

State of Washington
 Status of Audit Resolution
 December 2016

State Health Care Authority

Agency 107

Audit Report	Finding Number	Finding and Corrective Action Plan	
2015 F	030	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not perform semi-annual data sharing with health insurers as required by state law.</p> <p>State law 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 does not have legal authority to compel insurers to comply with this law.</p> <p>The Authority meets the intent of the law by performing data matching with insurance carriers in the State of Washington on a regular basis, and by contracting with a vendor to supplement the Authority’s data matching capabilities.</p> <p>To resolve system capacity issues, the Authority implemented changes to ProviderOne to enhance the accuracy and efficiency of the Payer Initiated Eligibility/Benefit Transaction format for data exchange. The Authority will continue to encourage health insurers to develop systems capable of participating in a data exchange.</p> <p>The Authority met with the Office of Financial Management in June 2016 to consider options for working with the Legislature to align state law to the current practice. Legislative changes may take several years to complete.</p> <p>Corrective action is expected to be complete by June 2018</p> <p>Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	031	<p>Finding: The Health Care Authority did not collect application fees from prospective or re-enrolling Medicaid providers, resulting in non-compliance with Affordable Care Act provisions.</p> <p>Corrective Action: The Authority implemented a process for collecting provider application fees for institutional providers that are newly enrolled or re-enrolling Medicaid providers.</p> <p>Completion Date: June 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	032	<p>Finding: The Health Care Authority did not have adequate controls over its Medicaid service verification process.</p> <p>Corrective Action: The Authority has resumed sending verifications to clients whose written language is other than English. The Authority now uses professional translation services to follow up on negative survey responses.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	033	<p>Finding: The Health Care Authority made improper Medicaid payments to Federally Qualified Health Centers and Rural Health Clinics.</p> <p>Corrective Action: As noted by the auditors, in response to prior audit findings, the Authority has implemented new system edits, which will eliminate duplicate payments and will identify improper billings. However, these edits were not fully implemented during this audit period.</p> <p>The Authority has recouped the unallowable Federally Qualified Health Center and Rural Health Clinic payments identified by the auditor.</p> <p>The Authority consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: June 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	034	<p>Finding: The Health Care Authority did not have adequate internal controls to ensure it sought reimbursement for all eligible Medicaid outpatient drug rebate claims.</p> <p>Corrective Action: The Authority has resubmitted the missed fiscal year 2015 claims.</p> <p>In December 2015, the Authority developed and implemented a system reconfiguration that reversed the Family Planning provider claims exclusion identified in the previous and current audits.</p> <p>The eight pharmacy claims described in the audit were identified by the Authority during routine monitoring and review. The Authority has since invoiced drug manufacturers for reimbursements.</p> <p>The Authority consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: May 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	035	<p>Finding: The Health Care Authority improperly claimed federal reimbursement for payments made on behalf of deceased Medicaid clients.</p> <p>Corrective Action: The majority of the questioned costs identified by the auditors are routine monthly premiums paid in advance to the managed care organizations the clients were enrolled in. Once a client's death is verified, the Authority recoups the premiums through the normal recoupment process.</p> <p>The auditors conducted this test by comparing June 30, 2015, client data to the October 2015 Social Security Administration Death Master File. The timing difference resulted in a list of exceptions which included clients who died before June 30, but whose deaths were not recorded in the Social Security Administration Death Master File until after June 30. The auditors cannot determine which of the 835 client deaths were recorded before June 30 and which ones were recorded after June 30.</p> <p>The auditors are holding the Authority responsible for identifying and collecting, before June 30, all payments made on behalf of these clients, including those whose deaths were recorded after June 30.</p> <p>When provided the list of 835 clients, the Authority was able to quickly demonstrate that \$259,865 had already been recouped through the normal process from 549 clients. The auditors acknowledged this in the finding, but continued to question the costs.</p> <p>The Authority concurred that costs had not yet been recouped for the remaining 286 clients when the audit concluded. Those costs have now been recouped. The Authority will discuss repayment of these costs with the U.S. Department of Health and Human Services.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	036	<p>Finding: The Health Care Authority made improper Medicaid payments for clients whose Social Security numbers and citizenship status were not verified and for unallowable non-emergency services.</p> <p>Corrective Action: As the auditor noted, the Authority has continuously made improvements in its training and monitoring and has maintained adequate social security number and citizenship verification procedures. However, it is not possible to prevent or detect all unallowable payments.</p> <p>The Authority has terminated eligibility for the identified clients whose citizenship or social security numbers could not be verified.</p> <p>The Authority also consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	037	<p>Finding: The Health Care Authority overpaid Medicaid providers for dental services.</p> <p>Corrective Action: The Authority has recouped the unallowable claims paid to dental providers. The Authority has consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: June 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	038	<p>Finding: The Health Care Authority made improper Medicaid inpatient high outlier payments to hospitals.</p> <p>Corrective Action: As acknowledged by the auditors, the Authority corrected the Washington Administrative Codes (WAC) concerning the calculations of hospital high outlier payments. Relevant changes in the ProviderOne system logic were also made in July 2014.</p> <p>In the fiscal year 2016 audit, the auditors tested claims with admission dates after July 1, 2014, and confirmed that those claims were paid correctly. The exceptions included in this finding have admission dates prior to July 1, 2014, before the WAC and ProviderOne system changes, which cannot be applied retroactively.</p> <p>The Authority has consulted with the U.S. Department of Health and Human Services to discuss repayment of questioned costs.</p> <p>Completion Date: July 2014, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

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2015 F	039	<p>Finding: The Health Care Authority did not have adequate internal controls to ensure Children’s Health Insurance Program federal funds were properly claimed as eligible Medicaid expenditures.</p> <p>Corrective Action: The work performed by the auditors highlighted a process issue that caused eligibility determination errors to occur during the conversion to the Affordable Care Act. The Authority amended the eligibility determination process within the eligibility system to prevent those errors from recurring.</p> <p>The Authority has consulted with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: September 2016, subject to audit follow-up</p> <p>Agency Contact: Kathy E. Smith Audit & Accountability Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>