



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

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June 16, 2015.

TO: David Schumacher, Director
Office of Financial Management

FROM: Dorothy F. Teeter, Director *DF Teeter*

SUBJECT: Update to 2015 Contingency Plan for State Agency Operations

The Health Care Authority (HCA) submitted a plan for essential staffing needs in the event of a government shutdown on March 20, 2015. Since that time, additional research and discussion has occurred, clarifying the legal requirements for operation of the Medicaid and Public Employees Benefits program in case the Legislature does not enact the 2015-17 biennial operating appropriations act. An updated plan is outlined below.

The Medicaid program will continue to operate until the federal funding authority, the Centers for Medicare and Medicaid Services (CMS), approves suspension of the program. Services mandated under Medicaid will continue but administrative activities will be suspended. Suspension of administrative activities could result in a violation of federal Medicaid requirements. The risk of violating federal requirements increases longer the shutdown remains in effect. If a government shutdown lasts longer than one to two weeks, HCA will need to revisit the contingency plan and make modifications.

If a government shutdown was brief, specific staffing needs are as follows:

- Staffing necessary to support the operation of the Provider One system (Washington's Medicaid Management Information System) to avoid a shutdown of the system and the related cost to restart the system once the budget passes. (Total FTEs = 13.)
- Staffing necessary to avoid an interruption in determining Medicaid eligibility will be retained. At HCA this staffing supports Medicare beneficiaries also enrolled in the Medicaid program and enrollees whose eligibility must be confirmed to receive emergency services. (Total FTEs = 2.)
- Staffing to maintain building operations during the shutdown. (Total FTEs = 1.)

Under this plan, many administrative activities would not continue, creating serious service degradation and payment delays to providers and plans. For example:

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- Customer call services and provider assistance would not occur.
- Adjudicative proceedings would not occur.
- Payments to providers, plans, the Health Benefits Exchange, and vendors would be delayed.
- Prior authorization of services for fee-for-service enrollees would not be enforced; services could be performed without authorization in an emergency.
- Interaction with federal and state authorities would not occur unless necessary to maintain federal funding.

The PEB program will continue to provide services because funds for this program are primarily non-appropriated. However, the administrative portion of PEB is from appropriated funds, requiring that all administrative activities cease until the operating budget is enacted. Similar to Medicaid, activities supporting customers, authorizing entities, providers and plans would not occur during a government shutdown and this would require evaluation if the shutdown lasted more than a week or two.

Should you have questions or seek further clarification regarding the information provided, please feel free to contact me directly by telephone at 360-725-1040 or via email at dorothy.teeter@hca.wa.gov or Chief Operations Officer Susan Lucas at by telephone at 360-725-1703 or via email at susan.lucas@hca.wa.gov. Thank you.