

State of Washington
 Status of Audit Resolution
 December 2016

Department of Social and Health Services

Agency 300

Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	003	<p>Finding: The Department of Social and Health Services improperly charged \$5.6 million to multiple federal grants.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>As an immediate fix to rectify the existing issue, including questioned costs, the Department’s Economic Services Administration (ESA) began to utilize a manual journal voucher process to ensure expenditures charged to federal grants are obligated in the period of availability. To address the root cause of the issue, the Department plans to establish, sponsor, and lead a cross-agency committee to review the processes involved and recommend implementation of changes to the existing Cost Allocation System methodology.</p> <p>The Department will also work with the appropriate federal agencies to discuss changing or updating the compliance supplement to better align with the state’s business practices for cash draws and reporting of the federal grants.</p> <p>The Department will continue discussions with its federal partners regarding what, if any, of the questioned costs should be repaid and acceptance of its prospective corrections.</p> <p>Completion Date: Corrective action is expected to be complete by February 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	016	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Substance Abuse and Mental Health Services Projects of Regional Significance and Block Grants for Prevention and Treatment of Substance Abuse programs received required audits.</p> <p>Corrective Action: As of December 2015, the Department began conducting follow-up telephone interviews or on-site visits with subrecipient contractors when findings were reported to ensure corrective action plans were followed. Follow-up is documented in the subrecipient tracking system.</p> <p>The Department originally dedicated one staff person to monitor subrecipient audits, but the position was eliminated due to downsizing and turnover. By December 2016, the Department will re-evaluate the workload requirement and will:</p> <ul style="list-style-type: none"> • Establish policies and procedures to ensure all required audits occur. Changes in procedures will likely include revised contract language and a clearly defined process for follow-up on findings and ensuring federal funds are properly reported. • Ensure all completed subrecipient audits are included in the subrecipient tracking system. <p>Completion Date: Corrective action is expected to be complete by December 2016</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	017	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and was not compliant with its required collection of Data Universal Numbering System (DUNS) numbers from subrecipients under the Substance Abuse and Mental Health Services Projects of Regional Significance and Block Grants for Prevention and Treatment of Substance Abuse programs.</p> <p>Corrective Action: In February 2015, the Department established policies, procedures, and internal controls to obtain Data Universal Numbering System (DUNS) numbers from subrecipients prior to making subawards in accordance with federal regulations. DUNS numbers are now recorded in the special terms and conditions of all applicable contracts.</p> <p>The new procedures include a requirement for program staff to reject contract forms received from a subrecipient that do not include the subrecipient's DUNS number. New procedures also include maintaining a list of, and annually reporting, DUNS numbers for all subrecipients.</p> <p>Completion Date: February 2015, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	018	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to sanction Temporary Assistance for Needy Families program participants who were not cooperative with the Department regarding child support issues.</p> <p>Corrective Action: All issues identified by the auditors were for clients served by both Division of Child Support (DCS) and the Community Services Division (CSD). The root cause of this issue was a miscommunication between DCS and CSD. Once the issue was brought to the Department’s attention, DCS and CSD collaborated to identify and resolve the system issue. In addition to the immediate correction, CSD and DCS have worked together to proactively identify and resolve any further systems communication gaps relative to sanctioning a shared client in noncooperation status.</p> <p>To further prevent another technical glitch, DCS made improvements to their release planning and implementation process in October 2015, which include a quality assurance process prior to new release implementations.</p> <p>In February 2016, CSD issued overpayments for the exceptions identified in the audit. All overpayments were referred to the Department’s Office of Financial Recovery for processing.</p> <p>In March 2016, CSD leadership reminded staff to review each case record for noncooperation notices prior to approving Temporary Assistance for Needy Families payments. This communication was posted to the Economic Services Administration SharePoint site.</p> <p>Also in March 2016, CSD commissioned a workgroup to develop and recommend an automated solution for updating and/or flagging closed cases in noncooperation status to ensure these cases will be handled appropriately if the case is reopened.</p> <p>In June 2016, CSD reviewed and took appropriate actions on all cases with noncooperation sanctions during the audit period.</p> <p>Completion Date: June 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	019	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements of its Temporary Assistance for Needy Families grant work verification plan.</p> <p>Corrective Action: In March 2016, the Department’s Community Services Division (CSD) staff created electronic reminders to request monitoring reports and schedules, as appropriate, from partner agencies.</p> <p>In April 2016, CSD initiated a workgroup that developed effective monitoring tools and schedules to ensure the Department is following its federally approved work verification plan. The schedule includes retroactively monitoring and taking appropriate action on the partner contracts for the audit period. This workgroup also recommended additional staffing to remedy workload issues. Program Managers assigned to monitor the contracts received training on the tools and schedules.</p> <p>CSD also created an internal quality assurance process to further ensure that staff continues to adequately monitor contracts.</p> <p>The Department would like to note that contract monitoring is not the sole activity quantifying the accuracy of the data used in calculating the work participation rates. The Department performs the following control procedures in accordance with the Work Verification Plan:</p> <ul style="list-style-type: none"> • An extensive quality assurance process that the Department annually conducts for each of the three contracted agencies. • A review and verification process that the Department conducts monthly related to the integrity and accuracy of the data provided for the work participation rates. <p>Completion Date: June 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	020	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls in place to ensure compliance with the maintenance of effort requirements for the Temporary Assistance for Needy Families grant program.</p> <p>The Department concurs with the finding.</p> <p>The Department will improve its internal controls, policies and procedures. Specifically, the Department will require monitoring of expenditures at least quarterly to ensure that the minimum maintenance of effort (MOE) requirements will be met. These policies and procedures will also identify the steps and processes for staff to ensure that the MOE expenditures are accurate, allowable, and adequately supported. The Department will communicate the revised procedures to those individuals responsible for monitoring MOE to ensure compliance with federal requirements.</p> <p>Corrective action is expected to be complete by February 2017</p> <p>Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	021	<p>Finding: The Department of Social and Health Services did not have adequate internal controls in place for submitting quarterly and annual reports for the Temporary Assistance for Needy Families Grant.</p> <p>Corrective Action: The Department concurs with the overall findings of the auditors and appreciates the auditors' acknowledgement that they have verified the amounts reported by the Department were materially correct.</p> <p>The Department asserts that staff completing the reports reviewed documentation and analyzed costs to confirm that reported amounts met the federal maintenance of effort (MOE) requirements. This documentation, which includes a comprehensive matrix that identifies services and costs charged to the program, was reviewed by Department staff to ensure reported amounts were accurate, allowable, and supported prior to the MOE being reported to the federal government.</p> <p>The Department agrees that documentation should be immediately available, well organized, and updated as appropriate. The Department will develop written procedures and policies requiring yearly certifications for the MOE report prior to submitting to the federal government. The policies and procedures will identify the steps and processes for staff to ensure that the MOE report is accurate, allowable, and adequately supported. The Department will also develop and implement additional controls to ensure reporting requirements are met.</p> <p>Completion Date: Corrective action is expected to be complete by December 2016</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	022	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure only eligible refugees of the Refugee and Entrant Assistance program received cash assistance.</p> <p>Corrective Action: The Department concurs with the finding.</p> <p>The Department takes seriously its responsibility to provide strong program oversight through appropriate internal controls. The Department’s Office of Refugee and Immigrant Assistance (ORIA) implemented many action items aimed at resolving the finding. Unfortunately, the timing of the audit and subsequent findings allowed only three months for the corrective action plan to be fully effective. The majority of the clients identified as not referred to Work and Training (W&T) in the current audit were enrolled prior to the full implementation of the prior audit corrective action plan items.</p> <p>From the fiscal year 2014 to the fiscal year 2015 audit, the Department’s accuracy rate increased and questioned costs decreased in both areas (eligibility and documentation). For this audit, the auditors determined that two applicants were improperly approved for Refugee Cash Assistance (RCA) benefits because they were eligible to receive Temporary Assistance for Needy Families funds, and 13 applicants lacked required documentation.</p> <p>As of January 2015, the Department’s Community Services Division (CSD) introduced an RCA referral tool in the electronic Jobs Automated System (eJAS) to refer and track RCA recipients. The tool requires CSD staff to complete an employability screening for eligible clients and to create a referral to an authorized employment provider. This tool has significantly increased appropriate referrals, and the Department will provide continued staff training and monitoring to ensure this new automated system is functioning and that all eligible refugees are referred to W&T programs.</p> <p>During November 2016, ORIA has been working with the Economic Services Administration’s Information Technology Solutions team to explore the feasibility of implementing a system edit, or “hard stop,” to prevent financial workers from inappropriately enrolling a minor into RCA in the Automated Client Eligibility System (ACES). Since development and programming time in ACES can take months to years, CSD is also exploring alternative short-term solutions to ensure all enrollments of minors into RCA are received timely.</p> <p>By January 2017, CSD will ensure all Community Service Office staff receives annual training to facilitate accurate RCA eligibility determination and W&T referrals. Prior to this date, CSD staff will review all RCA processes and procedures to clarify and update all applicable RCA information. To complement the annual training, ORIA program managers will regularly visit local offices across the state to provide outreach and onsite technical assistance to ensure staff is appropriately trained and able to</p>

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2015 F	022 (con't)	<p>make accurate RCA eligibility determinations and W&T referrals.</p> <p>ORIA will continue to review, track, and monitor RCA enrollments and employment referrals through a monthly report from the ESA Management Accountability and Performance Statistics unit. For those clients not referred to a W&T program, ORIA will work with CSD Operations staff to correct errors in eligibility determination and employment referrals.</p> <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: Corrective action is expected to be complete by January 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	026	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with client eligibility requirements for the Child Care Development Fund.</p> <p>Corrective Action: The Department does not concur with this finding. The Department thoroughly reviewed each of the 34 cases in question, and maintains Department staff correctly determined eligibility in every single case.</p> <p>The Department must make “point in time” eligibility determinations based on the information available at the time of application. Per Washington Administrative Code, if a consumer does not provide all of the verification information requested, the Department is required to determine eligibility based on the information already available to the Department.</p> <p>While the Department made accurate initial eligibility determinations in 100 percent of the 399 cases reviewed by the auditors, the Department concurs that it is likely that in six cases improper payments were made to childcare providers, not 34 as identified in the finding. In five of the six cases in question, the clients failed to accurately report information in the initial application or failed to report changes in their circumstances as required by rule. The Department became aware of this information after making the initial, accurate eligibility determinations. In the sixth case, the Department had appropriately terminated the client’s eligibility. However, a minor procedural error allowed child care to briefly continue.</p> <p>In all six cases, the Department was already aware of and actively addressing the client’s change in circumstances prior to the auditor’s review of the cases and associated payments. It is important to note that changes in a client’s circumstances do not necessarily result in changes to a client’s eligibility status. Minor changes may result in a slight fluctuation of co-payment or hours of care approved.</p> <p>The Department’s calculation of total questioned costs is \$2,919, not \$12,967 as determined by the auditor. The Department has reviewed the cases in question and is pursuing overpayments as appropriate.</p> <p>The Department implemented monitoring protocols to establish appropriate separation of duties between staff who determine eligibility and staff who authorize payments. Specifically:</p> <ul style="list-style-type: none"> • The Department’s “universal caseload model” utilizes analytics to prioritize and randomly assign work activities to staff. This provides a process where case actions, such as eligibility determination and authorization for care, are highly likely to be completed by different workers. The assigned worker will review the case (a secondary review) each time they receive an assignment. This allows the worker to familiarize themselves with the case and confirm eligibility and payment information prior to completing the assignment.

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2015 F	026 (cont'd)	<p>Approximately 140 staff process child care cases, and the probability of the same case being assigned to the same worker for two case actions in a row is less than one percent.</p> <ul style="list-style-type: none"> • The Department modified the system so a staff member who activates a license-exempt provider cannot make any payment authorizations for that provider. This electronic process reduces the potential for fraudulent payment authorizations. • Quarterly, regional staffs review an integrity report which identifies cases where the same staff member has authorized four or more payments in a 15 month period without authorization activity from other staff. To date, the report has not identified any cases resulting in a finding of improper authorization activities. <p>The Department also continues to perform the following child care authorization audits:</p> <ul style="list-style-type: none"> • At least one percent of child care caseload monthly. • Exceptional payment authorizations are reviewed and approved by a supervisor before payment can be made. An example of an exceptional payment is when a child requires and is eligible for care six days per week due to parent work activity. • 100 percent pre/post authorization audits for all new child care workers. • Data provided by the Health Care Authority (HCA) and audit additional child care payments identified as potentially error prone. HCA has developed and runs algorithms which identify billing anomalies. Providers who over-bill or are paid an incorrect rate are identified and overpayments are established. All paid authorizations are reviewed on a scheduled basis or where immediate, ad-hoc policy clarification, training, or systems support may increase accuracy. • Cases identified by eligibility workers where it appears likely that an improper payment may have occurred and verification is requested. Specialized eligibility staff reviews the case specifics and verification documentation. Attendance records are requested to determine the amount of the improper payment. <p>In March 2016, the Department updated the Working Connections Automated Program (WCAP) screens so the eligibility determination function and the benefit calculation function display on separate screens, therefore, requiring staff to process each function separately.</p> <p>In September 2016, Community Services Division staff prepared overpayments as appropriate.</p> <p>If the Department of Health and Human Services (DHHS) contacts the Department regarding questionable costs that should be repaid, the Department will confirm these costs with DHHS and will take appropriate action in the form of payment.</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	028	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with foster care payment rate setting and application requirements for the Foster Care program.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>The settlement of the Foster Parents Association of Washington State lawsuit and subsequent funding by the Legislature beginning state fiscal year 2016 increased the basic maintenance rate paid to licensed foster care homes on July 1, 2015. The rate is based on an economic analysis of the cost of raising a child.</p> <p>The Department will review the maintenance payment rate again in 2019, based upon an economic analysis, to determine if the rate needs to be adjusted. If an increase is needed, the Department will submit a decision package for additional funding. Reviews after 2019 will occur periodically per federal regulation.</p> <p>The Department added the periodic review of the maintenance payments to the Title IV-E State Plan in February 2016.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.Meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	040	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls in place to ensure in-home care providers paid by Medicaid had proper background checks.</p> <p>Corrective Action: The Department reviewed the six providers identified by the auditors to verify that the providers had no disqualifying crimes at any point in their employment. The providers were subjected to an initial Character, Competence and Suitability (CCS) review during the contracting process. There is no RCW or WAC that states that an individual provider becomes unqualified if a new CCS review is not completed at each bi-annual background check when there are no new crimes and they care for the same client, which is the case for these six providers.</p> <p>The Department will continue to strengthen processes to ensure CCS reviews are completed and adequately documented in accordance with Department policy. Clarification was provided to field offices via management bulletin in March 2015, providing clear direction on required forms and frequency of completion for CCS reviews.</p> <p>Annually, the Assisted Long-Term Services Administration’s Quality Assurance (QA) unit selects a sample of individual provider files from each field office for review including evidence of background checks. In addition to these reviews, field office supervisors are required to complete quality assurance reviews on individual provider files. In 2015, a total of 386 files were reviewed by the QA unit and 1,293 files were reviewed by supervisors. Overall, internal quality assurance reviews showed 97 percent proficiency. This process will continue and will assist in evaluating compliance with the Department’s policies and processes.</p> <p>The Department convened a workgroup of subject matter experts and had multiple meetings from March to August 2016 to discuss the feasibility of a data feed to ProviderOne interface. The outcome of these discussions confirmed the feasibility which would automatically stop payments to providers during periods of ineligibility. However, this is a long-term solution that could take one to two years to fully implement.</p> <p>The Department consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: August 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	041	<p>Finding: The Department of Social and Health Services improperly claimed federal reimbursement for payments made on behalf of deceased Medicaid clients.</p> <p>Corrective Action: This finding involved three administrations within the Department: the Aging and Long Term Support Administration (AL TSA), the Developmental Disabilities Administration (DDA), and the Behavioral Health Administration (BHA). Each administration has taken or will take corrective action.</p> <p>The audit identified 97 instances of payments made through the Social Service Payment System and ProviderOne for services provided after the client’s date of death (AL TSA: 81; DDA: 8; BHA: 8). AL TSA has determined 20 of the 81 payments were for allowable services prior to the client’s death. The Department has sent overpayment notices to the providers who received the 77 payments. The questioned costs will be returned to Centers for Medicare & Medicaid Services (CMS) and reported on the September 2016 CMS-64.</p> <p>The Department’s goal for payment of services provided after the date of death is zero, and it seeks to reach that mark.</p> <p>Current practice includes ensuring staff follow policies and procedures to ensure the authorization of services is closed by the effective date of death.</p> <p>The Department continues to strengthen processes including utilizing a revised Long Term Care Client Payments After Death Report that identifies clients who have authorizations that were paid after their date of death. This report is analyzed monthly and post payment review will also occur to ensure that any authorizations or payments not prevented are identified and recovered. Where necessary, overpayments will be processed timely and federal funds returned to the U.S. Department of Health and Human Services.</p> <p>The Department will continue its partnership with the Health Care Authority to identify payments after the date of death.</p> <p>Completion Date: July 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	042	<p>Finding: The Department of Social and Health Services paid Medicaid benefits for clients who did not have valid Social Security numbers.</p> <p>Corrective Action: The Department’s Children’s Administration (CA) will strengthen the process by reviewing social security numbers quarterly to further minimize the allocation of expenditures to Medicaid funding in error. CA will review the three clients identified in the finding and switch them to the correct non-U.S. citizen service pay code within the Department’s payment system.</p> <p>The Department will work with the Health Care Authority, the state’s lead Medicaid agency, to consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: Corrective action is expected to be complete by December 2016</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	043	<p>Finding: The Department of Social and Health Services did not accurately claim the federal share of Medicaid payments for Presumptive Supplemental Security Income clients.</p> <p>Corrective Action: All questioned costs were returned to the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services 30 days after the audit period.</p> <p>To correctly account for Presumptive Supplemental Security Income (PSSI), the Department developed new functional Recipient Aide Categories (RACs) within the ProviderOne payment system. The new functional RACs are now paired with one specific financial RAC separating out this group of clients, which allows the PSSI expenditures to be directly coded to the appropriate match rate. The new RACs were implemented when ProviderOne went live during January 2015 for 1099 reportable services. The 1099 reportable services were transitioned from the Social Service Payment System (SSPS) at that time.</p> <p>In addition, since SSPS only had one year remaining to pay W2 services, changes were not made in SSPS for these services. Instead reports were developed to identify PSSI expenditures and were corrected via journal voucher until the Individual Provider One (IPOne) system went live in March 2016. The new functional RACs were paired with the one financial RAC to directly code W2 expenditures correctly. The Department worked with the Health Care Authority through November 2016 to obtain reports to determine if any additional costs need to be moved.</p> <p>Completion Date: Corrective action is expected to be complete by December 2016</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	044	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have internal controls in place to ensure follow up on nursing home survey deficiencies were conducted in a timely manner.</p> <p>Corrective Action: As of December 2015, the Department developed standard operating procedures (SOP) over the statement of deficiency and corrective action plan process.</p> <p>As of January 2016, to ensure statements of deficiency and correction plans are submitted timely, the Department implemented a statewide statement of deficiency and plan of correction tracking system. The Department will continue to enhance its formal tracking of statement of deficiency mailings and receipt of correction plans.</p> <p>In August 2016, the Department revised the SOP to include field protocol for contacting providers when the correction plan is not returned within 10 working days of receipt of the statement of deficiency.</p> <p>Completion Date: August 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	045	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls in place to ensure surveys for Medicaid nursing home and intermediate care facilities were completed in a timely manner.</p> <p>Corrective Action: The Department will schedule and monitor surveys in accordance with the frequency and interval required by federal and state laws.</p> <p>As of January 2016, the Department filled two additional surveyor positions to conduct recertification surveys and complaint investigations. The Department has requested additional basic surveyor training classes be made available from the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) to enable new hires to function independently to conduct surveys and investigations. The Department was able to provide the training in June 2016.</p> <p>As of May 2015, the Department implemented a statement of deficiency (SOD) and plan of correction (POC) electronic tracking system. The Department staff use this system to monitor SOD mailings and POC receipts. Administrative support staff enters the dates of the SOD mailings and the POC receipts into the tracking system. Field managers are responsible for documenting their quarterly monitoring in the tracking system.</p> <p>In August 2016, the Department developed standard operating procedures for the electronic system which also addressed survey requirements.</p> <p>Completion Date: August 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	046	<p>Finding: The Department of Social and Health Services made improper payments for unallowable services provided to newly eligible Medicaid clients under the Affordable Care Act.</p> <p>Corrective Action: To correctly account for the Alternative Benefits Plan (ABP), the Department developed new functional Receipt Aid Categories (RACs) within the ProviderOne payment system. The new functional RACs are now paired with one specific financial RAC separating out this group of clients, which allows the ABP expenditures to be directly coded to the appropriate match rate. The new RACs were implemented when ProviderOne went live during January 2015 for 1099 reportable services. The 1099 reportable services were transitioned from the Social Service Payment System (SSPS) at that time.</p> <p>In addition, since SSPS only had one year remaining to pay W2 services, changes were not made in SSPS for these services. Instead reports were developed to identify ABP expenditures and were corrected via journal voucher until Individual Provider One (IPOne) system went live in March 2016., The new functional RACs were paired with the one financial RAC to directly code W2 expenditures correctly.</p> <p>The Department will return all questioned costs to the U.S. Department of Health and Human Services.</p> <p>Completion Date: March 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	047	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls to ensure complaints of abuse and neglect of clients at Medicaid residential facilities were responded to properly.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>The Department has implemented plans to strengthen internal controls and ensure complaints are responded to and investigated timely, as required by federal regulation and state law.</p> <p>In January 2015, the Complaint Resolution Unit (CRU) implemented procedures requiring Nurse Consultants to review complaints prior to assignment for Nursing Home and Intermediate Care Facilities/Individuals with Intellectual Disabilities (ICF/IID).</p> <p>During November 2015, to ensure investigations begin within two working days of receipt, the CRU implemented the online reporting system for providers. This reporting option assists the Department to meet required timelines and streamline the complaint processing by reducing manual transcription time.</p> <p>Monthly reports and quality assurance reviews are in process and are ongoing. A lead position is being piloted with the primary duties of monitoring workflow, process, and progress.</p> <p>In January 2016, the Department hired additional field investigators to improve the timeliness of investigations of non-immediate jeopardy Nursing Home and ICF/IID complaints.</p> <p>The Tracking Incidents of Vulnerable Adults (TIVA) database was redesigned to add information fields to improve the existing complaint process. These information fields were added to TIVA in April 2016 and have expedited priority assignments by clearly identifying dates of knowledge and dates to initiate a response.</p> <p>In May 2016, the Department authorized overtime, as an interim solution, to ensure that complaints are responded to within 24 hours of knowledge. The Department is also in the process of hiring two staff to help with responding to complaints/reports generated over weekends and holidays.</p> <p>Completion Date: May 2016, subject to audit follow-up</p>

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2015 F	047 (cont'd)	Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	048	<p>Finding: The Department of Social and Health Services improperly claimed federal Medicaid reimbursement for non-emergency services provided to nonqualified aliens.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>This finding involved three administrations within the Department: the Aging and Long Term Support Administration, the Children’s Administration, and the Developmental Disabilities Administration.</p> <p>The Children’s Administration will work to strengthen the review of these cases to help minimize the possibility of funds being allocated to Medicaid in error.</p> <p>The Aging and Long Term Support and the Developmental Disabilities Administrations agree some clients were assigned the wrong Medicaid Recipient Aid Category (RAC) within ProviderOne, but the services were provided correctly.</p> <p>ProviderOne was implemented on January 1, 2015, and all case managers were provided training prior to this date. In the winter of 2015, the Department provided additional training to some staff on how to select the correct RAC for these clients.</p> <p>Since the services were provided appropriately under the state only program, but the Medicaid RAC was assigned in error, the Department will not be recovering the questioned costs from the clients. The questioned costs are being corrected through ProviderOne and will be reported on the December 2016 CMS-64 report.</p> <p>Completion Date: Corrective action is expected to be complete by December 2016</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	049	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate controls to ensure Medicaid payments to supported living service providers were allowable.</p> <p>Corrective Action: The Department does not concur with this finding.</p> <p>Using the annual cost report process (Developmental Disabilities Administration (DDA) Policy 6.04), the Department verifies the Instruction and Support Services (ISS) hours provided are equal to or exceed the total hours of service the Department has authorized. Through this verification system, if the actual ISS hours reported in the annual cost report are less than the total authorized hours for all clients served by the Supported Living (SL) provider or are not supported by documentation that shows that the reported hours were actually worked, the Department seeks recovery of any overpayment through the cost report settlement process (DDA Policy 6.04 (III)).</p> <p>The system is designed to allow for resource flexibility by the SL provider throughout the year to enable the provider to meet the changing needs of the individual client. The Department requires, over a year’s time, that clients within the agency receive all authorized ISS hours. Providers are given the calendar year to maintain the flexibility needed to address client instruction and support needs. Any audit finding that considers a limited time frame does not accurately capture the entire delivery of service, or any corresponding annual underpayment or overpayment.</p> <p>SL providers are required to complete an annual cost report, but policy allows providers to settle their cost reports over a two-year period. The cost report reconciles hours and ISS dollars authorized to hours and ISS dollars provided. The SL provider attests to the accuracy of the cost report. A settlement is issued to any SL provider who fails to meet either standard (delivery of hours or expenditure of dollars). The Department will propose eliminating the two-year period policy during the next contract negotiations. These negotiations will not begin until July 2017.</p> <p>The Department believes the audit has erred in treating cost settlements in the same way as overpayments. Overpayments are the result of human or systemic errors or omissions in specific instances whereas cost settlements are based on reimbursement methodologies defined in policy, federal regulations, and contracts. Cost settlements are typically done in the aggregate on an annual basis and not on a client by client or case by case basis.</p> <p>The Department has additional measures in place to further review or audit the provider cost reporting:</p> <ul style="list-style-type: none"> • The Department’s Enterprise Risk Management Office (ERMO) periodically audit selected providers.

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2015 F	049 (cont'd)	<ul style="list-style-type: none"> • The Department’s Aging and Long-Term Support Administration, Residential Care Services (RCS), performs a cursory review of hours provided as part of the certification evaluation process. • If concerns are identified in the RCS certification evaluation, the Department will conduct an additional review of the SL provider. <p>The audit recommends the Department continue to improve internal controls to ensure SL providers maintain adequate documentation to support payments claimed against payroll records. Current Department policy requires additional schedules to report ISS hours in a format reconcilable to payroll records.</p> <p>Currently, reviews are being conducted on roughly 20 percent of residential provider’s ISS hours. The scope of this compliance review includes reconciliation of hours in the contract by households compared to employee payroll records delivered within the household. Consultation and training to service providers related to the tracking and documentation of ISS hours is provided at the time of the review.</p> <p>Through policy revision, the Department has clarified the expectations that the service provider’s payroll system must adequately document ISS hours delivered. Additionally, Department policy outlines acceptable margins of flexibility of ISS hours delivered. Training on these new policies occurred over the summer and fall of 2015.</p> <p>The recovery of funds has been processed through the ProviderOne system and will be returned to the U.S. Department of Health and Human Services through the normal settlement process.</p> <p>The Department consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs. Questioned costs were returned to Centers for Medicare and Medicaid Services in October 2016.</p> <p>Completion Date: Corrective action is expected to be complete by July 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	050	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, made overpayments to Medicaid supported living providers who did not ensure staff, with access to developmentally disabled clients, received a proper background check.</p> <p>Corrective Action: The Department partially concurs with this finding.</p> <p>The one staff with a disqualifying result worked for two supported living agencies. During a renewal background check, one of the two agencies received a disqualifying result. That agency terminated the employee appropriately. As the employee did not self-report, the second agency was not aware the employee had a new disqualifying crime. The employee resigned prior to the required renewal background check. Both agencies were in compliance with the law, rules, policies, and contractual requirements.</p> <p>In regards to the other three employees identified in the finding, the Department has demonstrated substantial improvement in background check compliance. This has been achieved through:</p> <ul style="list-style-type: none"> • Updating the Background Authorization policy and providing training to supported living providers and Department employees on the policy change. • Training for providers occurs regularly within each region. • Continual monthly reviews conducted by the Department’s Enterprise Risk Management Office (ERMO) to ensure providers are in compliance with background check laws, rules, and policies. <p>The Department will take the following actions to ensure ineligible individuals do not have access to vulnerable Medicaid clients and background checks are renewed timely:</p> <ul style="list-style-type: none"> • Continue its efforts to inform, educate, and train providers on background check policy and Washington Administrative Code. • Dedicate a Department headquarters position to provide direct support and consultation to providers on interpretation of background check results letters. • Monitor for background check compliance through reviews conducted by ERMO and Residential Care Services certification reviews. • Continue to partner with the Background Check Central Unit on developing processes for background check renewals and disqualifying results. <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	051	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor Adult Family Home providers to ensure Medicaid providers and their employees had proper background checks.</p> <p>Corrective Action: In response to the fiscal year 2014 audit, the Department implemented several processes that continued through the fiscal year 2015 and remain ongoing.</p> <p>It is the Adult Family Home (AFH) provider’s responsibility to ensure background checks are being submitted timely. In addition, AFH home licensing regulations only require the provider to keep the background check for two years after the date an employee resigns or is terminated which further complicates the Department’s ability to verify if the background checks are valid.</p> <p>Due to the Department’s allotted resources and lack of access to employment and payroll records of AFH staff, the Department believes its current Management Bulletin, which requires licensors to examine all employee background checks while conducting their on-site visits, is meeting its regulatory obligation.</p> <p>Since November 2015, the Department has required licensors conducting their on-site visits to conduct background checks of anyone who worked in the AFH home since the previous inspection, even if they no longer work in the home. The Department believes this further strengthens the monitoring of AFH providers and staff.</p> <p>In April 2016, the Department created a workgroup to research the steps and resources needed to create a report to identify AFH providers that do not have a valid background check or will have a background check expire within a determined time frame.</p> <p>By June 2016, the Department:</p> <ul style="list-style-type: none"> • Updated standard operating procedures to require licensors to review the last two background checks if an issue is identified with an AFH employee. • Developed a standard operating procedure addressing Character, Competence, and Suitability (CCS) reviews, including processing a CCS at the time of application. • Provided an educational slide show to AFH industry on requirements around background checks and CCS reviews. This included developing a training resource to post on a public website. <p>By August 2016, the Department’s:</p> <ul style="list-style-type: none"> • Quality Assurance Unit within the Aging and Long Term Services Administration conducted annual reviews to identify if licensors

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2015 F	051 (cont'd)	<p>followed the standard operating procedures for background checks.</p> <ul style="list-style-type: none"> • Headquarters staff provided training to the field staff and providers on the updated standard operating procedures. <p>Not all corrective actions from the 2014 audit were completed before the auditor's sample was pulled for the current audit. Therefore, the Department believes the results from this audit period may not reflect the effectiveness of all actions taken or implemented.</p> <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: August 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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2015 F	052	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate internal controls to ensure Medicaid payments to supported living service providers for cost of care adjustments were allowable.</p> <p>Corrective Action: The Department partially concurs with this finding.</p> <p>As of February 2015, the Department modified the cost of care adjustment form and related policy. The Department provided in-depth training for both staff and providers after policy and the required forms were updated.</p> <p>Most of the sampled forms for Cost of Care Adjustments (COCA) contained justification per Department policy requirements. The Resource Managers who reviewed the services made recommendations and the Resource Administrators, who approved the services, based their decisions on the justifications that were provided on the forms.</p> <p>The Department will continue to monitor COCA for accuracy and compliance with the requirements. The Department will also continue to offer trainings at the regularly scheduled Regional Provider and Resource Managers meetings.</p> <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: Corrective action expected to be complete by January 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	053	<p>Finding: The Department of Social and Health Services did not have adequate internal controls in place and did not comply with the level of effort requirements for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>In April 2015, the Department:</p> <ul style="list-style-type: none"> • Started developing policies and procedures that incorporate internal controls to ensure monitoring and documentation of level of effort requirements are performed. • Began active monitoring of the state-funded spending. Specifically, the Department’s accounting section started producing monthly reports showing the status of the state-funded spending. The Department’s budget section is reviewing the monthly reports in order to monitor the capability of meeting the minimum required amount each year. <p>By January 2017, the Department will:</p> <ul style="list-style-type: none"> • Formalize procedures to monitor and document level of effort for pregnant women, women with dependent children, and tuberculosis services. • Ensure procedures include the frequency for monitoring expenditure levels appropriate to meet level of effort requirements. This will include collaboration with state partners, determining what documentation is necessary, and what actions will be implemented if level of effort is below the required levels. • Develop procedures to track compliance with level of effort on a quarterly basis, or more often if the level of spending seems low. • Communicate to the Department of Health and Human Services Substance Abuse Mental Health Services Administration (SAMHSA) if the appropriated level of funding is insufficient to meet the level of effort requirements or if the state spending levels are trending low. Communication with SAMHSA will be documented. <p>Completion Date: Corrective action expected to be complete by January 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	054	<p>Finding: The Department of Social and Health Services did not have adequate internal controls in place and did not comply with requirements to ensure treatment service providers spending Block Grants for Prevention and Treatment of Substance Abuse funds were peer reviewed.</p> <p>Corrective Action: The Department concurs with this finding.</p> <p>In January 2016, the Department established an internal policy over the peer review process. This policy includes requirements to ensure all disclaimer forms are filled out completely before they are submitted from each peer reviewer and that at least 5 percent of treatment providers receive a peer review annually. The new policy was provided to each peer reviewer during the peer reviewer recruitment phase which began February 2016. The disclaimer forms will be reviewed by staff for completeness and to certify the peer reviewer’s independence.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	055	<p>Finding: The Department of Social and Health Services made improper payments to providers for medical evidence records.</p> <p>Corrective Action: Medical evidence record payments are reimbursed in accordance with an established fee schedule based on the number of medical record pages. Medical Claims Unit (MCU) staff manually count each page to determine the amount of the reimbursement. The issues identified in the finding were due to staff incorrectly counting the number of medical record pages.</p> <p>In November 2015, the Department’s Division of Disability Determination Services (DDDS) leadership:</p> <ul style="list-style-type: none"> • Met with DDDS MCU staff and communicated the appropriate business process for medical evidence record payments. The meeting also covered the use of the Department’s DDDS fee schedule. • Emailed all MCU staff reiterating the appropriate business processes and associated expectations. <p>The Social Security Administration is developing a new Disability Case Processing System (DCPS), which the Department believes will offer increased capacity for accurately counting the number of pages contained in the medical evidence records. The Department plans to implement the new DCPS system as soon as it is available, which will likely be in September 2017.</p> <p>The Department will consult with the U.S. Social Security Administration regarding the resolution of questioned costs.</p> <p>Completion Date: Corrective action is expected to be complete by September 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
1016129	2013-001	<p>Finding: The Department of Social and Health Services' Children's Administration is not following state law, or policies and procedures designed to ensure the safety of children and family members being transported by volunteers.</p> <p>Corrective Action: The Department's Children's Administration is working with the Department's Human Resource Management System team to create department wide policies and procedures, which will include monitoring, maintaining adequate documentation, and meeting record retention requirements.</p> <p>The Department will incorporate running background checks into the volunteer process every three years.</p> <p>Completion Date: Corrective action is expected to be complete by July 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
1016129	2013-002	<p>Finding: The Department of Social and Health Services Children’s Administration lacks internal controls over approval, oversight, payments and supporting documentation for travel payments to volunteers.</p> <p>Corrective Action: The Department’s Children’s Administration is working with the Department’s Human Resource Management System team to create department wide policy and procedures. These policies are expected to be complete by July 2017, and will define:</p> <ul style="list-style-type: none"> • Allowable use of volunteers to transport clients. • Approval and documentation process for volunteer transportation. • Proper instructions on the use of Transportation Request Forms. • Coordination between program authorization and payments for volunteer transportation. • State record retention rules relating to documentation for volunteer transportation. <p>Completion Date: Corrective action is expected to be complete by July 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
1017749	2015-001	<p>Finding: The Department of Social and Health Services did not have internal controls to ensure medical benefit payments for individual providers were accurate and supported.</p> <p>Corrective Action: As of March 2016, the Department implemented a new payment system called Individual Provider One (IPOne). Within IPOne, timesheets are stored electronically and the Department makes medical trust payments based on the number of hours identified on the timesheets.</p> <p>The IPOne system manual contains policies and procedures to address how the Department ensures amounts paid to individual providers are accurate and supported. These policies and procedures were revised in May 2016, after the system went live in March. The Long Term Care Manual also includes these procedures within the section on Quality Assurance and Improvement – Financial Services Monitoring. In addition, the Department’s Home and Community Service’s (HCS) Quality Assurance team completes an annual review of a statistically valid sample of payments to ensure that the system is working correctly and hours are being authorized appropriately.</p> <p>By January 2017, the HCS Quality Assurance team will follow up with the individual providers identified in the audit who did not submit the required timesheets. Verification will be required for all hours paid without timesheets. Overpayments will be issued for hours paid where verification cannot be obtained.</p> <p>By March 2017, a new process will be implemented to ensure the amount paid to the union trust for individual provider medical benefits can be adjusted for overpayments. The IPOne system will include a reversal and replacement section, which will allow overpayments to be entered as negative adjustments to previously submitted worksheets. When the system calculates payments due, the amount will be based on positive and negative entries.</p> <p>Completion Date: Corrective action is expected to be complete by March 2017</p> <p>Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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1017749	2015-002	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls to ensure payroll for nursing staff at Western State Hospital was accurate and supported.</p> <p>By January 2017, the Department’s Western State Hospital administration will develop written policies and procedures for nursing department staff time and attendance. The procedures will include:</p> <ul style="list-style-type: none"> • Processes for reporting and confirming actual hours worked. • Reporting overtime worked on the Time and Attendance Report by staff. • Recording overtime hours on the timesheet by supervisors to confirm actual overtime worked. • Imposing possible corrective actions for noncompliance by staff. • Setting department expectations for unit supervisors to ensure complete and accurate time and attendance records are submitted by staff. • Defining the roles and responsibilities of Ward Program Administrators. These positions have been added to assume the administrative duties from the Register Nurse positions and to ensure internal controls are in place over the payroll process for nursing staff. <p>By January 2017, the Department anticipates implementing a hospital-wide Leave Tracker Attendance System or a similar electronic system. Once implemented, time and attendance records and leave slips will be reconciled to the data in the payroll system.</p> <p>Corrective action is expected to be complete by February 2017</p> <p>Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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1017749	2015-003	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls in place to ensure payments made under the involuntary treatment act were allowable and properly accounted for.</p> <p>The Department has contracted with Behavioral Health Organizations (BHO), formerly known as Regional Support Networks, to provide mental health services to its clients.</p> <p>By January 2017, the Department will create procedures to ensure BHO adhere to contractual reimbursement timelines. In addition, department staff will monitor reimbursement payment status and document communications with BHO. Untimely reimbursements may lead to reduction in future payments or collection actions by the Department’s Office of Financial Recovery.</p> <p>By June 2017, the Department’s Behavioral Health Administration’s (BHA) program and fiscal staff will work with Health Care Authority to clarify and document the list of ancillary costs which should be paid by BHA. The Department will ensure that the ancillary costs are properly coded in ProviderOne for payments. To ensure payments for ancillary services are allowable and properly accounted for, BHA will sample claims on a monthly basis for review.</p> <p>The Department will also establish policies and procedures to ensure adequate controls are place for payments made under Washington’s Involuntary Treatment Act. In addition, changes to the Washington Administrative Code will be initiated if needed.</p> <p>Corrective action is expected to be complete by June 2017</p> <p>Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>

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1017749	2015-004	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services Developmental Disabilities Administration did not have adequate internal controls to ensure residential services and support allowances were allowable and supported.</p> <p>The Developmental Disabilities Administration has revised the residential allowance request form for supported living agencies requesting residential services and support allowance reimbursements. The new form includes instructions to ensure supported living agencies understand the requirements and ensure reimbursements are allowable and supported.</p> <p>The Department will also provide training to supported living agencies service providers regarding the allowability of residential services and support. In addition, the Department will ensure staff responsible for reviewing reimbursement requests follow policies and procedures and receive ongoing training on reviewing residential support allowance reimbursement requests.</p> <p>Corrective action is expected to be complete by December 2016</p> <p>Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 Richard.meyer@dshs.wa.gov</p>