

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
2016 F	028	<p>Finding: The Health Care Authority did not perform semi-annual data sharing with health insurers as required by state law.</p> <p>Corrective Action: RCW 74.09A.020 requires the Authority to provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information, and requires health insurers to use this information to identify joint beneficiaries. The Authority meets the intent of the law by performing data matching with insurance carriers in the state of Washington on a regular basis. Data exchanges occur in real time using information and electronic data available to the state Medicaid program.</p> <p>In addition, the Authority implemented the national Payor Initiated Eligibility/Benefit (PIE) transaction standard in July 2013, which meets the intent of RCW 74.09A.005 by instituting “a transfer of information between the authority and health insurers.”</p> <p>The Authority is continuing to refine the logic for loading PIE data from insurance carriers into the Medicaid Management Information System (MMIS). Some changes were made to the transaction logic in August 2016 and the Authority is continuing to work through the logic to ensure accurate automated loading of the files to the MMIS. The Authority will complete those refinements and will continue to work with carriers currently engaged in PIE transaction submissions. The Authority has continued to encourage health insurers to develop systems capable of participating in the PIE data exchange.</p> <p>As of August 2017, the Authority has submitted proposed legislation to align state law with current practice.</p> <p>The conditions noted in this finding were previously reported in finding 2015-030, 2014-034, 2013-020, 12-49, 11-38, 10-40, 09-19, and 08-25.</p> <p>Completion Date: August 2017, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith          Audit &amp; Accountability Manager          PO Box 45502          Olympia, WA 98504-5502          (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
2016 F	030	<p>Finding: The Health Care Authority made improper Medicaid payments to Federally Qualified Health Centers and Rural Health Clinics.</p> <p>Corrective Action: By December 2017, the Authority will recoup the overpayments made to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics.</p> <p>The Authority will consult with the U.S. Department of Health and Human Services regarding resolution of the questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2015-033. The prior finding numbers for FQHCs alone are 2014-036, 2013-026, and 12-45.</p> <p>Completion Date: Corrective action is expected to be complete by December 2017</p> <p>Agency Contact: Kathy E. Smith          Audit &amp; Accountability Manager          PO Box 45502          Olympia, WA 98504-5502          (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
2016 F	031	Finding:  Corrective Action:  Completion Date:  Agency Contact:	The Health Care Authority did not repay the federal government for improper payments made to Medicaid Managed Care Organizations.  As noted by the auditors, the Authority identified the duplicate premium payments reported in this finding. The Authority has recouped the duplicate payments.  September 2017, subject to audit follow-up  Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
2016 F	032	<p>Finding: The Health Care Authority did not establish adequate internal controls and did not comply with requirements to ensure it sought reimbursement for all eligible Medicaid outpatient prescription drug rebate claims.</p> <p>Corrective Action: In response to the audit finding, the Authority has implemented the following corrective actions:</p> <ul style="list-style-type: none"> <li>• As of September 2016, identified and corrected the system issue concerning the Medicaid eligibility code.</li> <li>• As of February 2017, corrected the system issue concerning the managed care plan coding errors.</li> </ul> <p>The Authority has also strengthened its review process by:</p> <ul style="list-style-type: none"> <li>• Preparing a checklist of steps for staff to consider when a new code is added to the ProviderOne System.</li> <li>• Implementing quarterly monitoring reports designed to validate the completeness and accuracy of each invoicing cycle.</li> </ul> <p>On May 31, 2017, the Authority invoiced the unclaimed rebates identified by the auditors.</p> <p>The Authority and U.S. Department of Health and Human Services have discussed the resolution of questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2015-034 and 2014-031.</p> <p>Completion Date: May 2017, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith          Audit &amp; Accountability Manager          PO Box 45502          Olympia, WA 98504-5502          (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
2016 F	033	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over its Medicaid inpatient hospital rate setting process and made overpayments to inpatient hospitals.</p> <p>The Authority has implemented additional internal controls to prevent errors from occurring in the hospital rate setting process, which include:</p> <ul style="list-style-type: none"> <li>• Adding calendar reminders for significant action items in the process.</li> <li>• Notifying providers in a timely manner when errors are identified.</li> <li>• Conducting a final review of rates after they are entered into ProviderOne.</li> </ul> <p>By February 2018, the Authority will amend WAC 182-550-3830 to eliminate the contradiction between it and WAC 182-550-3800.</p> <p>The Authority will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs</p> <p>Corrective action is expected to be complete by February 2018</p> <p>Kathy E. Smith          Audit &amp; Accountability Manager          PO Box 45502          Olympia, WA 98504-5502          (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
2016 F	034	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure Children’s Health Insurance Program funds were claimed for eligible Medicaid expenditures.</p> <p>As of July 2017, the Authority updated eligibility status during the post eligibility review process. For cases that were determined to have been placed in an incorrect eligibility category by self-attestation, their status was updated to reflect the most appropriate eligibility category.</p> <p>The Authority will refund the questioned costs following the process established by the U.S. Department of Health and Human Services.</p> <p>Corrective action is expected to be complete by December 2017</p> <p>Kathy E. Smith          Audit &amp; Accountability Manager          PO Box 45502          Olympia, WA 98504-5502          (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority**

**Agency 107**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>
2016 F	035	<p>Finding: The Health Care Authority did not notify Medicaid providers of revalidation requirements as required by the Center for Medicare and Medicaid Services.</p> <p>Corrective Action: By December 2017, the Authority will:</p> <ul style="list-style-type: none"> <li>• Notify providers of the revalidation requirement.</li> <li>• Complete revalidations of all providers who enrolled with Medicaid prior to December 2012.</li> </ul> <p>To meet federal compliance, the Authority will continue to revalidate providers every five years from their date of enrollment or date of last revalidation.</p> <p>Completion Date: Corrective action is expected to be complete by December 2017</p> <p>Agency Contact: Kathy E. Smith            Audit &amp; Accountability Manager            PO Box 45502            Olympia, WA 98504-5502            (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p>