

**Aging and Long-Term Support Administration  
050 - M2 - 7T - FINANCIAL ELIGIBILITY FEDERAL MATCH**

**Agency Submittal: 2015-17 Final 2017 Sup**

**Budget Period: 2015-17**

**SUMMARY**

The Centers for Medicare and Medicaid Services (CMS) has provided new guidance that clarifies which Medicaid-related activities performed by financial eligibility workers are eligible for an enhanced 75 percent federal fund match rate. Since 2013, all Aging and Long-Term Support Administration (AL TSA) and Developmental Disabilities Administration (DDA) financial eligibility work has been approved at the enhanced match rate. AL TSA and DDA do not have a time reporting mechanism in place to allocate a portion of worker's time for these activities, and effective October 1, 2016 will be unable to claim any enhanced federal match without time verification. AL TSA submits this placeholder to request funding offsetting federal match lost for costs now eligible for only a standard 50 percent match and the cost of implementing a time tracking solution.

**PROBLEM STATEMENT**

The financial eligibility work for both AL TSA and DDA is included in the AL TSA budget. The annual cost is approximately \$15 million. On March 31, 2016, CMS provided new guidance concerning "Mechanized Claims Processing and Information Retrieval Systems-Enhanced Funding." Appendix B provides a list of the Medicaid-related activities performed by financial workers that are eligible for 75 percent enhanced federal match (see attachment). Previously all Medicaid-related activities performed by DSHS financial eligibility workers were eligible for this enhanced match. The 2013-15 biennial budget included a reduction of \$2.4 million GF-State per year in AL TSA and DDA accounting for this enhanced match. When the state submitted its Operational Advance Planning Document (OAPD), which informs CMS of the intended matching rate to be claimed for various Medicaid-related activities, CMS did not approve the enhanced rate for all of AL TSA and DDA's financial eligibility work without exception.

CMS requires the allocation of financial worker staff time and costs between eligible and ineligible activities. AL TSA and DDA do not have a time reporting mechanism in place to allocate a portion of worker's time for these activities. Activities eligible include but are not limited to intake, eligibility determination, on-going case maintenance, and customer service. Activities that CMS has determined are ineligible for the enhanced match and are eligible for the standard federal match include policy research and development, eligibility verification, appeals, and customer service performed by call centers and out stationed eligibility workers.



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

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**PROPOSED SOLUTION**

ALTSA submits this placeholder to request funding offsetting an unknown amount of federal match lost for costs now eligible for a standard 50 percent match. ALTSA and DDA are working to identify an IT solution capable of allocating staff time between these activities. The first attempt will be to learn more about the Random Moment Time Sample (RMTS) system that Economic Services Administration (ESA) uses to allocate staff time and costs for federal reporting.

**EXPECTED RESULTS**

ALTSA will be able to allocate staff time according to CMS cost allocation rules in order to retain enhanced federal match, and have sufficient funding to continue to pay for required financial eligibility assessments for people applying for Medicaid services with ALTSA and DDA.

**STAKEHOLDER IMPACT**

There is no known opposition to this budget request.

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**OTHER CONNECTIONS**

**Performance Outcomes/Important Connections**

- 1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**  
Goal 4: Healthy and Safe Communities - Healthy People - 1.2.A.a -Increase percentage of mental health consumers receiving a service within 7 days after discharge from inpatient settings from 53.3% to 65% by 6-30-2017 .
- 2. The decision package meets the following DSHS' strategic objectives:**  
2.3: Ensure individuals who apply for services receive them timely so they are supported in the setting of their choice.
- 3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)
  - a) Regional/County impacts? No.
  - b) Other local government impacts? No.
  - c) Tribal government impacts? No.
  - d) Other state agency impacts? Yes, the Health Care Authority is the state Medicaid agency that submits the OAPD to CMS.

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- e) Responds to specific task force, report, mandate or executive order? No.
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No.
- g) Facility/workplace needs or impacts? No.
- h) Capital budget impacts? No.
- i) Is change required to existing statutes, rules or contracts? No.
- j) Is the request related to litigation? No.
- k) Is the request related to Puget Sound recovery? No.
- l) Other important connections? No.

**4. Please provide a detailed discussion of connections/impacts identified above.**

**Alternatives/Consequences/Other**

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

This request is a placeholder. DSHS is currently in the research phase exploring several options. One, as mentioned above is an RMTS system that meets CMS standards. Another is using paper timesheets for all of the financial eligibility workers, which requires an estimate of how much productive time that removes from their work each day as well as the additional fiscal staff required to track the time and enter all appropriate coding to use for claiming federal match based on the various duties that qualify for either enhanced match or the standard 50 percent match.

**6. How has or can the agency address the issue or need within its current appropriation level?**

The agency exploring all possible options to address this issue; however, additional funding is likely to be needed to address this issue to retain the enhanced federal match.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No
- Yes (Include an IT Addendum)