
Health Care Authority (HCA)

Agency: 107

Audit Report: 6660

Finding Number: 001

Finding: The Washington State Health Care Authority did not comply with Basic Health program requirements for recertification of certain enrollees.

Resolution: The Health Care Authority (HCA) agrees that processes dealing with accounts that cannot be matched to Employment Security Department (ESD) records could and should be improved. HCA assigned a team to evaluate solutions to ensure these accounts are recertified every six months.

The team's proposed solution to identify accounts requiring recertification is currently being tested, and testing results should be available in January 2008. The identified accounts will require six month recertification and will go through the normal Basic Health (BH) recertification process. Specifically, BH will send them a recertification packet that must be completed and returned to BH. BH then redetermines eligibility. This process will be repeated every six months for accounts identified as requiring recertification.

HCA will continue to identify these accounts on a quarterly basis (since ESD updates their data on a quarterly basis) and make adjustments as needed.

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Health Care Authority (HCA)

Agency: 107

Audit Report: 6660

Finding Number: 002

Finding: The Washington State Health Care Authority did not comply with state rules and regulations regarding contracts.

Resolution: The Health Care Authority (HCA) concurs with the finding by the auditors and appreciates the insight and input provided into HCA's contracting procedures. Prior to the arrival of the auditors, HCA had identified internal contracting procedures as a key improvement area. HCA has taken several steps to strengthen internal controls for initiating and managing contracts and to improve understanding of and adherence to state contracting rules and regulations. However, HCA acknowledges that continued improvement is needed and is committed to improving internal processes and controls to ensure compliance with state contracting rules and regulations.

Specifically, HCA reorganized in early 2006 combining the Contracts and Financial units to create the Financial and Contract Services section. The contracts staff now report directly to a member of the executive team. HCA is participating in the pilot of the statewide interim Enterprise Contracts Management System. To address the immediate need to maintain contracting expenditures within contract limits, HCA implemented an improved management process which includes regular and proactive notification to contract managers of the total contract amount, expended to date amount, and balance remaining.

HCA determined that additional leadership and management emphasis was needed in order to systemically improve the agency's contracting methodologies, contract execution, and adherence to state contracting rules and regulations. HCA internally reallocated positions and established a contracts manager position to provide better oversight and emphasis on the agency's contracting processes. That position was filled September 2007. The contracts manager is leading an internal team in reworking agency policies and procedures.

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