-party administrator (TPA) to act within the time frames provided in WAC 182-565-0170 for standard resolution of grievances and appeals.

(3) "At risk of homelessness" has the same meaning as defined in 24 C.F.R. § 91.5.

(4) "Behavioral health need" means:

(a) A mental health need, where there is a need for improvement, stabilization, or prevention of deterioration of functioning (including ability to live independently without support) resulting from the presence of a mental illness; or

(b) A substance use need, where an assessment using the American Society of Addiction Medicine (ASAM) criteria indicates that the person meets at least ASAM level 1.0, indicating the need for outpatient substance use disorder treatment.

(5) "Complex physical need" means a long continuing or indefinite physical condition requiring improvement, stabilization, or prevention of deterioration of functioning (including the ability to live independently without support).

(6) "Demonstration period" means the period starting July 1, 2023, and ending on June 30, 2028.

(7) "Homeless" has the same meaning as defined in 24 C.F.R. § 91.5.

(8) "Rent" means an eligible client's monthly housing payment and includes past due or forward rent payments as allowed under the health-related social needs program.

#### NEW SECTION

**WAC 182-565-0120 Eligibility for housing transition navigation services or rental services.** (1) To be eligible for housing transition navigation services, a person must be:

(a) Enrolled in foundational community supports as described in WAC 182-559-100;

(b) Determined by the third-party administrator as having met at least one of the following health needs-based criteria upon program enrollment:

(i) A behavioral health need;

(ii) A need for hands-on assistance with one or more activities of daily living;

(iii) A need for assistance with three or more activities of daily living; or

(iv) A complex physical health need; and

(c) Homeless or at risk of homelessness, with the exception of the annual income requirement in 24 C.F.R. § 91.5(1)(i).

(2) To be eligible for the pantry stocking service, a person must:

(a) Meet the requirements in subsection (1) of this section; and

(b) Be experiencing low food security or very low food security, as those terms are defined by the United States Department of Agriculture.

NEW SECTION

**WAC 182-565-0130 Duration of services.** (1) The services described in WAC 182-565-0140 are short term and limited to a maximum of six months.

(2) The medicaid agency authorizes payment for approved housing transition navigation services for as long as it has funding through the health-related social needs program.

(3) Housing transition navigation services are subject to available funds for each service category in WAC 182-565-0100.

(4) Payments made for services described in WAC 182-565-0100(1) must not exceed six months in total during the demonstration period, to include both retrospective and prospective payments.

NEW SECTION

**WAC 182-565-0140 Housing transition navigation covered services.**

Subject to the limitations in WAC 182-565-0130, the medicaid agency pays for short-term housing transition and moving costs necessary to establish a client's basic household, to include:

(1) Security deposits;

(2) Application fees;

(3) Background checks;

(4) The first month's rent as required by the landlord for occupancy;

(5) Utility set-up fees, deposits, first month payments and up to six months of arrears, if necessary, to set up services in a new residence;

(6) Relocation expenses;

(7) A 30-day supply of groceries once per calendar year at the time of move in.

(a) The grocery supply must not exceed 200 percent of the U.S. Department of Agriculture (USDA) SNAP allowance for one month.

(b) This service must be provided in conjunction with the dietary guidelines for Americans and related resources; and

(8) Basic household goods and furniture.

NEW SECTION

**WAC 182-565-0150 Service provider qualifications.** A service provider must be contracted with the foundational community supports (FCS) third-party administrator(s) specifically for FCS services, including payment of transition assistance funds, and meet the requirements of WAC 182-559-200. Other contracted models may be considered within other contracting structures as negotiated by the medicaid agency.

NEW SECTION

**WAC 182-565-0160 Limitation of scope of benefits.** (1) Nothing in this chapter is intended to provide a legal right to any person to any service referenced in this chapter.

(2) The services provided under this chapter are strictly limited to the authority granted to the medicaid agency under the medicaid transformation project and available funds, as determined solely by the agency.

(3) The services described in this chapter must be approved under the explicit authority of the medicaid transformation project.

(4) Nothing in this section limits a person's right to request an administrative hearing under applicable law.

NEW SECTION

**WAC 182-565-0170 Grievance and appeals process.** (1) **General requirements.** This section contains information about the third-party administrator (TPA) grievance and appeal process and the medicaid agency's administrative hearing process for clients relating to housing transition navigation services.

(a) The TPA must have a grievance and appeal process and access to an agency administrative hearing to allow clients to file grievances and seek review of a TPA adverse benefit determination as defined in WAC 182-565-0110.

(b) The agency's administrative hearing rules in chapter 182-526 WAC apply to agency administrative hearings requested by a client to review the resolution of a client's appeal of a TPA adverse benefit determination.

(c) The TPA's policies and procedures regarding the grievance process must be approved by the agency.

(d) The TPA must maintain records of grievances and appeals.

(2) **TPA grievance and appeal process.** The TPA grievance and appeal process must include:

(a) A grievance process for addressing complaints about any matter that is not an adverse benefit determination;

(b) A TPA appeals process to address a client's request for review of a TPA adverse benefit determination;

(c) Access to the agency's administrative hearing process for review of a TPA's resolution of an appeal; and

(d) Allowing the client and the client's authorized representative to file grievances and appeals orally or in writing. The TPA cannot require clients to provide written follow up for a grievance or an appeal that the TPA received orally.

(3) **Notice requirements.**

(a) The TPA must send written notice when it:

(i) Approves the client's health-related social needs services (HRSN) eligibility and authorizes the delivery of services; or

(ii) Denies the client's HRSN eligibility.

(b) The TPA must follow the notice and timeline requirements under chapter 182-518 WAC for these notices.

(4) **The TPA grievance process.**

(a) A client or client's authorized representative may file a grievance with the TPA. A provider may not file a grievance on behalf of a client without the client's written consent.

(b) Clients do not have a right to an agency administrative hearing regarding the resolution of a grievance.

(c) The TPA must acknowledge receipt of each grievance either orally or in writing within two business days.

(d) The TPA must notify clients of the resolution of grievances within five business days of determination.

**(5) The TPA appeals process.**

(a) A client, the client's authorized representative, or a provider acting on behalf of the client with the client's written consent may appeal a TPA adverse benefit determination.

(b) The TPA must treat oral inquiries about appealing an adverse benefit determination as an appeal to establish the earliest possible filing date for the appeal. The TPA must confirm the oral appeal in writing.

(c) The TPA must acknowledge in writing the receipt of each appeal to both the client and the requesting provider within five calendar days of receiving the appeal request. The appeal acknowledgment letter sent by the TPA serves as written confirmation of an appeal filed orally by a client.

(d) The client must file an appeal of a TPA action within 60 calendar days of the date on the TPA's notice of adverse benefit determination.

(e) The TPA must continue services pending the results of an appeal or subsequent agency administrative hearing.

(f) The TPA internal appeal process must:

(i) Provide the client a reasonable opportunity to present evidence and allegations of fact or law, both in person and in writing;

(ii) Provide the client and the client's representative the client's case file, other documents and records, and any new or additional evidence considered, relied upon, or generated by the TPA (or at the direction of the TPA) in connection with the action. This information must be provided free of charge in advance of the resolution time frame for appeals as specified in this section; and

(iii) Include as parties to the appeal:

(A) The client and the client's authorized representative; and

(B) The legal representative of the deceased client's estate.

(g) The TPA must ensure that the people making decisions on appeals were not involved in any previous level of review or decision making.

(h) Time frames for resolution of appeals. The TPA:

(i) Must resolve each appeal and provide notice as expeditiously as the client's health condition requires and no longer than three calendar days after the day the TPA receives the appeal.

(ii) May extend the time frame by an additional 14 calendar days if it is necessary in order to complete the appeal.

(i) Notice of resolution of appeal. The notice of the resolution of the appeal must:

(i) Be in writing and be sent to the client and the requesting provider;

(ii) Include the results of the resolution of the appeal process and the date it was completed; and

(iii) Include information on the client's right to request an agency administrative hearing and how to do so as provided in the

agency hearing rules under WAC 182-526-0095, if the appeal is not resolved wholly in favor of the client.

(j) Deemed completion of the TPA appeal process. If the TPA fails to adhere to the notice and timing requirements for appeals, the client is deemed to have completed the TPA's appeals process and may request an agency administrative hearing under WAC 182-526-0095.

(6) **Agency administrative hearing.**

(a) Only a client or the client's authorized representative may request an agency administrative hearing. A provider may not request a hearing on behalf of a client.

(b) If the client does not agree with the TPA's resolution of an appeal at the completion of the TPA appeal process, the client may file a request for an agency administrative hearing based on the rules in this section and the agency hearing rules in chapter 182-526 WAC. The client must request an agency administrative hearing within 90 calendar days of the notice of resolution of appeal.

(c) The TPA is an independent party and responsible for its own representation in any administrative hearing, appeal to the board of appeals, and any subsequent judicial proceedings.

(7) **Effect of reversed resolutions of appeals.** If the TPA or a final order as defined in chapter 182-526 WAC reverses a decision to deny or limit services, the TPA must authorize or provide the disputed services promptly and as expeditiously as the client's circumstances require.

(8) **Funding unavailable.** When available resources are exhausted, any appeals process or agency administrative hearing process related to a request to authorize a service will be terminated, since services cannot be authorized without funding regardless of medical necessity.

## **SUBCHAPTER II - RENTAL SERVICES**

### NEW SECTION

**WAC 182-565-0200 Purpose.** (1) Rent and temporary housing payments provide stable independent living situations for clients in housing transitions who are homeless or at risk of homelessness. The payments may cover rent for up to six months per demonstration period.

(2) Subject to available funds, allowable expenditures are covered up to the medicaid agency's financial limit.

(3) The agency may contract with third parties to administer funds for the HRSN program.

(4) This subchapter applies to the portion of health-related social needs services administered by the medicaid agency.

NEW SECTION

**WAC 182-565-0210 Definitions.** The definitions in WAC 182-565-0110 and those found in chapter 182-500 WAC apply to this chapter.

NEW SECTION

**WAC 182-565-0220 Eligibility.** To be eligible for rental services, a person must meet the requirements identified in WAC 182-565-0120.

NEW SECTION

**WAC 182-565-0230 Duration of services.** (1) The services described in WAC 182-565-0240 are short term and limited to a maximum of six months.

(2) The medicaid agency reimburses rental payments only for residences that meet housing habitability standards for safety, sanitation, and habitability.

(3) Rental services are subject to available funds for each service category in WAC 182-565-0240.

(4) Payments made for services described in WAC 182-565-0240 must not exceed six months in total during the demonstration period, to include both retrospective and prospective payments.

NEW SECTION

**WAC 182-565-0240 Covered rental services.** Subject to the limitations in WAC 182-565-0230, the medicaid agency may pay for past-due or future rent payments.

NEW SECTION

**WAC 182-565-0250 Service locations.** (1) The rental payments identified in WAC 182-565-0240 must be used only for independent living situations, such as in-home and interim housing settings that meet the housing habitability standards found on the agency's website.

(2) The medicaid agency does not reimburse for facilities:

(a) That have been temporarily converted to shelters (e.g., gymnasiums or convention centers); or

(b) Without private sleeping spaces available to residents 24 hours a day.

NEW SECTION

**WAC 182-565-0260 Service provider qualifications.** Rental service providers must meet the requirements in WAC 182-565-0150.

NEW SECTION

**WAC 182-565-0270 Limitation of scope of benefits.** Rental services are subject to the limitation of scope of benefits described in WAC 182-565-0160.

NEW SECTION

**WAC 182-565-0280 Grievance and appeals.** Grievances and appeals related to rental services follow the process described in WAC 182-565-0170.