

# OFFICIAL RESPONSE TO PERFORMANCE AUDIT ON EXAMINING WASHINGTON'S CONCURRENT MEDICAID ENROLLMENTS – OCTOBER 22, 2024

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The Department of Social and Health Services (DSHS), Health Care Authority (HCA), and Office of Financial Management (OFM) provide this management response to the State Auditor's Office (SAO) performance audit report received on September 23, 2024.

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## SAO PERFORMANCE AUDIT OBJECTIVES

The SAO's performance audit addressed two questions:

1. To what extent did Washington pay premiums to managed care organizations for enrollees concurrently enrolled in another state Medicaid program?
  2. What additional steps could HCA and DSHS take to ensure managed care organizations are not paid for enrollees who no longer live in Washington?
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## Recommendations 1-2 to HCA and DSHS in brief:

**SAO Recommendation 1:** To address the lack of notifications for some clients who have likely become residents of other states, we recommend they:

1. Continue collaboration between HCA and DSHS to streamline processes, and work together to ensure that DSHS notifies HCA when clients enrolled in SNAP or other programs, who are also enrolled in income-based (MAGI) Medicaid, move out of state.

**STATE RESPONSE:** HCA and DSHS concur with the recommendation.

## Action Steps and Time Frame

- HCA will work with DSHS on a process improvement project and determine if there are any actions they can take that will improve communications between the agencies. *By December 31, 2025.*
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**SAO Recommendation 2:** To address the uncertainty concerning how to handle SSI enrollees who have established residency in another state, we recommend they:

2. Request needed clarity from the Social Security Administration and the Centers for Medicare and Medicaid Services about when and how state Medicaid agencies can determine SSI clients are no longer eligible for the state's Medicaid program due to out of state residency.
  - a. Once that guidance has been clarified, update and provide consistent procedures to all caseworkers.

**STATE RESPONSE:** HCA and DSHS concur with the recommendation.

## Action Steps and Time Frame

- HCA will contact the Centers for Medicare and Medicaid Services and the Social Security Administration for official guidance. *By March 31, 2025.*
- HCA will provide DSHS official guidance regarding how to process eligibility for SSI recipients determined to be out of state. *By June 30, 2025.*

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**Recommendations 3-4 to HCA in brief:**

**SAO Recommendation 3:** To recover premiums unnecessarily paid to Managed Care Organizations, we recommend it:

3. Amend HCA’s contracts and processes with the MCOs to allow the state to recover premiums for concurrent enrollees later determined to be resident in another state.

**STATE RESPONSE:** HCA partially concurs with the recommendation.

**Action Steps and Time Frame**

- HCA will meet with the contracted actuary and MCOs to determine whether amending the contract to recover premiums for concurrent enrollees is in the best interest of the Medicaid program. *By March 30, 2025.*
- If applicable, HCA will submit amendments to the contracts. *By January 1, 2026.*

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**SAO Recommendation 4:** To address the need for additional ways to identify concurrent enrollments, we recommend it:

4. Amend HCA’s contracts and processes to require MCOs to identify instances when that MCO’s enrollment records show the same person is enrolled in more than one state’s Medicaid program, and then to inform these states that someone is concurrently enrolled in their Medicaid programs.

**STATE RESPONSE:** HCA concurs with the recommendation.

**Action Steps and Time Frame**

- HCA will evaluate the impact of the reporting and submit a contract amendment to require MCOs to identify instances when enrollment records show the same person is enrolled in more than one state’s Medicaid program. *By July 31, 2025.*