PERFORMANCE AUDIT

Work in progress: Audit description

Medicaid Program Integrity

Medicaid (also known as Apple Health in Washington) uses state and federal funding to provide medical care for some people with limited resources. Washington spent $10.5 billion on Medicaid services during fiscal year 2018, with three-fourths distributed through the Health Care Authority and one-fourth through the Department of Social and Health Services. Medicaid expenditures have increased in recent years, and are now approximately one-quarter of the total state operating budget. In response to similar trends nationwide, the Centers for Medicare and Medicaid Services is improving program integrity efforts, which ensure payments go only to qualified providers for covered services provided to eligible beneficiaries.

The Health Care Authority is rebuilding its Program Integrity Section after a series of reorganizations, including a drastic restructuring in 2019 after a review by the Centers for Medicare and Medicaid Services. The Legislature recently tied a $1.8 billion proviso to implementation of the review's recommendations, as it wants to know if the Health Care Authority is doing everything it can to steward state resources.

Multiple divisions play a role in program integrity. The Program Integrity Section scrutinizes payments for medical services. A different division is responsible for provider enrollment, which screens out providers with known histories of fraud or abuse. Still other divisions at the Department of Social and Health Services handle program integrity for supports like long-term care. However, as the state agency administering Medicaid, the Health Care Authority is responsible for ensuring federally-mandated program integrity requirements are met for the entire federal award.

This audit focuses on potential improvements to the Health Care Authority's oversight of program integrity efforts and the Program Integrity Section's structure and processes. Such improvements would likely reduce gaps in oversight and the risk of fraud, waste and abuse. The goal is to increase the likelihood that limited Medicaid funding is used for its intended purpose.

Preliminary scope and objectives

This audit will address the following objectives:

- Are there opportunities for Health Care Authority executive management to improve its oversight over program integrity?
- How can the Program Integrity Section improve its structure and processes to more effectively reduce the risk of fraud, waste and abuse?

Timing We plan to publish reports detailing our findings summer 2021.

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