

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

Reducing Costs through Faster Medicaid Income Verifications

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), October, 2017)

The Health Care Authority (HCA) and Office of Financial Management (OFM) were included for this performance audit.

SAO Conclusion:

SAO Issues Summary:

1. Hiring more verification staff would help HCA eliminate its backlog more quickly and achieve net state savings that likely total about \$13 million for the two years ending June 2020.
2. Formalizing expectations for processing times would help HCA better manage verification staff's performance.
3. Prioritizing income verifications on programs with the highest cost to the state could result in further savings.

SAO Recommendations (Rec) Summary:

1. Add verification staff. This will require HCA to work with the Legislature to obtain the necessary funding for hiring people and leasing additional office space.
2. Work with the union representing verification workers to establish written performance benchmarks, which would improve management of verification staffing levels and individual staff performance.
3. Work with Centers for Medicare & Medicaid Services (CMS) to identify ways to prioritize verifications on clients in programs with larger state-funded premiums while working through the backlog.
4. Provide HCA with funding in fiscal year 2019 to increase the size of agency verification staff.

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	Completed	Using unexpected savings generated from staff taking leave without pay, HCA hired several non-permanent staff to focus solely on income verifications. We anticipate these staff continuing until June, 30, 2018	HCA	9/17	300 hours of monthly overtime	Using savings from LWOP	no	Use of non-perm staff ended 6/30/18. MEDS continues to use divisional savings from leave without pay hours to fund 300 hours of overtime each month. The MEDS overtime hours will continue through 8/31/18.

Issue/ Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources ?	Budget Impact?	Legislation Required?	Notes
Rec 1	Completed	HCA will submit a 2018 supplemental budget request for additional staff to complete income verifications.	HCA	10/17	15 additional staff	Funded provided in budget for FY18/19	No	In the 2018/2019 budget, MEDS allocated additional staff to work on the backlog. On 6/2018, 15 staff were hired. Staff allocation will decrease to 8 for FY19.
Rec 2	Completed	Continue to monitor work performance to ensure quality and quantity. Develop performance expectations for staff	HCA	11/18	n/a	n/a	no	Performance expectations were put in place in 2017
Rec 3	No longer applicable	Conduct an analysis of General Fund dollars expended per coverage group to identify possible savings.	HCA	6/18	n/a	n/a	no	The backlog was reduced by approximately 97% as a result of the additional non-permanent staff and targeted process improvement efforts. On June 30, 2019, we reduced the non-permanent staff from 15 FTE's down to 7 FTE's, and we will maintain these 7 non-permanent positions, which will be through 6/30/20. This will allow us to eliminate the backlog completely. With this progress, it is no longer necessary to consult with CMS regarding prioritization of backlog cases.
Rec 3	No longer applicable	Develop prioritization proposal	HCA	8/18				The backlog was reduced by approximately 97% as a result of the additional non-permanent staff and targeted process improvement efforts. On June 30, 2019, we reduced the non-permanent staff from 15 FTE's down to 7 FTE's, and we will maintain these 7 non-permanent positions, which will be through 6/30/20. This will allow us to eliminate the backlog completely. With this progress, it is no longer necessary to consult with CMS regarding prioritization of backlog cases.

Issue/ Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources ?	Budget Impact?	Legislation Required?	Notes
Rec 3	No longer applicable	Present proposal to CMS.	HCA	9/18				The backlog was reduced by approximately 97% as a result of the additional non-permanent staff and targeted process improvement efforts. On June 30, 2019, we reduced the non-permanent staff from 15 FTE's down to 7 FTE's, and we will maintain these 7 non-permanent positions, which will be through 6/30/20. This will allow us to eliminate the backlog completely. With this progress, it is no longer necessary to consult with CMS regarding prioritization of backlog cases.
Rec 4		Not Applicable	HCA					