

**State of Washington  
 Status of Audit Resolution  
 December 2017**

**State Health Care Authority  
 Department of Social and Health Services**

**Agency 107  
 300**

<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Plan</b>	
2016 F	029	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority and the Department of Social and Health Services did not have adequate internal controls and did not comply with requirements to ensure Medicaid service verifications were performed for all eligible claims.</p> <p>The Department of Social and Health Services (Department) completes an annual Client Service Verification survey that includes a statistically significant sample of clients to verify whether services billed by providers were received. Although it is a manual process, this method satisfies the verification requirement as outlined in federal regulations.</p> <p>The Health Care Authority (Authority) questions the auditor’s interpretation that federal regulations require additional verifications be done through ProviderOne. Nonetheless, the Authority has expanded the ProviderOne verification process in May 2017 to include social service payments in the universe from which samples are selected in the Medicaid service verification survey process.</p> <p>By January 2018, an automated verification process through ProviderOne will be implemented. This will include establishing a written agreement between the Authority and the Department detailing each of their roles and responsibilities regarding the Medicaid service verification survey process. The Department’s manual survey process will continue until this written agreement is in place.</p> <p>The conditions noted in this finding were previously reported in finding 2015-032, 2014-039, 13-031, 12-54 and 11-39.</p> <p>Corrective action is expected to be complete by January 2018</p> <p>Kathy E. Smith        Audit &amp; Accountability Manager        PO Box 45502        Olympia, WA 98504-5502        (360) 725-0937  <a href="mailto:kathy.smith2@hca.wa.gov">kathy.smith2@hca.wa.gov</a></p> <p>Rick Meyer        External Audit Compliance Manager        PO Box 45804        Olympia, WA 98504-5804        (360) 664-6027  <a href="mailto:Richard.meyer@dshs.wa.gov">Richard.meyer@dshs.wa.gov</a></p>