



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

**SEP 23 2011**

Douglas Porter, Director  
Health Care Authority  
Post Office Box 45502  
Olympia, Washington 98504-5502

**RE: Washington State Plan Amendment (SPA) Transmittal Number 11-017**

Dear Mr. Porter:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number 11-017. This amendment designates the Washington State Health Care Authority as the single State agency for the Medicaid program under title XIX of the Social Security Act.

This amendment also revised Attachment 4.22-A Requirements for Third Party Liability – Identifying Liable Resources and 4.22-B. Requirement for Third Party Liability – Payment for Claims to reflect the State's current third party liability process.

This SPA is approved effective July 1, 2011.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Treva Wornath at (206) 615-2357 or [Treva.Wornath@cms.hhs.gov](mailto:Treva.Wornath@cms.hhs.gov).

Sincerely,

Carol J.C. Peverly  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**11-17**

2. STATE  
Washington

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2011

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN
- AMENDMENT TO BE CONSIDERED AS NEW PLAN
- AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

- a. FFY 2011 \$0
- b. FFY 2012 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Numbered Pgs. 1, 2, 5,7,57,70, 84,89 Att. 1.1-A  
 Att. 1.2-A pgs. 1 - 10 Att. 1.2-B pgs. 1 - 1012 (P&I)  
 Att. 1.2-C pgs. 1 - 9 Att. 1.2-D pg. 1  
 Att. 4.16-A Att. 4.22-A pgs. 2, 3  
 Att. 4.22-B pg. 1 Att. 4.22-C pg. 1  
 Att. 4.23 (new)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Numbered Pgs. 1, 2, 5,7,57,70, 84,89 Att. 1.1-A  
 Att. 1.2-A pgs. 1 - 10 remove pg 11 Att. 1.2-B pgs. 1 - 8  
 Att. 1.2-C pgs. 1 - 9 remove pg 10 Att. 1.2-D pg. 1  
 Att. 4.16-A Att. 4.22-A pgs. 2, 3  
 Att. 4.22-B pg. 1 Att. 4.22-C pg. 1

10. SUBJECT OF AMENDMENT:

Agency Organization

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL.
- OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

13. TYPED NAME:

Susan N. Dreyfus

14. TITLE:

Secretary

15. DATE SUBMITTED:

June 28, 2011

16. RETURN TO:

Ann Myers  
 Department of Social and Health Services  
 Medicaid Purchasing Administration  
 626 8<sup>th</sup> Ave SE MS: 45504  
 POB 5504  
 Olympia, WA 98504-5504

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: June 28, 2011

18. DATE APPROVED: SEP 23 2011

PLAN APPROVED ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]

21. TYPED NAME:

Carol J.C. Peverly

22. TITLE:

Associate Regional Administrator  
 Division of Medicaid &  
 Children's Health

23. REMARKS:

8/11/11 - Pen & Ink changes authorized by the State

REVISION: HCFA-PM-91-4  
AUGUST 1991

(BPD)

1

OMB No. 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

Citation

42 CFR  
430.10

(Omitted  
45 CFR  
Part 201,  
AT-70-141)

As a condition for receipt of Federal funds under  
title XIX of the Social Security Act, the

Washington State Health Care Authority  
(also known as the Health Care Authority)  
(Single State Agency)

submits the following State plan for the medical  
assistance program, and hereby agrees to administer  
the program in accordance with the provisions of this  
State plan, the requirements of titles XI and XIX of  
the Act, and all applicable Federal regulations and  
other official issuances of the Department.

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

SECTION 1 SINGLE STATE AGENCY ORGANIZATION

Citation

1.1

Designation and Authority

42 CFR 431.10  
AT-79-29

- (a) The Washington State Health Care Authority (also known as the Health Care Authority) is the single State agency designated to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act. (All references in this plan to "the Medicaid agency" mean the agency named in this paragraph.)

ATTACHMENT 1.1-A is a certification signed by the State Attorney General identifying the single State agency and citing the legal authority under which it administers or supervises administration of the program.

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

<u>Citation</u>	1.1	<u>Designation and Authority</u> (cont.)
42 CFR 431.10 AT-79-29	(d)	<p style="margin-left: 2em;">/ / The agency named in paragraph 1.1 (a) has responsibility for all determination of eligibility for Medicaid under this plan.</p> <p style="margin-left: 2em;">/X/ Determinations of eligibility for Medicaid under this plan are made by the agency(ies) specified in ATTACHMENT 1.2-A. there is a written agreement between the agency named in paragraph 1.1 (A) and other agency(ies) making such determinations for specific groups covered under this plan. The agreement defines the relationships and respective responsibilities of the agencies.</p>

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

<u>Citation</u>	1.2	<u>Organization for Administration</u>
42 CFR 431.11 AT-79-29		<p>(a) ATTACHMENT 1.2-A contains a description of the organization and functions of the Medicaid agency and an organization chart of the agency.</p> <p>(b) Within the State agency, the <u>Health Care Authority</u> has been designated as the medical assistance unit. ATTACHMENT 1.2-B contains a description of the organization and functions of the medical assistance unit and an organization chart of the unit.</p> <p>(c) ATTACHMENT 1.2-C contains a description of the kinds and numbers of professional medical personnel and supporting staff used in the administration of the plan and their responsibilities.</p> <p>(d) Eligibility determinations are made by State or local staff of an agency other than the agency named in paragraph 1.1 (a). ATTACHMENT 1.2-D contains a description of the staff designated to make such determinations and the functions they will perform.</p> <p>/ / Not applicable. Only staff of the agency named in paragraph 1.1 (a) make such determinations.</p>

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

<u>Citation</u>	4.19 <u>Payment for Services</u>
	<p>Effective July 1, 2011, all references to the Department of Social and Health Services (DSHS or the Department) as the Medicaid State Agency in Attachment 4.19-A Part 1; Supplement 3 to Attachment 4.19-A Part 1; And Attachment 4.19-D Part 1 now refer to the Washington State Health Care Authority, also known as the Health Care Authority or the Agency.</p>
42 CFR 447.252 1902(a)(13) and 1923 of the Act	<p>(a) The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart C, and sections 1902(a)(13) and 1923 of the Act with respect to payment for inpatient hospital services.</p>
1902(e)(7) of the Act	<p>ATTACHMENT 4.19-A describes the methods and standards used to determine rates for payment for inpatient hospital services.</p>
	<p>/X/ Inappropriate level of care days are covered and are paid under the State plan at lower rates than other inpatient hospital services, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G) of the Act.</p>
	<p>/ / Inappropriate level of care days are not covered.</p>

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

Citation

4.22 Third Party Liability (cont.)

42 CFR 433.151 (a)

(f) The Medicaid agency has written cooperative agreements for the enforcement of rights to and collection of third party benefits assigned to the State as a condition of eligibility for medical assistance with the following: (Check as appropriate.)

// State title IV-D agency. The requirements of 42 CFR 433.152 (b) are met.

/X/ Other appropriate State agency(s)—

42 CFR 433.140 and 433.154

Department of Social and Health Services' Office of Financial Recovery.

// Other appropriate agency(s) of another State--  
\_\_\_\_\_  
\_\_\_\_\_

// Courts and law enforcement officials.

1902 (a) (60) of the Act

(g) The Medicaid agency assures that the State has in effect the laws relating to medical child support under section 1908 of the Act.

1906 of the Act

(h) The Medicaid agency specifies the guidelines used in determining the cost effectiveness of an employer-based group health plan by selecting one of the following.

// The Secretary's method as provided in the State Medicaid Manual, Section 3910.

/X/ The State provides methods for determining cost effectiveness on ATTACHMENT 4.22-C.



REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAMState/Territory: WASHINGTONCitation

42 CFR 433.34

6.2

Cost Allocation

There is an approved cost allocation plan on file with the HHS Division of Cost Allocation  
In accordance with the requirements contained in 45 CFR Part 95, Subpart E.

REVISION:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State/Territory: WASHINGTON

Citation                      7.4      State Governor's Review

42 CFR 430.12(b)

The Medicaid agency will provide opportunity for the office of the Governor to review State plan amendments, long range program planning projections, and other periodic statistical, budget and fiscal reports. Any comments made will be transmitted to the Health Care Financing Administration with such documents.

/X/      Not applicable. The Governor--

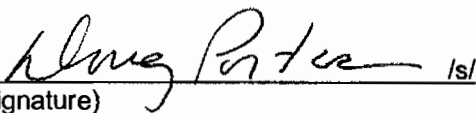
/X/      Does not wish to review any plan material.

/ /      Wishes to review only the plan materials specified in the enclosed document.

I hereby certify that I am authorized to submit this plan on behalf of:

THE WASHINGTON STATE HEALTH CARE AUTHORITY  
(Designated Single State Agency),

Date: 6-17-11

 /s/  
(Signature)

Doug Porter, Director/Medicaid Director  
Washington State Health Care Authority  
(Title)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of: WASHINGTON

ATTORNEY GENERAL'S CERTIFICATION

I certify that:

The Washington State Health Care Authority is the single State agency responsible for:

administering the plan.

The legal authority under which the agency administers the plan on a Statewide basis is:

Chapters 41.05 and 74.09 Revised Code of Washington  
(statutory citation)

supervising the administration of the plan by local political subdivisions.

The legal authority under which the agency supervises the administration of the plan on a Statewide basis is contained in:

\_\_\_\_\_  
(statutory citation)

The agency's legal authority to make rules and regulations that are binding on the political subdivisions administering the plan is:

\_\_\_\_\_

6-8-2011  
DATE

  
Signature

Assistant Attorney General  
Title

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of: WASHINGTON

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ORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

HEALTH CARE AUTHORITY

The Washington State Health Care Authority (HCA) is designated as the state Medicaid agency for the administration of funds from Title XIX of the Social Security Act. Legal authority for the Health Care Authority to administer Medicaid is found in chapters 41.05 and 74.09 Revised Code of Washington.

As the Single State Agency, the Health Care Authority has final authority over Medicaid programs and has the power to exercise administrative discretion in the administration and supervision of the Medicaid State Plan. The Health Care Authority's duties generally include developing the policies for and the provision of publicly funded medical care and medical assistance in Washington State.

The Health Care Authority performs administrative and operational functions to carry out the State Plan, including certain medical eligibility determinations, and has Interagency Agreements in place with the Department of Social and Health Services (DSHS) for certain determinations of Medicaid eligibility and certain other administrative or operational functions related to the State Medicaid program as necessary and appropriate. The State Plan will continue to reference the Department of Social and Health Services as appropriate.

The Health Care Authority has ultimate authority for Washington State's Medicaid State Plan. Although the Health Care Authority delegates certain activities to the Department of Social and Health Services, the Health Care Authority is accountable for and has oversight responsibility over:

- Disbursement of federal funds, oversight of the expenditure of federal funds, and the sufficiency of the state share
- Policy making
- Provider agreements, guidelines, rules, and the administration of provider claims submitted for reimbursement
- Rate development
- Program integrity
- Resolving conflicts between the Health Care Authority and the Department of Social and Health Services, and resolving any federal findings

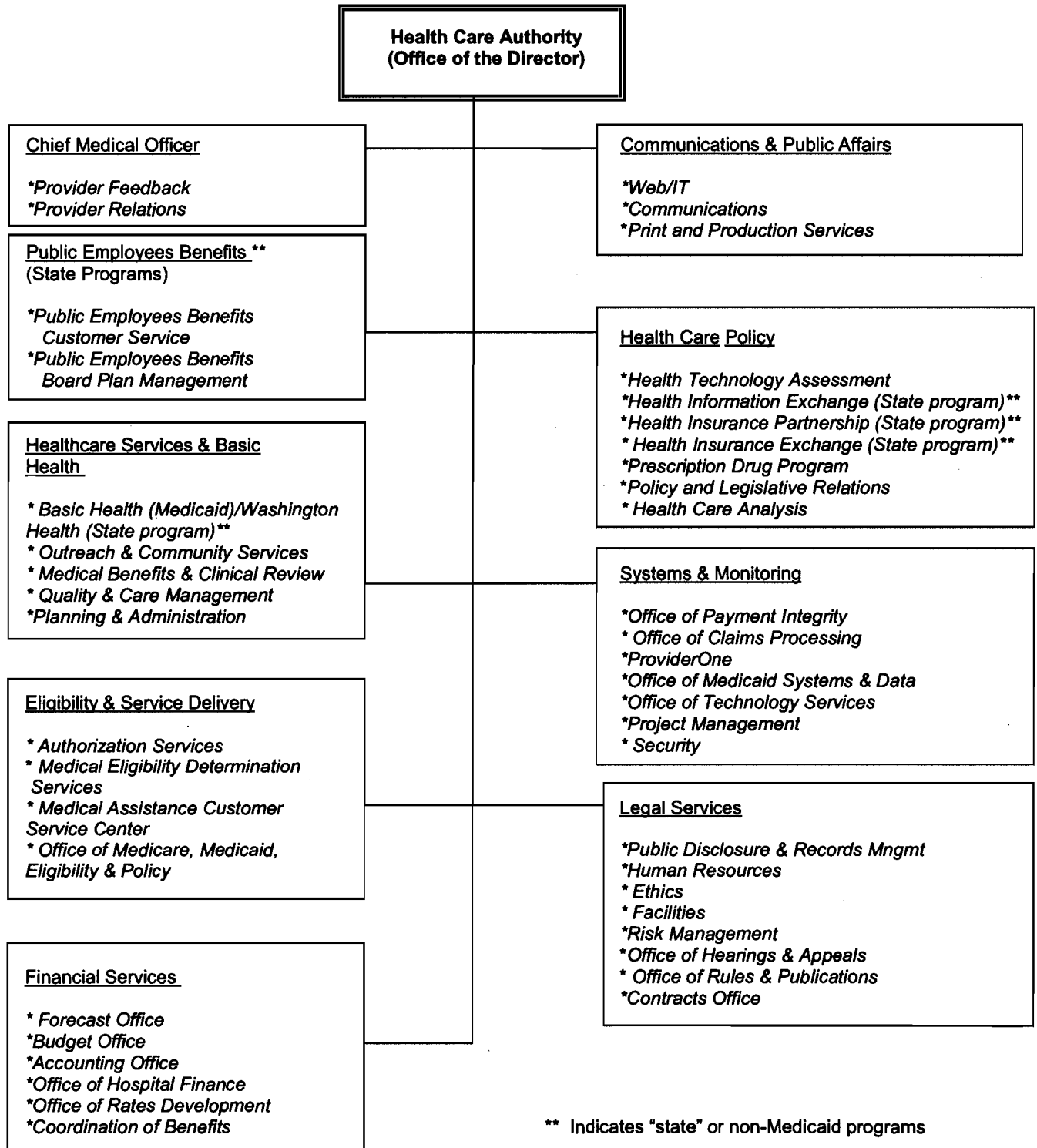
In addition to Medicaid, the Health Care Authority administers:

- Programs implementing national health care reform, including the insurance exchange
- The Health Technology Assessment Program
- The Prescription Drug Program
- Public Employees Benefits Board programs (A State program)
- The Health Insurance Partnership (A State program)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

HEALTH CARE AUTHORITY ORGANIZATION



## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW

**Office of the Director**

The HCA Director is the State Medicaid Director. The Office of the Director has executive management oversight for the Health Care Authority and is ultimately responsible for the program operations in the Washington State Medicaid program as well as other agency activities. The Director and the Deputy Director are the executives with high-level decision-making authority in carrying out policies and initiatives from the Governor, the Governor's Health Care Cabinet and the State Legislature. The Director and the Deputy Director are the only executives fully authorized to speak on behalf of the entire agency, including decisions that involve the Centers for Medicare and Medicaid Services or other federal and state agencies, including coordination of efforts to implement health care reform efforts as mandated by state law.

**Chief Medical Officer**

The Chief Medical Officer (CMO) and staff actively participate in medical utilization management; claim adjudication; site visit review coordination; credentialing; review and analysis of health plan performance; design and implementation of health plan medical policies; the provider grievance and termination process; contracting with providers; clinical quality improvement processes; and provider recruitment. The CMO oversees the Provider Relations Unit, which provides problem solving and training to Medicaid providers; and the Provider Feedback Unit, which coordinates prescription drug purchasing and utilization, provider feedback reports, and medical utilization data reports.

**Communications and Public Affairs**

The Division of Communications and Public Affairs provides communications with enrollees, clients, providers, vendors, the staff, the public, legislators, the media and a variety of other stakeholders. In addition, the division includes a Web Team that operates and updates the intranets and the internet sites for Medicaid and Public Employees Benefits as well as other divisions and programs in the Agency. Communications staff are responsible for internal and external communications, including Plain Talk coordination and presentations, as well as reactive and proactive media relations.

*Print and Production Services*

A design and graphics staff produces print and electronic media presentation for the Agency and works to move more agency communications and presentation onto electronic venues (Web, intranet, e-mail).

**Public Employees Benefits**

The Public Employees Benefits Division (PEB) administers the Public Employees Benefits Board (PEBB) program, which provides medical, dental, life, and long-term disability coverage (and offers optional insurances) to eligible employees and retirees, as well as eligible groups. The PEB Division manages the design and delivery of the entire portfolio of PEBB plans, including the state's self-insured Uniform Medical Plan, which covers more than 340,000 employees, retirees and their dependents. PEB is a state, or non-Medicaid, program.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Public Employee Benefits** (cont)

PEB also:

- Provides customer service for PEBB retirees and other self-pay members.
- Enrolls, trains and supports employer groups (such as K-12 school districts and political subdivisions) that are eligible to enroll in the PEBB program.
- Develops rules and policies for PEBB eligibility and enrollment.

**Health Care Policy**

The Division of Health Care Policy (HCP) is responsible for policy analysis and recommendations, managing programs related to the Governor's health reform initiatives and a result of State commissions on health care costs and access, and coordinates the Agency's legislative activity. Within the Division:

*Health Care Analysis*

The Health Care Analysis team collects and analyzes data to support Medicaid and other program operations, many of which cross boundaries (e.g., the transitional bridge waiver for federal match for the State's Basic Health program), and analyzes new and emerging federal laws, new State initiatives, and programs directed by the Legislature.

*Health Insurance Exchange*

The Health Care Authority is taking the lead on development of a health benefit "exchange," as directed by the federal Affordable Care Act. The exchange will be a new health-benefit marketplace for employers and individuals that must be in place by 2014.

*Health Insurance Partnership*

Washington's Health Insurance Partnership, or HIP, was a five-year federally funded project to provide Washington small employers access to the same health insurance coverage available in the small group health insurance market, but at a lower employer contribution rate. To help employees pay for their share of the coverage, HIP also offered a premium subsidy (up to 90%) to eligible employees, based on their family income. The program is currently closed to enrollment because its funding was part of the federal budget cut early in 2011.

*Health Information Exchange*

HCA is the recipient of a Cooperative Agreement from the federal Department of Health and Human Services (HHS) to implement the state health information exchange (HIE). Also as directed by the Legislature, through a public private partnership, the statewide HIE is being implemented through a private sector organization, OneHealthPort, with oversight from HCA.

*Prescription Drug Program*

The goal of the Prescription Drug Program is to develop an evidence-based prescription drug program to identify preferred drugs for use by the participating programs (UMP, L&I, and Medicaid); make prescription drugs more affordable to Washington residents and state health care programs; and, increase public awareness regarding the safe and cost-effective use of prescription drugs.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Health Care Policy (cont)****Health Technology Assessment (HTA)**

The primary purpose of HTA is to ensure medical treatments and services paid for by the State are safe and proven to work. HTA contracts for scientific, evidence-based reports regarding the safety and efficacy of medical treatments, devices, etc., which are then evaluated by an independent clinical committee to determine if programs should pay for the item. HTA applies to the public employees' self-funded plan, Medicaid fee-for-service, and other state programs (e.g., workers compensation).

**Policy and Legislative Relations**

This unit oversees and manages the agency legislative process, including bill analysis, legislative testimony, technical assistance to the Legislature and stakeholders, and constituent relations. This unit includes Tribal liaisons, the Policy division staff who are primary points of contact with Washington State's tribes and Alaska natives. The Tribal liaisons provide technical assistance to staff for communications with tribes, meet and communicate regularly with tribal and tribal-related organizations, respond to tribal-related questions and issues, facilitate meetings between staff and tribes, perform triage of individual tribal problems or issues of concern, and participate in consultations regarding State Plan Amendments and waivers.

**Eligibility and Service Delivery**

The Division of Eligibility and Service Delivery (DESD) focuses on client and provider support services, building public awareness of programs and services, provider enrollment, client eligibility determinations, and statewide medical eligibility policy.

The four offices in DESD are:

**Medical Eligibility Determination Services (MEDS)**

MEDS is responsible for making accurate and timely medical program eligibility decisions for clients seeking coverage under the following programs: 1) Children's Basic Health Plus and enrollment in managed care; 2) Maternity benefits for Basic Health women; 3) CHIP; 4) Take Charge family planning; 5) Breast and Cervical Cancer Treatment Program; and 6) Apple Health for Kids. MEDS also screens adult Basic Health members for Family and Adult Medicaid eligibility before enrollment in the Transitional Waiver program through Basic Health, and manages the Document Management System Hub Imaging Center supporting Electronic Case Records for Medicaid recipients.

**Medical Assistance Customer Service Center (MACSC)**

MACSC is responsible for assisting internal and external customers with a wide variety of HCA questions and issues. MACSC assists providers, clients, Healthy Options and Basic Health Plus representatives, county health departments, local Community Services Offices, and other State agencies and programs. MACSC analyzes and evaluates medical claim forms; assists clients in determining eligibility, selecting and enrolling in or changing Healthy Options and Basic Health Plus managed care plans; resolves issues regarding client health care choices and access to medical services; and assists in resolving disputes or other issues related to clients' medical assistance program or managed care plan. The Provider Enrollment unit has the authority and oversight for provider agreements, including verification of provider eligibility, enrollment of medical assistance providers, and the ongoing maintenance of provider files.



## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Eligibility and Service Delivery** (cont)*Authorization Services (AS)*

AS is responsible for processing prior authorization requests for Medicaid benefit services from providers for the following services: Dental services, Durable Medical Equipment, Pharmaceuticals, Medical procedures, Hospice eligibility, and Enteral Nutrition. Prior authorization for medical services and equipment is based on medical necessity, safety, and cost containment, providing the least costly alternative for a medically indicated condition.

*Office of Medicaid, Medicare, Eligibility & Policy (OMMEP)*

OMMEP responds to constituent, agency and advocate questions. It is a resource to internal and external stakeholders and provides training and information to the community, as well as researching, writing and implementing policy, and writing Washington Administrative Code (WAC). OMMEP assists Medicaid applicants and recipients in documenting their citizenship and identity; provides dual eligible clients with Medicare premium payment assistance; manages Medicare recoupments; issues medical assistance to children in foster placement and provides health information to Foster Care parents.

**Systems and Monitoring**

The Division of Systems and Monitoring (DSM) is responsible for the areas noted below:

*Office of Technology Services (OTS)*

Provides technology services for all of HCA, including workstation, network, telecommunications, webmaster, applications development, and information technology planning.

*Office of Claims Processing (OCP)*

Processes claims (bills) from healthcare providers who furnish services to Medicaid clients.

*Office of Medicaid Systems & Data (OMSD)*

Responsible for the operations, maintenance, and system enhancements of the State's Medicaid Management Information System (MMIS). Manages access to MMIS eligibility and other data and reports.

*Office Payment Integrity (OPI)*

Identifies and prevents fraud, waste and abuse in the Medicaid program by reviewing actions of provider seeking payment from Medicaid, conducting audits, identifying overpayments, educating providers, recommending program changes or system edits, and reporting results to internal external stakeholders.

*Project Management Office*

Responsible for large-scale, high-impact, high visibility projects; defining project management policies, methods, and procedures; and for coordinating IT Portfolio Reports, Dashboard Reports, Risk Assessments, and investment plans with the State's Division of Information Services.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Systems and Monitoring** (cont)*ProviderOne Project*

Implemented a standardized enterprise solution for managing and processing medical and social service claims (bills), and provides data, reports, and other information necessary to subsequent ProviderOne phases.

*Security*

Responsible for overall security controls at both the strategic and operational levels

**Legal Services**

The Division of Legal Services (DLS) is responsible for oversight of the activities to be performed by DSHS on behalf of the Medicaid program. DLS includes:

*Human Resources Office (HR)*

- Provides strategic management of human resource functions.
- Provides consultation and advice on HCA HR policy, WAC, RCWs, collective bargaining agreements, classification/compensation issues, performance management and discipline, and other personnel areas.
- Handles the processing of personnel-related documents and paperwork for the State's Human Resource Management System (HRMS).
- Coordinates recruiting activities.
- Provides, monitors, and facilitates the education, training, and skills/leadership development for staff.

*Contracts Office*

- Exercises delegated authority from Director to sign contracts on behalf of HCA.
- Consults with and provides technical assistance for the development of Statements of Work and contract language.
- Provides assistance in contract negotiations.
- Conducts and manages all contract procurements for HCA.
- Acts as agency liaison with other state agencies which govern state contracting practices.
- Provides technical assistance and training to HCA staff.
- Works collaboratively with other areas of HCA (e.g. Risk Management, Financial, Budget, Ethics) to ensure adherence to rules, regulations and best practices.
- Maintains database of contract information.

*Office of Rules and Publications (ORP)*

- Develops and promulgates Washington Administrative Code (WAC) for Medicaid programs. Maintains WAC-related websites.
- Develops, publishes, and maintains provider billing instructions/manuals, numbered memoranda, and other provider communications. Maintains provider communication websites.
- Coordinates and facilitates the submission of Title XIX (Medicaid) and XXI (State Children's Health Insurance Program) State Plan amendments. Maintains Title XIX State Plan website.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

Legal Services (cont)*Office of Hearings and Appeals (OHA)*

The Office of Hearings and Appeals represents the State in administrative hearings regarding:

- Fee-for-service recipients and managed care enrollees who were denied medical, dental and/or transportation services; and
- Medical and dental providers who have been overpaid.

*Public Disclosure and Records Management*

- Responds to requests from citizens for HCA records.
- Coordinates with the Attorney General's Office to respond to discovery requests.
- Oversees retention and destruction of records in compliance with State record retention laws.

*Risk Management*

- Acts as liaison between management and program staff and the Risk Management Office.
- Manages and mitigates risk through business and agency-wide risk assessment, public records/privacy compliance, safe and healthy facilities, and claim and lawsuit management.

*Ethics*

- Acts as liaison between management and program staff and the Ethics Advisor.

*Facilities*

- Provides strategic management of facilities.
- Provides consultation and oversight of all goods and services purchases and the management of Agency assets.
- Handles the processing of incoming/outgoing mail, to include the electronic capture (imaging) of documents.
- Designs and coordinates activities related to workplace safety, emergency management, wellness, ergonomics, sustainability, commute trip reduction, fleet management, reception, and the copy center.

Healthcare Services and Basic Health

The Division of Healthcare Services (DHS) represents the combination of fee-for-service (FFS) and managed care policy and program areas and is organized to promote the eligibility, integration, and development of appropriate, high quality health care services.

*Office of Quality and Care Management (OQCM)*

Works across the agency and in partnership with the healthcare community to develop and manage programs that enhance eligible clients' ability to access appropriate, high quality healthcare. This includes oversight and management of contractors for managed care programs and chronic care management.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Healthcare Services and Basic Health (cont)***Outreach and Community Services (OCS)*

OCS includes three operational areas:

- Family Healthcare Services works to develop, implement, and manage programs and contracts that serve clients - primarily women, children, and families. These programs create interventions and strategies that address healthcare needs and/or respond to healthcare problems. This section works to increase healthy birth outcomes through collaboration with First Steps agencies to provide reimbursement for childcare services for Medicaid-eligible pregnant and post-partum women.
- Transportation and Interpreter Services manages the provision of quality transportation, interpreter, and translation services to help clients access, obtain, and understand covered health care services.
- Medicaid Outreach and Administrative Match contracts with governmental entities for Medicaid outreach activities that allow eligible Washington State residents access to Medicaid services.

*Office of Medical Benefits and Clinical Review (OMB)*

Uses clinical knowledge and expertise to define, interpret, and support implementation of healthcare policy to promote and improve quality, access, cost-effectiveness, and increase provider accountability for healthcare services received by clients. The primary responsibilities in this office are implementing healthcare policy, conducting utilization reviews, authorizing requested services, and conducting quality of care reviews for all provider types. Health care policies managed in OMB include: pharmacy; durable medical equipment; dental; physician and medical services; inpatient and outpatient hospitalization; inpatient rehabilitation; physical medicine and rehabilitation; enteral nutrition; oxygen/respiratory therapy; speech therapy and hearing aids; physical therapy; occupational therapy; vision; home health and hospice; and pediatric palliative care.

*Basic Health/Washington Health*

Basic Health is a state- and federal-sponsored program providing low-cost subsidized health care coverage for working poor adults through private health plans. Basic Health was entirely state-funded until 2011, when the state won approval of a waiver that allowed the state and federal government to share the cost of the coverage. The waiver was intended as a short-term bridge to national health care reform in 2014, since its enrollees basically mirror the population (childless adults capped at 133 percent of Federal Poverty Level) anticipated under Medicaid expansion that year. Until 2011, those programs were supported entirely by state funds. Basic Health currently has an enrollment of approximately 38,000 and a waiting list of 150,000. The Basic Health unit also operates Washington Health, a non-subsidized version of Basic Health coverage that is also available to Washington residents. Washington Health enrollment is currently just over 5,000.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTONORGANIZATION AND FUNCTIONS OF THE MEDICAID AGENCY

## HEALTH CARE AUTHORITY FUNCTIONS OVERVIEW (cont)

**Healthcare Services and Basic Health** (cont)*Office of Planning and Administration (OPA)*

OPA is responsible for supporting all DHS communication and material development in coordination with agency communication staff. This section leads in division performance reporting and oversees training of staff as well as conducts quality assurance reviews and develops improvement plans. OPA manages the support services activities for the Basic Health programs and leads in division strategic planning and policy development.

**Financial Services**

The Division of Financial Services (DFS), headed by a Chief Financial Officer, is the finance and business unit that provides administrative and fiscal services for the Medicaid program, as well as the Public Employees Benefits (PEB) program.

*Office of Rates Development (ORD)*

Manages rate methodologies and rate setting for health care providers contracted to provide services to Medicaid clients.

*Office of Hospital Finance (OHF)*

Manages rate methodologies and rate setting for hospitals contracted to provide services to Medicaid clients. Manages unique financing mechanisms that involve health care provider-related taxes, leveraged federal dollars, and cross-agency cooperation.

*Budget Office*

Manages all budget, financial analysis, and other financial activities. Sections of this office handle Medicaid, medical assistance, Basic Health and Public Employee Benefits. This office shares with the Accounting Office and the Forecast Office, responsibility and authority over Medicaid expenditures, including responsibility for the provision of the state share of Medicaid expenditures.

*Accounting Office*

Manages all accounting, cost allocation, reconciliation, and other accounting activities. Sections of this office handle Medicaid, medical assistance, Basic Health and Public Employee Benefits. This office is responsible for and has authority over compensatory Medicaid costs; Medicaid grant awards and the cash draw from the Payment Management System; and compliance with all audits, reviews, referrals, disallowances, and audit resolutions for the Medicaid program. This office shares with the Budget Office and the Forecast Office, responsibility and authority over Medicaid expenditures, including responsibility for the provision of the state share of Medicaid expenditures.

*Forecast Office*

Manages the forecast for Medicaid, including coordinating a cross-agency workgroup responsible for forecast policy. This office shares with the Budget Office and the Accounting Office, responsibility and authority over Medicaid expenditures, including responsibility for the provision of the state share of Medicaid expenditures.

*Coordination of Benefits (COB)*

Performs coordination of benefits and employer-sponsored insurance functions.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

## ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

## MEDICAL ASSISTANCE UNIT FUNCTION OVERVIEW

The Health Care Authority (HCA) coordinates the Medicaid services provided to Washington State residents who qualify for eligibility under state and federal standards. HCA strives to promote:

- Client access to medically necessary care
- Timely and accurate reimbursement for provider services
- Cost-effective purchase of services
- Accountability and fiscal integrity

HCA oversees and monitors the activities of the medical assistance unit that are conducted by the HCA components described in Attachments 1.2-A and 1.2-B. HCA monitors and oversees program functions delegated to the Department of Social and Health Services, including determinations of Medicaid eligibility, coordination of developmental disabilities services, coordination of long-term care services, coordination of mental health services, coordination of alcohol and substance abuse treatment and prevention services, and other administrative or operational functions related to the State Medicaid program as necessary and appropriate and detailed below.

HCA delegates to DSHS the authority to administer the programs below. HCA retains responsibility to monitor and oversee DSHS' administration of these Medicaid services.

1. Residential Habilitation Centers/Public Intermediate Care Facilities for People with Intellectual Disabilities (ICF/ID) (42 CFR 483.400)

DSHS will administer services to persons served in Residential Habilitation Centers, which are operated under chapter 71A.16 RCW. Units within these facilities have either Medicaid certification as Immediate Care Facilities for People with Intellectual Disabilities or Medicaid certification as nursing facilities.

2. Section 1915(b) and 1915(c) waivers (42 CFR 440.180)
3. Privately operated, licensed boarding homes or nursing homes that have Medicaid certification as Intermediate Care Facilities for People with Intellectual Disabilities (ICF/ID) (42 CFR 483.400)
4. Home and Community Based Services (HCBS) programs within the State
5. Medicaid Personal Care
6. Certain Chronic Care Management services
7. Approved Medicaid grants and demonstration projects including, but not limited to:
  - a. Money Follow the Person/Roads to Community Living
  - b. Specialized Dementia

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

## ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

## MEDICAL ASSISTANCE UNIT FUNCTION OVERVIEW

8. Chemical Dependency
  - a. Chemical Dependency Outpatient Rehabilitation Services
  - b. Chemical Dependency Alcohol and Drug Screening, Detoxification, and Referral Services
  - c. Chemical Dependency Non-Institute for Mental Disease Residential Services for Adults and Youth
  
9. Mental Health
  - a. Mental Health Rehabilitation Services
  - b. State Mental Hospitals, including Western State Hospital, Eastern State Hospital, and the Child Study and Treatment Center
  - c. Children's Long-Term Residential Inpatient Programs
  - d. Free-Standing Evaluation and Treatment Facilities
  - e. Community Psychiatric Hospitals
  
10. Long-term Care (adult family homes, boarding homes, and the community residential services and support programs) and Nursing Facility Services

DSHS will administer and pay for administrative and programmatic services related to long-term care and nursing facility services.

HCA recognizes DSHS as the State Survey Agency for Medicare and Medicaid Survey and Certification as described in the Federal State Operations Manual. DSHS retains responsibility for certification of nursing facilities, ICF/IDs, and for long-term care services (adult family homes, boarding homes, and the community residential services and support programs) that provide services to Medicaid recipients.

State Medicaid agency functions delegated to the DSHS State Survey Agency include:

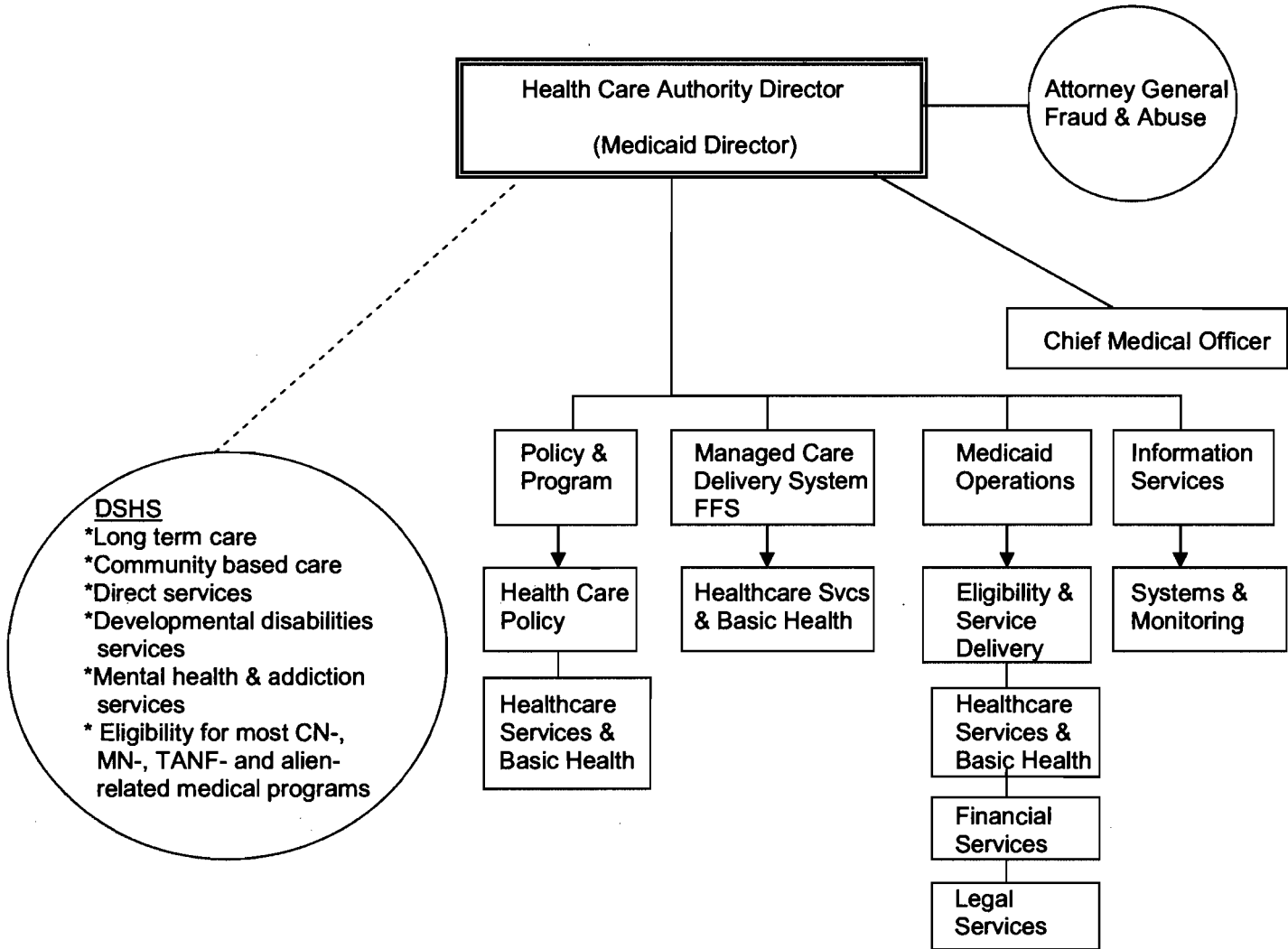
- a. Minimum Data Set (MDS) review and analysis for calculating case mix adjusted Medicaid rates
- b. Administration of Medicaid enforcement and compliance remedies for deficient nursing facilities, including civil fines, collections, and formal and informal hearings
- c. Quality Improvements and Evaluation System
- d. The Quality Assurance Nurses (QAN) program, including case mix accuracy and utilization review
- e. Nurse Aide registry (NATCEP) program
- f. Investigation of allegations of resident/client abuse, neglect, or misappropriation of nursing facility residents, including findings, as appropriate

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION



----- Indicates the Health Care Authority's delegation of administrative and operational activities to the Department of Social and Health Services for the listed programs and functions as designated by HCA.

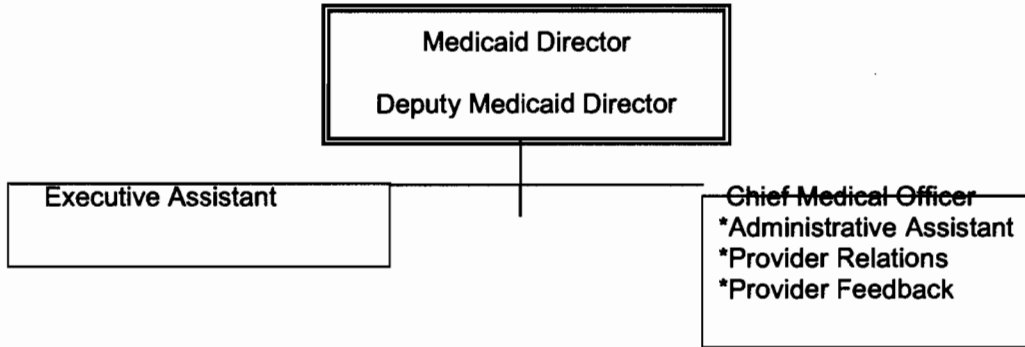


STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

**Office of the Director**



The HCA Director is the State Medicaid Director. The Office of the Director has executive management oversight for the Health Care Authority and is ultimately responsible for the program operations in the Washington State Medicaid program as well as other agency activities. The Director and the Deputy Director are the executives with high-level decision-making authority in carrying out policies and initiatives from the Governor, the Governor's Health Care Cabinet and the State Legislature.

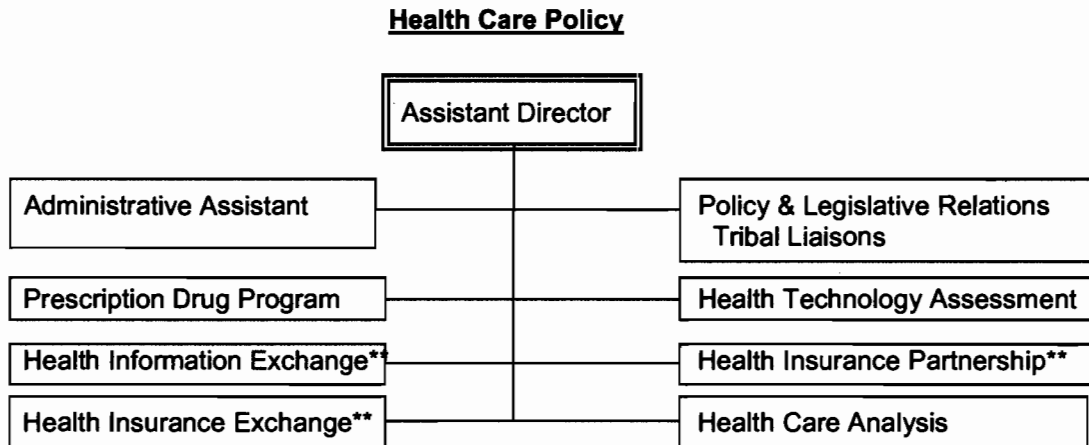
The Chief Medical Officer (CMO) and staff actively participate in medical utilization management; provider recruitment; review and analysis of health plan performance; design and implementation of health plan medical policies; and clinical quality improvement processes. The CMO oversees the Provider Relations Unit, which provides problem solving and training to Medicaid providers; and the Provider Feedback Unit, which coordinates prescription drug purchasing and utilization, provider feedback reports, and medical utilization data reports.

(See Attachment 1.2-A for additional information)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT



The Division of Health Care Policy (HCP) includes:

**Policy and Legislative Relations:** oversees and manages the Agency legislative process, including bill analysis, legislative testimony, and constituent relations. Includes Tribal liaisons, the Policy division staff who are primary points of contact with Washington State's tribes and Alaska natives. The Tribal liaisons provide a variety of services, including but not limited to technical assistance to staff for communications with tribes, meeting and communicating regularly with tribal and tribal-related organizations, and responding to tribal-related questions and issues.

**Prescription Drug Program:** an evidence-based prescription drug program that identifies preferred drugs for use by the participating programs (UMP, L&I, and Medicaid) and makes prescription drugs more affordable to Washington residents and state health care programs.

**Health Technology Assessment (HTA):** ensures medical treatments and services paid for by the State are safe and proven to work. HTA applies to the public employees' self-funded plan, Medicaid fee-for-service, and other state programs (e.g., workers compensation).

**Health Information Exchange (HIE):** implemented via a Cooperative Agreement from the federal Department of Health and Human Services (HHS) and directed by the Legislature.

**Health Insurance Partnership:** a five-year federally funded project to provide Washington small employers access to the same health insurance coverage available in the small group health insurance market, but at a lower employer contribution rate. Currently closed to enrollment due to federal funding cuts early in 2011.

**Health Insurance Exchange:** a health benefit "exchange" being developed as directed by the federal Affordable Care Act.

**Health Care Analysis:** collects and analyzes data to support Medicaid and other program operations, and analyzes new and emerging federal laws, new State initiatives, and programs directed by the Legislature.

\*\* Non-Medicaid or "state" programs  
(See Attachment 1.2-A for additional information)

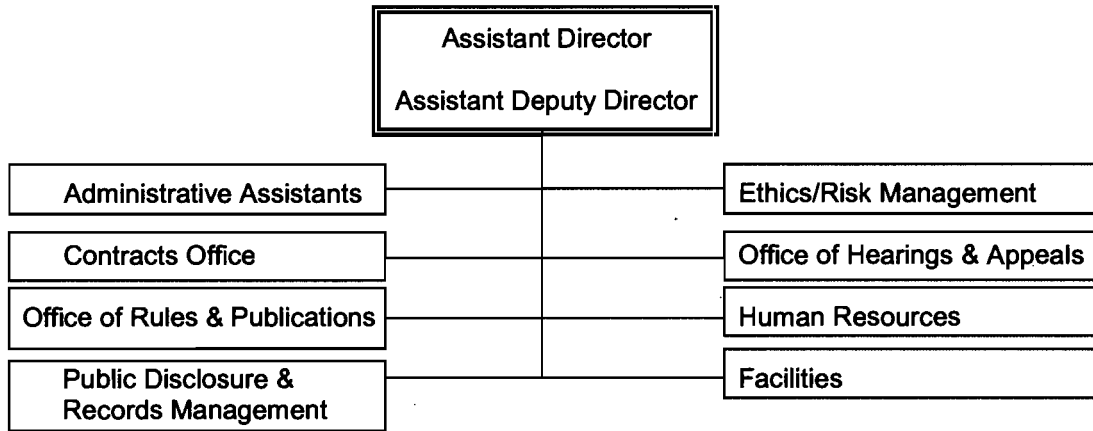
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Legal Services**



The Division of Legal Services (DLS) is responsible for the following areas:

*Ethics and Risk Management:* manages and mitigates risk through business and agency-wide risk assessment, public records/privacy compliance, safe and healthy facilities, and claim and lawsuit management; and acts as liaison between management and program staff and the State Ethics Advisor.

*Contracts Office:* exercises delegated authority from Director to sign contracts on behalf of HCA; conducts and manages all contract procurements for HCA; and provides technical assistance and training to HCA staff.

*Office of Hearings and Appeals (OHA):* represents the State in administrative hearings regarding fee-for-service recipients and managed care enrollees who were denied services; and medical and dental providers who have been overpaid.

*Office of Rules and Publications (ORP):* develops and promulgates Washington Administrative Code (WAC); develops, publishes, and maintains provider billing instructions/manuals; and coordinates and facilitates the submission of Title XIX (Medicaid) and Title XXI (State Children's Health Insurance Program) State Plan amendments.

*Human Resources Office (HR):* provides strategic management of human resource functions; consultation and advice; coordinates recruiting activities; and provides education, training, and skills/leadership development for HCA staff.

*Public Disclosure and Records Management:* responds to requests from citizens for HCA records; and oversees retention and destruction of records in compliance with State record retention laws.

*Facilities:* provides strategic management of facilities; consultation and oversight of all goods and services purchases; incoming/outgoing mail; coordinates safety, wellness, and fleet management activities.

(See Attachment 1.2-A for additional information)

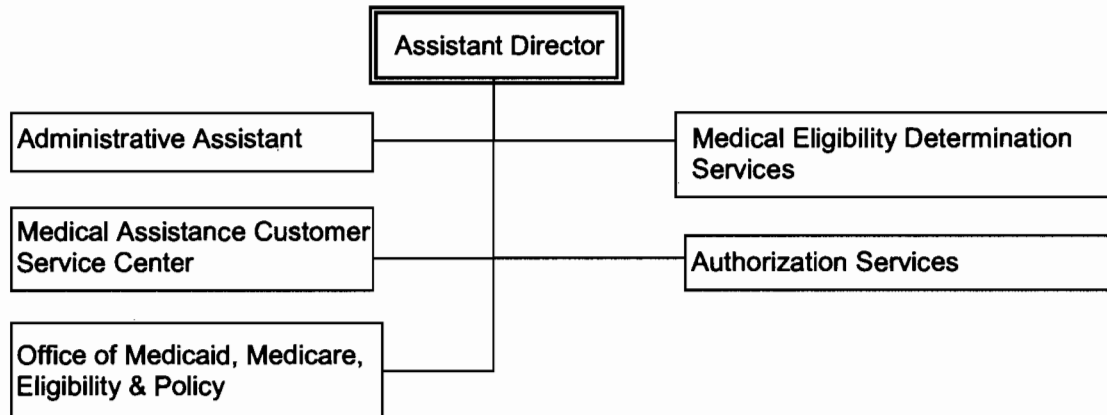
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State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Eligibility and Service Delivery**



The Division of Eligibility and Service Delivery (DESD) focuses on client and provider support services, public awareness of programs and services, and development of client and provider enrollment and eligibility policy and determinations, as follows (see Attachment 1.2-A for additional information):

**Medical Eligibility Determination Services (MEDS):** responsible for making accurate and timely medical program eligibility decisions for clients seeking coverage under various programs; screens adult Basic Health members for Family and Adult Medicaid eligibility before enrollment in the Transitional Waiver program through Basic Health; and manages the Document Management System Hub Imaging Center.

**Medical Assistance Customer Service Center (MACSC):** assists clients with enrolling in or changing managed care plans; resolves client issues regarding their medical assistance programs; assists providers with questions and issues regarding billing and policy; manages provider agreements, including verification of provider eligibility, enrollment of medical assistance providers, and the ongoing maintenance of provider files.

**Authorization Services (AS):** processes prior authorization requests from providers for dental, durable medical equipment, pharmaceuticals, medical procedures, hospice, and enteral nutrition services.

**Office of Medicaid, Medicare, Eligibility & Policy (OMMEP):** responds to constituent, agency and advocate questions; provides training and information to the community; assists Medicaid applicants and recipients in documenting their citizenship and identity; manages Medicare recoupments; issues medical assistance to children in foster placement and provides health information to Foster Care parents.

(See Attachment 1.2-A for additional information)

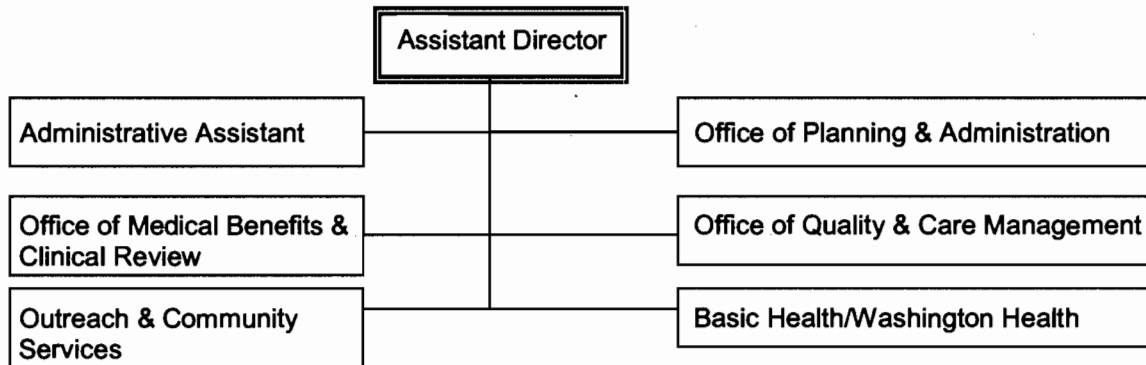
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ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Health Care Services and Basic Health**



The Division of Healthcare Services (DHS) represents the combination of fee-for-service (FFS) and managed care policy and program areas as follows (see Attachment 1.2-A for additional information):

*Office of Planning and Administration (OPA):* supports all DHS communication and material development in coordination with Agency communication staff; leads in division performance reporting; oversees training of staff; conducts quality assurance reviews; develops improvement plans; manages the support services activities for the Basic Health programs; and leads in division strategic planning and policy development.

*Office of Medical Benefits and Clinical Review (OMB):* conducts utilization reviews; authorizes requested services; and conducts quality of care reviews for all provider types.

*Office of Quality and Care Management (OQCM):* responsible for the oversight and management of contractors for managed care programs and chronic care management.

*Outreach and Community Services (OCS):* develops and implements programs and contracts that serve primarily women, children, and families; manages the provision of quality transportation, interpreter, and translation services; and contracts with governmental entities for Medicaid outreach activities.

*Basic Health/Washington Health:* Basic Health is a state- and federal-sponsored program providing low-cost subsidized health care coverage for working poor adults through private health plans. The Basic Health unit operates Washington Health, a state-only, non-subsidized version of Basic Health coverage that is also available to Washington residents.

(See Attachment 1.2-A for additional information)

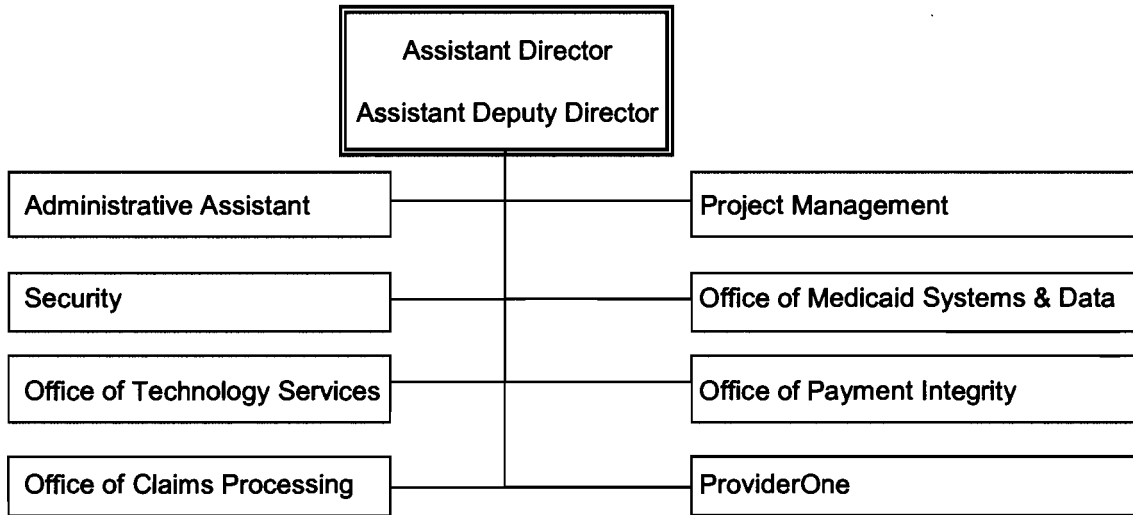
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State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Systems and Monitoring**



The Division of Systems and Monitoring (DSM) is responsible for the areas noted below (see Attachment 1.2-A for additional information):

*Project Management Office:* responsible for large-scale, high-impact, high visibility projects and defining project management policies, methods, and procedures.

*Security:* responsible for overall security controls at both the strategic and operational levels

*Office of Medicaid Systems & Data (OMSD):* responsible for the operations, maintenance, and system enhancements of the State's Medicaid Management Information System (MMIS).

*Office of Technology Services (OTS):* provides technology services for all of HCA.

*Office Payment Integrity (OPI):* reviews actions of providers seeking payment from Medicaid, conducts audits, identifies overpayments, and recommends program changes or system edits.

*Office of Claims Processing (OCP):* processes claims (bills) from healthcare providers who furnish services to Medicaid clients.

*ProviderOne Project:* implemented a standardized enterprise solution for managing and processing medical and social service claims (bills) and provides information necessary to subsequent ProviderOne phases.

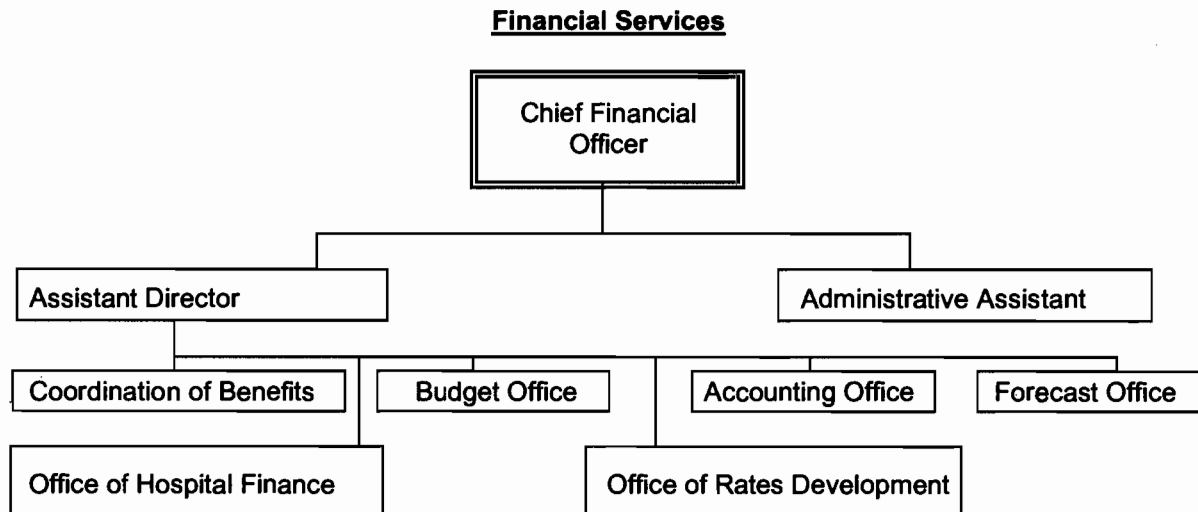
(See Attachment 1.2-A for additional information)

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State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION



The Division of Financial Services is the finance and business unit that provides for administrative and fiscal services for the Medicaid and the State's PEBB and Basic Health programs.

*Office of Rates Development (ORD):* manages rate methodologies and rate setting for health care providers contracted to provide services to Medicaid clients.

*Office of Hospital Finance (OHF):* manages rate methodologies and rate setting for hospitals contracted to provide services to Medicaid clients. Manages unique financing mechanisms that involve health care provider-related taxes, leveraged federal dollars, and cross-agency cooperation.

*Budget Office:* manages all budget, financial analysis, and other financial activities. Sections of this office handle Medicaid, medical assistance, Basic Health and Public Employee Benefits.

*Accounting Office:* manages all accounting, cost allocation, reconciliation, and other accounting activities. Sections of this office handle Medicaid, medical assistance, Basic Health and Public Employee Benefits.

*Forecast Office:* manages the forecast for Medicaid, including coordinating a cross-agency workgroup responsible for forecast policy.

*Coordination of Benefits (COB):* performs coordination of benefits and employer-sponsored insurance functions.

See Attachment 1.2-A for additional information.

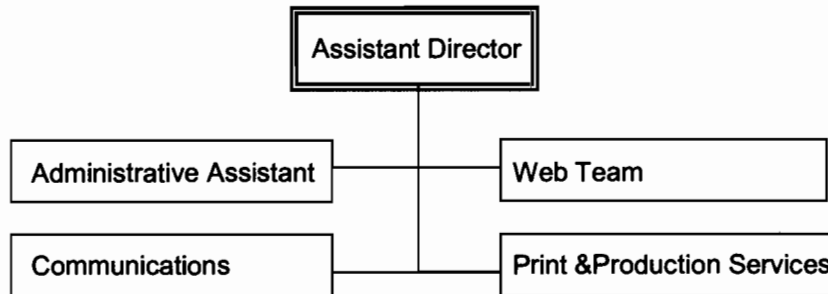
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State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Communications and Public Affairs**



The Division of Communications and Public Affairs oversees and provides the following:

*Web Team:* operates and updates the intranets and the internet sites for Medicaid and Public Employees Benefits as well as other divisions and programs in the Agency.

*Communications:* responsible for internal and external communications, including Plain Talk coordination and presentations, as well as reactive and proactive media relations.

*Print and Production Services:* plans, designs and produces print and electronic media presentations for the Agency and works to move more agency communications and presentation onto electronic venues (Web, intranet, e-mail).

(See Attachment 1.2-A for additional information)



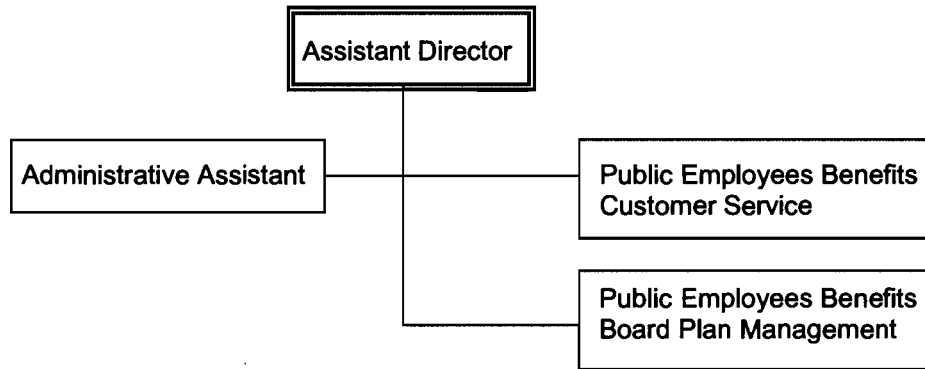
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State WASHINGTON

ORGANIZATION AND FUNCTION OF MEDICAL ASSISTANCE UNIT

MEDICAL ASSISTANCE UNIT ORGANIZATION

**Public Employee Benefits**  
(State Program – Non Medicaid)



The Public Employees Benefits Division (PEB) administers the Public Employees Benefits Board (PEBB) program which provides medical, dental, life, and long-term disability coverage to eligible employees and retirees (see Attachment 1.2-A for additional information):

*Public Employees Benefits Customer Service:* interacts with members and agencies; markets and brokers benefits that are purchased for public employees; manages the accounts of some members and provides support and training to others who manage their own accounts; and communicates what was purchased on behalf of PEBB members

*Public Employees Benefits Board Plan Management:* manages the design and delivery of the entire portfolio of PEBB plans, including health care, dental, life insurance, disability, flexible spending accounts, and home and auto insurance.

(See Attachment 1.2-A for additional information)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

Attachment 1.2-C depicts the organization of the divisions within the Health Care Authority containing the professional medical and supporting staff who administer the Medicaid program in Washington State. The numbers in parenthesis in the organization charts represent the number of staff in a particular area, including medical, professional, and administrative staff.

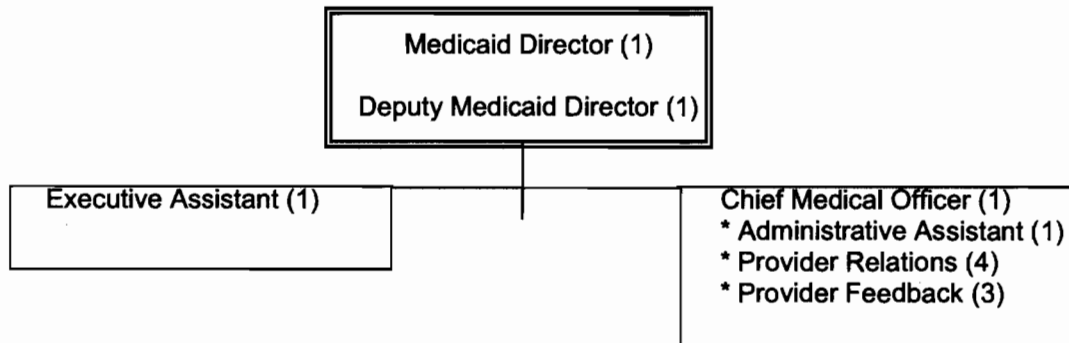
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

Health Care Authority

Office of the Medicaid Director



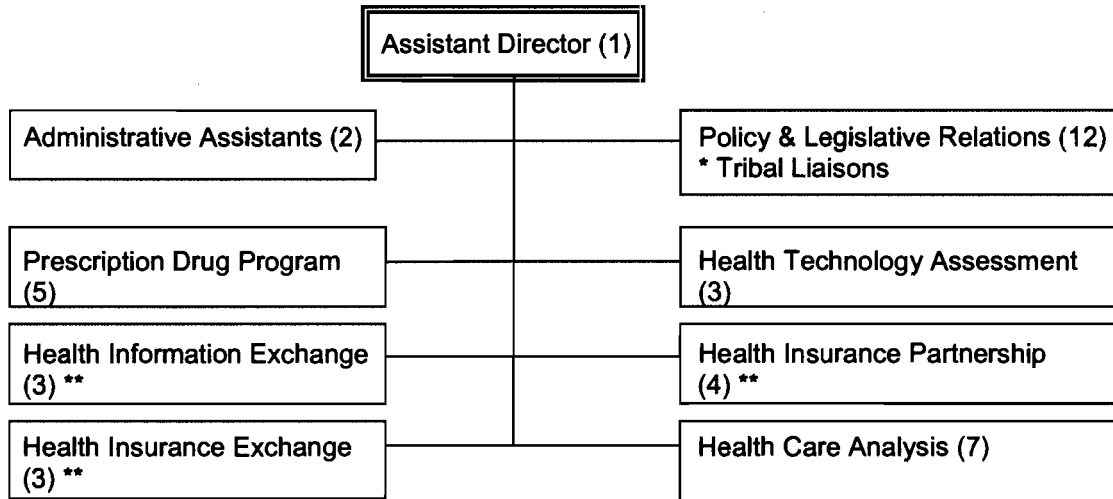
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Health Care Policy**



\*\* Non-Medicaid or "state" programs

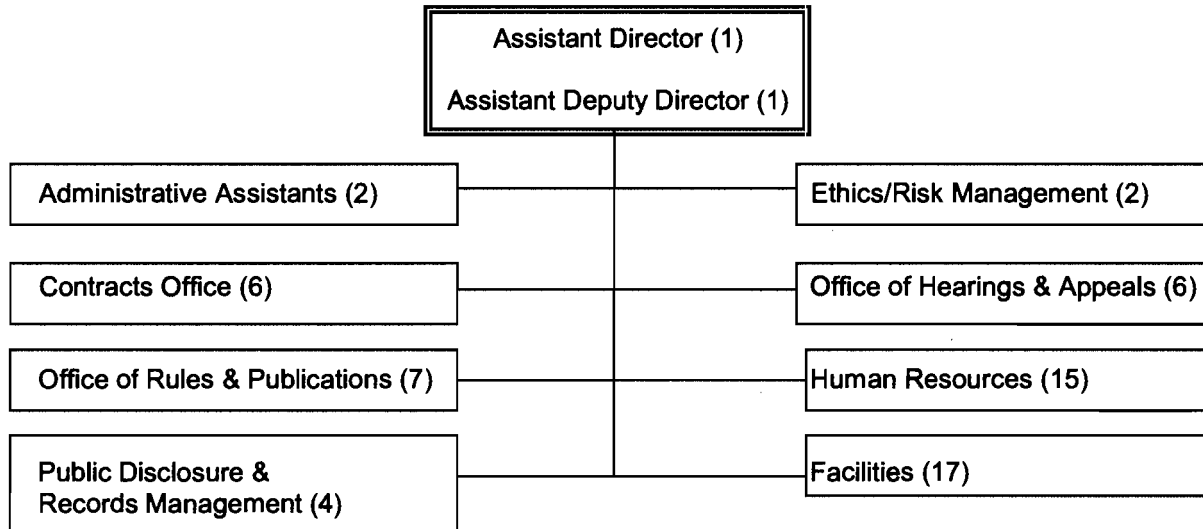
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Legal Services**



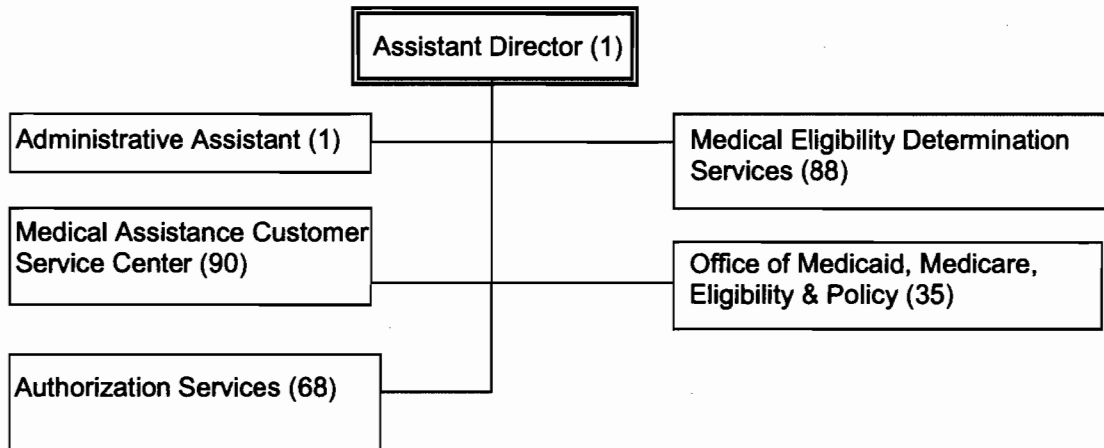
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Eligibility and Service Delivery**



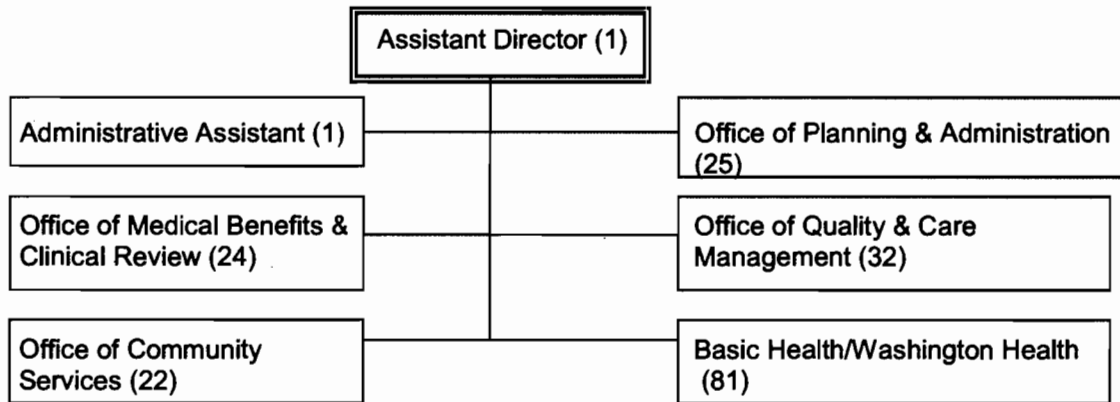
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Health Care Services and Basic Health**



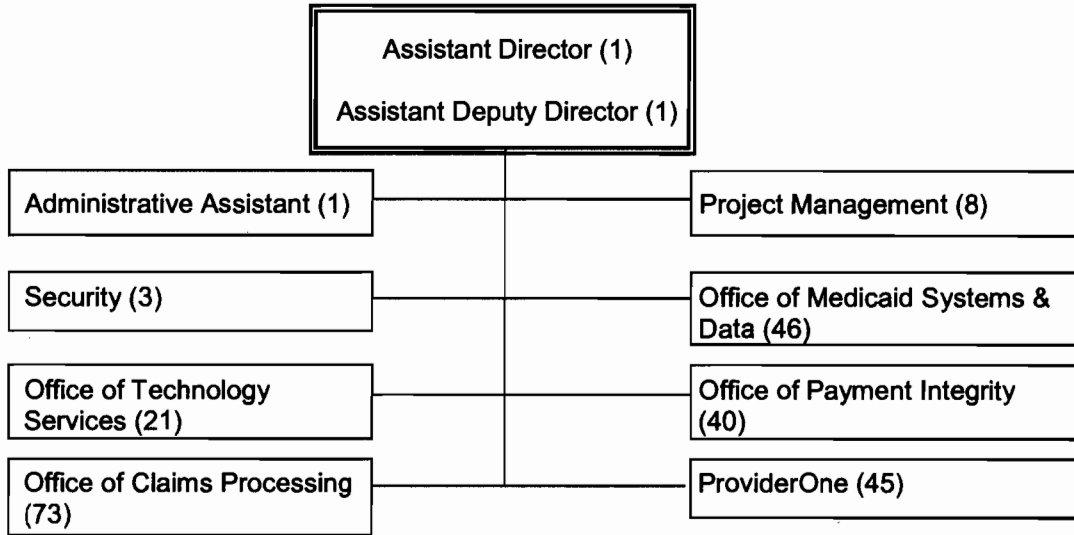
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Systems and Monitoring**





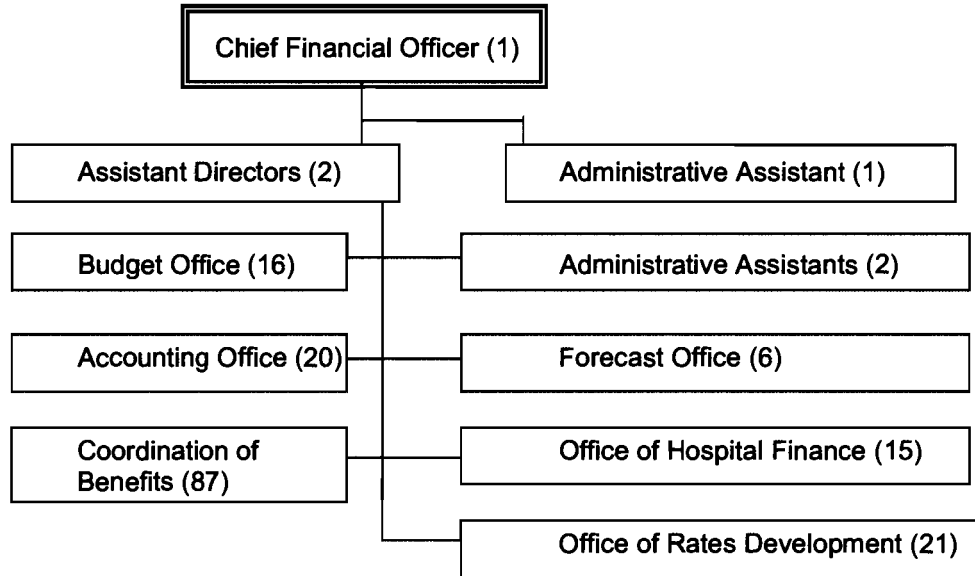
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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Financial Services**



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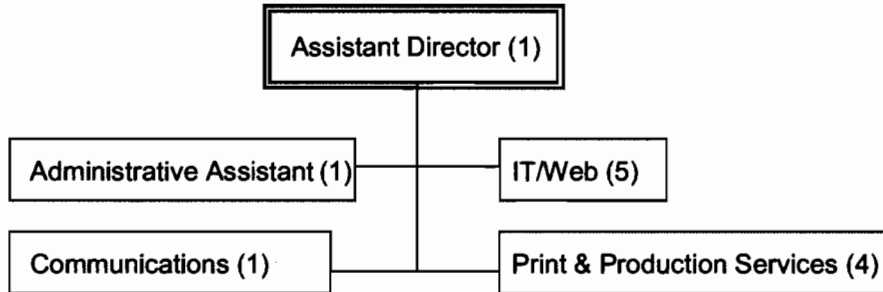
State WASHINGTON

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PROFESSIONAL MEDICAL AND SUPPORTING STAFF

**Health Care Authority**

**Communications & Public Affairs**



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

MEDICAID ELIGIBILITY DETERMINATIONS

According to Washington State Law and as permitted by Medicaid law, the Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) have established an agreement regarding the provision of eligibility determinations for the Medicaid program. This agreement defines the responsibilities of the HCA, the Single State Agency, as the administrator of the Medicaid State Plan, and DSHS, Title IV-A Agency, as the eligibility determination agency along with HCA, for the Medicaid program.

DESIGNATED LOCAL AGENCY FOR LIMITED MEDICAID ELIGIBILITY DETERMINATIONS

Citation

42 CFR 431.11(d)

- (a) The State agency designates the Port Gamble S'Kallam tribe as the local public agency (known as the "Tribe") to determine eligibility for Categorically Needy: Family, Children's and Pregnant Women's Medicaid programs, for households that include at least one tribal member, in addition to the State agency's determinations. Applications that do not qualify for eligibility determination by the Tribe will be forwarded to the appropriate DSHS-CSO.
- (b) The Tribe completes eligibility determinations using Federal statutory and regulatory requirements and the State agency rules, regulations, policies, and procedures. The State agency will retain ultimate administrative discretion, in administration and supervision of the State plan, including issuance and interpretation of all policies, rules, and regulations.
- (c) The Tribe hires staff according to tribal policy and provides such staff with job protections comparable to the State agency hiring and merit system rules.
- (d) The Tribe uses the State agency's Automated Client Eligibility System (ACES) to record all eligibility determinations and uses the State agency's electronic case management system for record maintenance and retention.
- (e) The Tribe is supervised by the State agency. The State agency provides training for Tribal staff, quality controls including audits, and evaluation.
- (f) This is a pilot project of a specified duration per the contract with the Port Gamble S'Kallam Tribe and will be evaluated by the State with a report of findings to CMS.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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Description of Cooperative Agreements Between the State Department of Health and the State Health Care Authority.

The Title V grantee is within the Department of Health. Mutual obligations, respective responsibilities and working relationships are defined. The primary objective is improved provision of care for pregnant women, infants and children and maximum utilization of Maternal and Child Health programs using available resources to best advantage. Provision is made for payment for allowable services provided to children eligible under the Title XIX program, and for a liaison committee of representatives from each organization. Services which are provided are enumerated in the agreement. Responsibility for program planning, delegation, and coordination of reporting of services is placed with supervisory staff within the Department of Health. Overall responsibility for administering the Medicaid program remains with the Single State Agency.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

## REQUIREMENTS FOR THIRD PARTY LIABILITY - IDENTIFYING LIABLE RESOURCES (cont.)

- d. SOURCE  
State Department of Transportation
- PURPOSE  
To match names and dates of birth of Medicaid clients with the Washington State Patrol motor vehicle accident records. A report is produced and staff validate whether third party liability is available.
- FREQUENCY  
Monthly
- Additional information occurs when any personal injury-related claims, with diagnosis codes within the 800-999 (ICD9CM) series that have been determined to be cost effective to pursue, suspend during each adjudication cycle of claims processing for investigation of other resources.
- The cost-effectiveness threshold for pursuit is \$50 for a casualty case per Attachment 4.22-B.
- Follow-up is done by forwarding to the recipient the Medical Recovery Information Form (T-Q). When the recipient returns the T-Q form it is reviewed for completeness. TPL information is entered into the TPL master file in the MMIS. If the recipient fails to respond to the first mailing within 30 days, a second T-Q form is sent. After an additional 30 days, if no response has been received, phone contacts are made with provider, recipient or other parties that may have information regarding the accident. All information received regarding liable third parties is entered into the TPL master file no later than 30 days after receipt.
- e. SOURCE  
Department of Defense
- PURPOSE  
To match all Medicaid eligible clients to active duty and reserve armed forces members and dependents found in the Defense Eligibility Enrollment Reporting System (DEERS).
- FREQUENCY  
Annually
- f. SOURCE  
HMS, Inc. (Health Management Systems, Inc.)
- PURPOSE  
To match to the HMS national TPL client database any Medicaid eligible clients and their paid claims which have not been invoiced by the State Agency. HMS identifies and recovers any non-casualty case-related money owed to the State and the federal government that may have been overlooked by the State's internal TPL activities.
- FREQUENCY  
Monthly

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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REQUIREMENTS FOR THIRD PARTY LIABILITY - IDENTIFYING LIABLE RESOURCES (cont.)

2. Within 30 days of receipt of information from above referenced Data Matches and 60 days of receipt of health insurance information, a file is set up in the Third Party data base to affect claims processing.

When a data match form or health insurance form is received with complete information, the information from the form is entered into the third party data base immediately.

When incomplete information is received, contacts are made by phone, mail, electronic correspondence, and/or online State and private health insurance eligibility systems (as they become available) to obtain complete information for entering into the data base within the above prescribed time frames.

Contact includes the:

- a. Recipient, Absent Parent, Parent
  - b. Employer
  - c. Insurance Company
  - d. Providers
  - e. Other governmental agencies
3. The State reviews all claims received with diagnosis codes within the 800-999 (ICD9CM) series. A treatment questionnaire (TQ) is automatically generated based on claims with these diagnosis codes. The TQs are sent to these clients for clarification of the incident that led to the claim. If there is no response from the client, the TQ is at run at 30, 60, and 70 day aging dates. The MMIS system tracks the TQ aging date based on a system update by the Casualty Case Manager that documents whether or not a response is received. The 70 day TQ informs the client that should there continue to be no response, the client will lose his or her Medicaid eligibility due to non-compliance with the information request. A copy of the 70 day TQ also goes to the Community Services Office (CSO), where client termination is initiated. The Casualty Case Manager notifies the CSO to lift the sanction when a response is provided.

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## Requirement for Third Party Liability – Payment of Claims

1. The method to determine compliance with requirements of Section 433.139(b)(3)(ii)(c) is as follows: The state plan as referenced herein requires providers to bill third parties. In a case where medical support is being enforced by the state Title IV-D Agency, the provider will be required to submit written documentation that he has billed the third party and has not received payment from the third party. It must be at least 30 days from the date of service, before the state will pay.

This same method will be used to meet the requirements contained in Section 433.139(b)(3)(i).

The State has in effect laws that require third parties to comply with the provisions, including those which require third parties to provide the State with coverage, eligibility and claims data, of 1902(a)(25)(l) of the Social Security Act.

2. The threshold amount is \$15.00 per claim for health insurance recoveries. The threshold amount for casualty is \$50.00 per case.

All claims for medical services are cost avoided if there is a TPL file in the master eligibility file indicating health insurance coverage.

3. The State Medicaid Agency will seek recovery from the third party within 60 days after the end of the month in which payment was made. This does not apply to exceptions for Good Cause or Confidential Services cases. Good Cause and Confidential Services cases include Title IV-D domestic violence cases and certain clients with STD/HIV, pregnancy, or abortion-related services/diagnosis. The Agency will also seek recovery, within 60 days of the date the Agency learns of the existence of a third party or when benefits become available.

The 60-day requirement in both instances applies unless the threshold of \$15.00 per claim or \$50.00 per casualty case has not been reached.

4. When the Agency has determined a sum certain receivable amount has been validated and the third party fails to make payment, after 90 days the Agency will refer the case to the Department of Social and Health Services' Office of Financial Recovery for formal collection activities, including skip tracing, payment demands, negotiating debts and repayment agreements, and enforcement action, including legal action. "Sum certain receivable" is when a liable third party (regardless of the third party resource type) and predetermined settlement or recovery has been validated through either court settlement or explanation of benefits (EOBs) and remittance advices (RAs).

5. The Agency contracts with HMS Inc.(Health Management Systems, Inc.) to match to the HMS national TPL client database, any Medicaid eligible clients and their paid claims which have not been invoiced for recovery by the Agency. HMS identifies and recovers any money owed to the State and the federal government that may have been overlooked by the State's internal TPL activities.

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Citation	Condition or Requirement
1906 of the Act	<p>State Method on cost effectiveness of Employer-Based Group Health Plans and non-1906A qualified clients with health plans.</p> <ol style="list-style-type: none"><li>1. Review of policy to determine if coverage is comprehensive.</li><li>2. Determine cost of policy on a monthly basis.</li><li>3. Review Expenditure and Utilization Analysis Report that shows cost per user and cost per eligible for those covered on Medicaid. This report is broken down by age and sex.</li><li>4. If policy costs are less than the average cost per user for the age and sex and the coverage under the policy is comprehensive, it is determined to be cost-effective and the State pays the premium payments.</li><li>5. If policy cost is over the average cost per user, the client's medical condition is reviewed to determine if he/she has required or will be requiring extensive medical care. If it is determined there will be extensive medical care required and the plan is comprehensive in its coverage, the State will cover the cost of insurance premiums.</li></ol>
1906A of the Act	<p>The State offers a premiums assistance subsidy for qualified employer-sponsored coverage to all individuals under age 19 (and the parent of such an individual) who are entitled to medical assistance.</p> <ol style="list-style-type: none"><li>1. Review of policy to determine if coverage is comprehensive as a group health plan or health insurance coverage through an employer as qualified in section 2701(c)(1) of the Public Health Service Act. The policy must not include benefits provided under a health flexible spending arrangement as defined in section 160(c)(2) or be a high deductible health plan as defined in section 223(c)(2) of the IRS Code of 1986, without regard to whether the plan is purchased in conjunction with a health savings account.</li><li>2. Validate that the employer contributes at least 40% toward the premium and that the plan is offered to all individuals in a manner considered to be nondiscriminatory eligibility classification per paragraph 93 (a)(ii) of section 105(h) of the IRS Code of 1986.</li><li>3. The Agency will provide a premium assistance subsidy equal to the amount of the employee contribution for enrollment and all deductibles, coinsurance, and other cost-sharing obligations for items and services otherwise covered under the State Plan.</li></ol>



## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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**Use of Contracts****Third Party Liability Activities**

**Vendor:** HMS, Inc. (Health Maintenance Systems, Inc.)  
**Purpose:** To match to the HMS national TPL client database any Medicaid eligible clients and their paid claims which have not been invoiced by the State Agency. HMS will identify and recover any non-casualty case-related money owed to the State and the federal government that may have been overlooked by the State's internal TPL activities.  
**Frequency:** Monthly

The HMS, Inc. contract complies with State Plan requirements. HMS pursues any TPL non-casualty-related recoveries not previously invoiced by the Agency. The total amount recovered by HMS is deposited into a Washington State Office of the State Treasury account. HMS reconciles their recoveries from checks and corresponding document images to their invoices, and provides the reconciliation to the Agency in a report. State staff use these reports to post actual recoveries back to the original claim lines within the claims payment system (MMIS). State staff also use these reports to build new TPL records within the MMIS so the system may cost avoid any future claims that may be received.