Administrative Policy No: 19.85.40

Subject: Timely Submittal of Claims

Contact: Office of Accounting Services
Chief, (360) 664-5716

Authorizing Source: WAC 388-05-0010, How soon does a contractor have to submit claims for payment to the department after the services are rendered?
WAC 182-502-0150, Time limits for providers to bill the agency

Effective Date: April 14, 2008

Revised: April 18, 2016

Approved By: original signed by Kathy Marshall
Chief Financial Officer/Assistant Secretary

Purpose

To establish policy related to the identification and payment of claims received after established timeframes from vendors, providers, contractors, or other state agencies, but that are not yet determined to be a belated claim.

Scope

This policy applies to all Department of Social and Health Services’ (DSHS) programs for goods and services supplied by contractors, providers, vendors or other state agencies paid manually or through an automated system.

Additional Guidance

DSHS Administrative Policy 19.85.41, Belated claims

Definitions

Appropriated Accounts are the legislative authorization for an agency to make expenditures for specific purposes from designated resources available or estimated to be available during a specified time period.
Belated claim is an obligation of appropriated accounts for goods and services, which are received on or before June 30, but are not accrued in the concluding appropriation period. Shortages in estimated accrued expenditures/expenses are also treated as belated claims of the prior appropriation period.

Claim is a paper or electronic request for payment submitted by a contractor, provider, or vendor.

Contractor is any person, business, non-profit, or government entity who provides services to DSHS under a contractual agreement and not as an employee of DSHS.

Department refers to the Department of Social and Health Services (DSHS).

Program means the affected DSHS programs, including the division, office, or staff designated by the Assistant Secretary or Division Director as being responsible for compliance with this policy.

Provider or Vendor is any person, business, non-profit, or government entity who provides goods/services to DSHS or its clients. A vendor may or may not have a contractual agreement.

Policy

A. DSHS must evaluate all claims to determine whether they are submitted timely, prior to payment.

1. Contractors must submit claims no later than 12 months after the date of service. If a claim for payment is not presented within the 12-month period, there shall not be a charge against the state (WAC 388-05-0010).

2. Other types of claims which may have specific restrictions (e.g., a DSHS contract), but cannot exceed 12 months after the date of service.

3. Exceptions may be granted if extenuating circumstances occur.

B. DSHS must deny claims that are not submitted timely and that do not meet exception requirements.

Procedures

The flow chart at the end of this section illustrates the logical flow of Procedures A, B, and C.

A. Program staff determine whether a claim is submitted timely by comparing the date of service to the date the claim was received.

B. For claims that are not submitted timely, program staff determine whether exceptions exist.
1. For contractors, program staff may grant exceptions to the 12-month period for initial claims when billing delays are caused by either of the following:
   a. Contractor did not receive payment, it was invoiced, and the contractor notified the department that it did not receive payment within the 12-month period; or
   b. The contractor proves to the department's satisfaction that there are other extenuating circumstances (WAC 388-05-0010).

2. Programs must follow applicable written procedures, such as contract language.

C. For claims that were not submitted timely, but are otherwise payable, program staff determine whether or not the claim is belated.

   1. If the claim is belated, staff follow the procedures listed in Administrative Policy 19.85.41, Belated Claims.

   2. If the claim is not belated and there is available expenditure authority, staff are authorized to pay the claim.
Flow Chart

Procedure A
Staff receive a claim from a contractor, provider, or vendor

Received within the required timeframe?

YES

Pay if valid

NO

Procedure B
Received after 1 year, but within expenditure authority limits?

YES

Do exceptions apply?

YES

NO

Do not pay the claim

Procedure C
Belated Claim?

YES

Follow AP 19.85.41 Belated Claims

NO