

Status of Audit Resolution

December 2015

State Health Care Authority (HCA)

Agency: 107

Audit Report: 2014 F

Finding Number: 029

Finding: The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.

Resolution: As of February 2014, the Authority followed up on all 183 clients identified in the finding and either closed their coverage or updated the case with the correct Social Security number. In addition, staff began following the Authority's verification process that aligns with Center for Medicare and Medicaid Services guidance to ensure follow-up is performed on missing or unmatched Social Security numbers.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: March 2015, subject to audit follow-up

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State Health Care Authority (HCA)

Agency: 107

Audit Report: 2014 F

Finding Number: 030

Finding: The Health Care Authority improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.

Resolution: As of February 2015, the Authority reviewed all payments identified by the auditor as paid on behalf of deceased persons, and is proceeding with recoupment of those claims.

The Authority will continue regular matches to the Department of Health death data and will continue to refine the processes to capture this information for timely recoveries.

The Authority reviewed and corrected the services improperly rendered for non-qualified aliens as identified by the auditor. As of February 2015, the Authority refined processes to avoid these improper approvals, and implemented processes to review alien emergency medical claims timely and correct all cases of inappropriate payment.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: March 2015, subject to audit follow-up

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State Health Care Authority (HCA)

Agency: 107

Audit Report: 2014 F

Finding Number: 031

Finding: The Health Care Authority did not seek reimbursement for all eligible Medicaid outpatient drug rebate claims.

Resolution: Staff have identified the steps necessary to include Medicare crossover claims which are eligible for Medicaid drug rebate invoicing. Testing of the new invoicing process began in March 2015, with a target implementation date of March 2016.

Currently, family planning providers' claims for certain family planning drugs are excluded from drug rebates due to past system limitations. The Authority is developing an action plan to reverse the exclusion and notify impacted providers. The first phase of the reconfiguration was implemented in May 2015, with final completion by December 2015.

The exception noted related to other eligible professional and outpatient claims that were excluded was corrected by changing the timing of certain vendor claim payment interfaces.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: Corrective action is expected to be complete by March 2016.

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State Health Care Authority (HCA)

Agency: 107

Audit Report: 2014 F

Finding Number: 032

Finding: The Health Care Authority made improper Medicaid inpatient high outlier payments to hospitals.

Resolution: The Authority changed WAC 182-550-3700 (1) (b) and the payment system to align with the auditor's calculation methodology. Changes were effective July 1, 2014.

The Authority corrected the four high outlier payments identified by the auditor that were paid with an incorrect diagnosis-related group conversion factor. This correction was completed by May 1, 2015.

The Authority reallocated the inpatient program workload in order to allow additional capacity for monitoring system and rate changes. All changes are now reviewed by Authority staff for accuracy.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: May 2015, subject to audit follow-up

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Audit Report: 2014 F

Finding Number: 033

Finding: The Health Care Authority made overpayments to providers for Medicaid dental services.

Resolution: As of May 2014, the Authority revised WAC 182-535-1082 to clarify when fluoride treatments are covered, and revised WAC 182-535-1080 to clarify when comprehensive and periodic oral evaluations are covered. The WACs are now consistent with the Medicaid State Plan and the Medicaid Provider Guide.

The Authority updated the automated controls in the ProviderOne payment system to incorporate edits needed to ensure payments are consistent with state rules and the Medicaid State Plan. These system edits will prevent payments when the allowable number of comprehensive or periodic oral evaluations has been exceeded.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: February 2015, subject to audit follow-up

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State Health Care Authority (HCA)

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Audit Report: 2014 F

Finding Number: 034

Finding: State law requiring Medicaid data exchanges with health insurers is not being followed.

Resolution: Since February 2011, the Authority has been contracting with Health Management System Inc. (HMS) to provide supplemental identification of third party liability (TPL) insurers not previously identified. HMS leverages their expansive carrier network to match Medicaid data with third party coverage; their National Eligibility Database contains over one billion health insurance coverage records, including more than 5.4 million, or 89 percent, of Washington residents. The contract with HMS supplements the Authority's data matching capabilities and further ensures compliance with applicable state law.

The Authority implemented the Payer Initiate Eligibility/Benefit Transaction data-sharing format in July 2013, and is actively working with three major insurers in Washington to participate in electronic sharing of TPL data.

The Authority will contact the Office of Insurance Commissioner and the Office of Financial Management to discuss options for enhancing direct insurer participation.

Completion Date: October 2015, subject to audit follow-up

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State Health Care Authority (HCA)

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Audit Report: 2014 F

Finding Number: 035

Finding: The Health Care Authority did not properly calculate a Medicaid Electronic Health Record incentive payment.

Resolution: Hospital payouts occur over a four-year period. When this issue was identified by the auditors, the hospital identified in the finding had not yet received its final payment. The calculation was revised and the correct payment to the hospital was made in February 2015, when the final payment of the four-year period was due.

Completion Date: February 2015, subject to audit follow-up

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State Health Care Authority (HCA)

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Audit Report: 2014 F

Finding Number: 036

Finding: The Health Care Authority made improper payments to Medicaid Federally Qualified Health Center providers.

Resolution: As of October 2015, the Authority's Office of Medicaid Systems and Data implemented system updates that will help prevent overpayments. The system edits will eliminate duplicate payments for fee-for-service claims in addition to encounter payments, and paying for ineligible encounter claims.

The third exception noted in the finding, paying for more than one encounter payment for the same client, was an isolated issue not related to a system-wide defect. The Authority corrected this issue, and as of February 2015, collected the associated overpayment of \$4,188.07.

The Authority initiated action through the Office of Payment Integrity to recoup the remaining payments made in error discovered in this audit.

The Authority is working with the U.S. Department of Health and Human Services to determine if questioned costs should be repaid.

Completion Date: October 2015, subject to audit follow-up

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Audit Report: 2014 F

Finding Number: 037

Finding: The Health Care Authority improperly claimed Children's Health Insurance Program federal funds for eligible Medicaid expenditures.

Resolution: With the implementation of the Affordable Care Act (ACA) in October 2014, Children's Health Insurance Program eligibility is now determined in accordance with ACA rules. The Authority has a new eligibility service which corrected the issue identified in the finding by no longer rounding down income determinations.

The Authority returned the \$6,428 in overdrawn funds noted in the finding to the federal government.

The Authority is working with the U.S. Department of Health and Human Services to determine if the remainder of the questioned costs should be repaid.

Completion Date: March 2015, subject to audit follow-up

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Audit Report: 2014 F

Finding Number: 038

Finding: The Health Care Authority did not have adequate controls in place to ensure all Medicaid critical access hospitals were paid accurately.

Resolution: In May 2014, the Authority hired an employee to work on final settlements. All 98 settlements identified in this audit were completed before December 31, 2014. In addition, 23 hospitals not identified in this audit had final settlements completed by December 31, 2014.

The Authority also took the following actions to strengthen internal controls to ensure all Critical Access Hospitals' (CAH) costs are settled timely:

- CAH program staff now review the federal Hospital Cost Report Information System for finalized cost reports on a monthly basis and initiate the reports for final settlement.
- The CAH settlement process was revamped to ensure efficient and accurate final settlements.

Completion Date: December 2014, subject to audit follow-up

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Audit Report: 2014 F

Finding Number: 039

Finding: The Health Care Authority did not have adequate controls in place to investigate Medicaid services verification surveys returned in a foreign language.

Resolution: The Authority acknowledges the lack of oversight related to following up on returned medical surveys written in a foreign language, and arranged to use professional translation services to follow up on negative survey responses written in a foreign language.

Completion Date: February 2015, subject to audit follow-up

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