

Administrative Policy No: 19.70.60

Subject: Provider Registration for the Social Service Payment System (SSPS)

Information Contact: Office of Accounting Services
Tax Unit Supervisor (360) 664-5738

Authorizing Source: State Administration & Accounting Manual (SAAM):
[Chapter 20](#), Internal Control and Auditing
[50.10](#), Annual US Information Returns
[70.60](#), Unified Business Identifier (UBI)
8 USC Section 1324A, Unlawful Employment of Aliens

Effective Date: May 1, 2006

Revised: June 10, 2020

Approved By: **Original signed by Judy Fitzgerald**
Assistant Secretary/Chief Financial Officer

Purpose

This policy establishes the Department of Social and Health Services' (DSHS) responsibilities for all provider payments processed through the Social Service Payment System (SSPS) to include:

1. Uniformly register providers.
2. Manage tax reporting for providers of services to DSHS clients.

Scope

This policy applies to all DSHS programs that request services from individuals and outside entities that are not DSHS employees and are paid through the SSPS.

This policy does not apply to in-home care workers (W2 reportable services), refer to DSHS Administrative Policy [19.70.61](#).

This policy does not apply to providers registered by the Health Care Authority and paid through ProviderOne. Contact [ProviderOne](#) for additional guidance on their registration process.

This policy does not apply to systems that exclusively register providers through the Statewide Vendor (SWV) registration database, such as EJAS, STARS, and ACES. The SWV process is

managed by the Office of Financial Management (OFM). For more information on SWV payments, contact the OFM Vendor Registration Help Desk at [PayeeHelpdesk](#).

Additional Guidance

IRS

Publication [1281](#), *Backup Withholding for Missing and Incorrect Name/TIN(s)*

[W9](#) instructions

IRS form [W9](#)

[1099 MISC](#) instructions

[e-services - online tools for tax professionals](#)

DSHS Administrative Policy

[19.70.61](#), In-home care workers registration for W2 reporting

[Forms Provider File Action Request form 06-097](#)

Definitions

Administration is the affected DSHS administration, including the division, office, program, or staff designated by the assistant secretary or chief officer as being responsible for compliance with this policy.

Backup withholding is the process where funds are withheld from a 1099 provider payment when an inaccurate Taxpayer Identification Number (TIN) is discovered or the provider has furnished an Individual Taxpayer Identification Number (ITIN) and is not claiming treaty status. The rate of withholding is set annually by the IRS. If backup withholding is not withheld from the 1099 provider payments, DSHS is responsible for the amount of the backup withholding which is a penalty to DSHS and not a tax.

Chief officer for the purpose of this policy is the chief financial officer, chief risk officer, or chief information officer at DSHS.

Department of Children, Youth and Families (DCYF) is the state agency that maintains the Social Service Payment System (SSPS).

DSHS is the Department of Social and Health Services.

Individual taxpayer identification number (ITIN) is a tax processing number issued by the Internal Revenue Service to foreign payees. It is a nine-digit number that always begins with the number 9 and has a range of 70-88 in the fourth and fifth digit. Effective April 12, 2011, the range was extended to include 90-92 and 94-99 in the fourth and fifth digit, example 9XX-90-XXXX. An ITIN does not authorize work in the U.S. or provide eligibility for Social Security benefits or the Earned Income Tax Credit.

IRS is the federal Internal Revenue Service.

Provider is any individual, medical professional, paraprofessional, or business that delivers individual medical care services or personal care services to a DSHS client, and is paid by DSHS. A provider's tax reportable payments are reported on an IRS form 1099, 1042, or W2 depending on the type of services provided.

The Social Service Payment System (SSPS) means the payment system DSHS uses to pay for a variety of services that facilitate employment, increase independence, and protect children, the fragile elderly, and disabled children and adults SSPS is maintained by the Department of Children, Youth and Families (DCYF).

Taxpayer identification number (TIN) means the number required by the Internal Revenue Service (IRS) to identify an individual or entity for tax reporting purposes. A TIN may be a social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN).

Unified Business Identifier (UBI) means the nine-digit number used to identify persons engaging in business activities.

W9 is the IRS *Request for Taxpayer Identification Number and Certification* submitted by a provider. It is used to capture the required provider TIN data for 1099s. DSHS uses a modified W9 that includes a field for the UBI# and phone number for entities licensed with other state agencies.

1042 is the *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons* filed by the department to report to the IRS, amounts paid to a foreign payee.

1099 the IRS form issued to contractors, providers, and vendors for tax reportable payments made in a calendar year. 1099s are issued no later than January 31st for the prior calendar year payments.

Policy

- A. DSHS must ensure providers whose payments are processed through SSPS are registered prior to performing services.**
- B. DSHS must not hire or recruit any alien not authorized to work in the United States pursuant to 8 USC Section 1324A. There are criminal and civil penalties associated with this conduct ([See the Criminal Resource Manual 1908 \(Unlawful Employment of Aliens - Criminal Penalties\)](#)).**
- C. The office of accounting services (OAS) must manage DSHS compliance with federal and state tax reporting requirements.**
 1. OAS responsibility includes:
 - a. Establishing policies and procedures for tax reporting.
 - b. Serving as the DSHS point of contact for provider tax reporting.
 - c. Acting as the department liaison with the Internal Revenue Service (IRS).

To ensure the most efficient communication with the IRS, OAS is the only office authorized to request information on tax related questions for all of DSHS.

D. Provider registration and earnings verification is the responsibility of the Department of Children, Youth and Families (DCYF) for providers paid through SSPS.

E. All forms, records, and documents with social security numbers, federal employer identification numbers, and related payment information must be maintained in a secure location and meet the measures outlined in the SSN/Banking Info Issue to prevent identity theft and to maintain the confidentiality of providers and clients.

F. DSHS OAS must issue IRS Form 1099s or 1042s and report back up withholding as required by the IRS in:

1. Publication [1281](#).
2. Instructions for [W9s](#), [Form 1042](#), and [1099 MISC](#).

Procedures

To register providers for payment through SSPS:

A. DSHS administrative field staff:

1. Collect W9 forms from providers.
2. Complete *Provider File Action Request* forms (06-097).
3. Send *Provider File Action Request* form and W9 to the SSPS provider file unit via:
 - a. E-mail at providerfileunit@dshs.wa.gov as an attachment; or
 - b. Fax at (360) 902-8268