



Washington State Auditor's Office

Government that works for citizens

Troy Kelley

Washington State Auditor

**Director of State and
Performance Audit**

Chuck Pfeil, CPA
(360) 902-0366

Chuck.Pfeil@sao.wa.gov

Principal Performance Auditor

Christopher Cortines
(206) 355-1546

Christopher.Cortines@sao.wa.gov

Lead Performance Auditor

Sara del Moral
(360) 725-5612

Sara.delMoral@sao.wa.gov

Washington State Auditor

State Auditor's Office
P.O. Box 40021
Olympia, WA
98504-0021

www.sao.wa.gov
[@WASateAuditor](https://twitter.com/WASateAuditor)

Medicaid Enrollment

Program background

The Affordable Care Act (ACA) requires all states to have a coordinated and streamlined eligibility and enrollment process for their Medicaid programs. States have significant flexibility in designing their verification policies and procedures, including whether to verify a client's income before or after enrollment.

Washington's Health Care Authority (HCA), which administers the state Medicaid program, has elected to enroll people based on the income they report on their application. Washington's health policy leaders consider this approach an important tool for getting people coverage quickly. Income verification occurs in two stages. First, the Department of Social and Health Services electronically matches self-reported income to state and federal databases. If this match shows the applicant's income is above the Medicaid standard, HCA requests more information from the applicant during the post-enrollment review process. Based on the applicant's response, HCA determines whether to continue Medicaid coverage or refer the applicant to the health insurance marketplace to select a Qualified Health Plan.

During implementation of the Affordable Care Act, which greatly expanded Medicaid eligibility, post-enrollment verification allowed eligible individuals to receive health care without delay.

A preliminary estimate suggests that if HCA continued its post-enrollment verification approach, but increased the size of its verification staff, these staff would cost substantially less than the reduction in benefits paid to ineligible persons.

The audit will seek to answer the following question:

Could the Health Care Authority modify its income verification process to reduce payments to ineligible enrollees? If so, how much savings could be achieved and what adverse impacts could result?

Timing

We estimate audit results will be released in summer 2017.

August 2016