

Cabinet and Governor Appointed Agencies' Performance Audit Action Item(s) & Status

Aligning Healthcare Professional Fees with Licensing Costs

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), November, 2018)

The Department of Health was included in this performance audit.

SAO Recommendations summary (Rec):

To address the issues with professions' fees being significantly higher or lower than needed to cover costs and provide reasonable reserves as described, we recommend DOH:

1. Review and adjust fees for each profession with sufficient frequency to ensure they fully cover costs that provide sufficient but not excessive reserves, and that they do so for that profession only.
2. Publish the financial status of every profession.
3. Establish a consistent fee-setting process that fully conforms to statutory requirements and incorporates leading practices.

To address issues with costs being charged to professions that do not benefit them, we recommend the Department of Health:

4. Require by policy that licensing programs not be charged for costs that do not benefit them. The policy should also require the Department to work with profession boards, commissions and program managers in making these determinations.
5. Fund any charges found not to benefit the professions' licensing functions using revenue from allowable sources, to ensure compliance with state law that licensing fees pay only to support the licensing programs.
6. Develop and implement a plan to decrease the surplus for the University of Washington's medical library, known as HealWA. After decreasing the surplus, ensure the fee reflects current contract costs.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the [cabinet agency response](#) for additional context and any additional steps already taken.

For an explanation of the columns below, [see the legend](#).

Issue/Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
Rec. 1-3	Complete	Develop a schedule to ensure every profession's fees are reviewed at regular intervals	DOH	7/19	Yes	No	No	A new annual review process has been established and currently being implemented.
Rec. 1-3	Complete	Include the defined scheduled review of fees in agency policies	DOH	7/19	Yes	No	No	HSQA Cost Recovery policy creates the requirement to annually review each fee based program. The policy and procedures have been reviewed and approved.
Rec. 4-6	Complete	Coordinate with the University of Washington to	DOH	2/19	Yes	No	No	Initial meeting was held with UW to communicate budget and contract

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		identify specific funding needs for the Heal-WA program						development process. UW has since submitted their budget request.
Rec. 4-6	Complete	Develop a plan to address the fee reserves in the Heal-WA account if additional needs are not identified	DOH	2/19	Yes	No	No	Coordination efforts have already been made to better understand UW's budget needs. They have submitted a revised budget that will decrease the surplus for the University of Washington's medical library.
Rec. 4-6	In-Progress	If additional needs are identified, DOH will coordinate with University of Washington to submit a decision package for the 2020 legislative session	DOH	9/19	Yes	Yes	Yes	A decision package is being developed in coordination with UW to spend additional funds for increased costs.