

COOPERATIVE AGREEMENT

(HCA #K492; DSHS #1161-35171)

Between the

WASHINGTON STATE HEALTH CARE AUTHORITY

And the

WASHINGTON STATE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

The Washington State Health Care Authority (“HCA”) and the Washington State Department of Social and Health Services (“DSHS”) enter into this Agreement.

Table of Contents

Articles

I	Purpose	3
II	Parties	4
III	Roles and Responsibilities	5
IV	General Provisions (Term; SLAs; Ownership)	6
V	Scope of Work	7
VI	Applicable Law	9
VII	External Audit and Inspection	9
VIII	Confidentiality and Information Sharing	11
IX	Reductions of Federal Award	12
X	Tribal Relations	13
XI	Payments/Reimbursement	13
XII	Dispute Resolution	14
XIII	Termination	15
Schedule A: Administrative Functions		17
A1.	Eligibility	18
	ESA Responsibilities	19
	ADSA Responsibilities	21
	HCA Responsibilities	22
	CA Responsibilities	23
	JRA Responsibilities	24

A2.	Finance	25
	Accounting	25
	Budget	26
	Receivables and Recoveries	27
	Payroll	27
	Provider Tax Reporting	28
	Systems	28
	Rate Development	28
	Audits	28
A3.	Information Systems/Services	29
A4.	Operations	45
	Records	45
	Program Integrity	45
	Rules	47
	Facilities	48
	Research and Data Analysis	48
	Institutional Review Board	48
	Contracts	49
	Background Checks	49
	Interpreter Testing	49
	Hearings	49
A5.	Policy, State Plan Amendments, and Waivers	55
Schedule B:	Medical Services Programs	57
	(List of Programs Administered by DSHS)	
Schedule C:	Third Party Liability and Division of Child Support	60

ARTICLE I. PURPOSE

1.0 The purpose of this Agreement is to establish how HCA and DSHS will cooperate and collaborate to perform their respective duties to administer health care programs under Titles XIX and XXI of the federal Social Security Act and Washington State law. This Agreement is intended to satisfy state and federal requirements regarding the:

- (a) Role of HCA as the “single state agency” for the Medicaid program pursuant to 42 USC § 1396a(a)(5);
- (b) Ability to use Titles XIX and XXI funds for allowable administrative costs incurred by DSHS;
- (c) Responsibility for state share funding under Titles XIX and XXI for administrative activities and program services provided to clients served by DSHS;
- (d) Roles and responsibilities of DSHS and HCA regarding payment for non-Medicaid services provided to DSHS recipients;
- (e) Roles and responsibilities of HCA and DSHS regarding policy development, management, administration and implementation;
- (f) Terms and guidelines for data sharing between DSHS and HCA; and
- (g) Status of DSHS as the agency with delegated responsibility to administer certain identified Medicaid programs, and further, as the agency that is sometimes a direct service provider.

1.1 HCA and DSHS recognize that there are many points of interconnection between their programs and the people who receive services through those programs. HCA and DSHS commit to the principle that ensuring the provision of quality services to mutual clients guides the working relationship between HCA and DSHS. In addition, there are areas of natural connection between HCA and DSHS based upon the former structure of DSHS, the transition of many DSHS staff to HCA, and the existing job skills of both HCA and DSHS staff which include expertise and experience about programs in both agencies. As such, there has been and will continue to be some areas of program administration in which the mutual support and training between HCA and DSHS is beneficial. Both agencies commit to the continued natural use and development of the knowledge and expertise held by staff of both agencies, and acknowledge the need for cross-training and information sharing between the agencies about program administration issues. In addition, both agencies commit to having ongoing conversations about effective and efficient transition of knowledge and abilities, including at times of transitions (such as staff retirements), with the shared goal of each agency remaining well informed about common program administration issues. Finally, HCA and DSHS commit to jointly make policy, planning, and budget decisions that affect both agencies including tribes, stakeholders, clients, and partner engagement and communications.

As used in this Agreement, the term “medical services programs” refers to Title XIX and XXI programs and programs established under chapter 74.09 RCW administered by HCA or DSHS, even though some of the programs, such as programs involving the provision of personal care services, may not technically be categorized as “medical services programs.”

ARTICLE II. THE PARTIES

2.0 Washington State Health Care Authority

- (a) HCA is the single state agency, which the Washington Legislature has designated through RCW 74.09.530 to administer Washington’s Medicaid program.
- (b) The Director has authority to enter into this Agreement pursuant to RCW 41.05.021.
- (c) Except to the extent required by its single state agency role or as otherwise provided pursuant to chapters 41.05 and 74.09 RCW, HCA will not be responsible for health care planning, administration, purchasing and data with respect to medical services programs set forth in Schedule B.

2.1 Washington State Department of Social and Health Services

- (a) DSHS is the immediate predecessor to HCA as Washington’s single state Medicaid agency. HCA is hereby delegating authority to DSHS for:
 - (i) Eligibility administration for all of HCA’s medical services programs except those centralized at HCA. (See Schedule A1, Eligibility.)
 - (ii) Administering, overseeing, and managing all medical services programs listed in Schedule B.

ARTICLE III. ROLES AND RESPONSIBILITIES

3.0 Program Related Oversight

- (a) HCA as the single state agency for the purposes specified in Article I has an administrative oversight function to ensure that all funds expended under its authority are spent appropriately and in accordance with federal and state law, federal and state regulations, the State Plan, State Plan Amendments, and Waivers. In accordance with those functions:
 - (1) Any program, demonstration project or expenditure, which in whole or in part utilizes financial resources that are within HCA's legislative functions and duties, must have approval by HCA. DSHS will not presume HCA approval or implementation or timeline through public or other external commitments without prior approval or appropriate consultation with HCA.
 - (2) No application, renewal, or substantive modification to a Medicaid waiver or State Plan Amendment that affects programs identified in Schedule B will be submitted to CMS for approval without concurrent review by HCA and DSHS. DSHS will submit documents to HCA in a timely manner to ensure that HCA has adequate time to review and confer with DSHS before the proposed submission date.
- (b) HCA reserves the right to audit all programs, plans or expenditures covered under this Agreement.
- (c) Expenditures must be in compliance with relevant statutory authority, regulatory authority, state plans, policies, program manuals and program guidance.
- (d) Services and the delivery of services must be in alignment with relevant statutory authority, regulatory authority, state plans, policies, program manuals and program guidance.
- (e) Should HCA find evidence that any expenditure, service or delivery of service is out of alignment with relevant statutory authority, regulatory authority, state plans, policies, program manuals or program guidance, DSHS will be required to develop and present for approval a plan of correction.

ARTICLE IV. GENERAL PROVISIONS

4.0 Agreement Term

This Agreement is effective from November 1, 2012, through June 30, 2013, and will renew automatically for additional one-year terms.

4.1 Amendment/Modifications/Service Level Agreements

Amendments to this Agreement must be in writing and signed by both parties at least thirty (30) calendar days prior to their effective date, unless an earlier effective date is required by a decision of a court, federal law, rule, agency action, or legislative act; or there is a demonstrable need for the amendment to take effect at an earlier time as agreed to by both parties. If either party wishes to modify or discontinue any of the administrative or program supports contained in this Agreement or its attached Schedules that might have a fiscal impact on the other party, the party desiring the modification or discontinuance will, to the extent practical, permit that change to occur at the end of the next calendar quarter.

HCA/DSHS will develop service level agreements (SLAs) as necessary for the authorization of fund transfers between the agencies, FTE transfers, to authorize staff activities that one agency performs for the other, or for any other reason as determined necessary by the parties. Proposed revisions to Service Level Agreements that have been approved for a specific timeframe should be presented to the other party ninety (90) calendar days prior to the expiration date.

Whenever HCA or DSHS contemplates there may be the need to enter into an amendment or a new SLA, the originating party shall send an initial notice to the individuals indicated below.

For DSHS:

DSHS Contracts Administrator (Monika Vasil, as of Oct. 2012)
Department of Social and Health Services
Central Contracts Services
PO Box 45811
1115 Washington St. SE
Olympia, WA 98504-5811
DSHSCentralContracts@dshs.wa.gov

For HCA:

HCA Contracts Administrator (Susan DeBlasio, as of Oct. 2012)
Health Care Authority
PO Box 42702
626 8th Avenue SE
Olympia, WA 98504-2702
contracts@hca.wa.gov

This initial notice shall include at least the following information:

- A description of the SLA's purpose
- The SLA's expected or required effective date
- The names, if known, of DSHS and HCA staff and stakeholders required for further negotiation of the SLA.

Final, approved SLAs are to be provided to the above contacts.

4.2 Assignment

DSHS and HCA will not assign or transfer any rights or obligations under this Agreement without prior written consent of the other.

4.3 Ownership of Material

Unless the parties agree otherwise in a Service Level Agreement, all materials created by DSHS in the course of performing duties within the scope of this Agreement are jointly owned by DSHS and HCA. The parties may use these materials and permit others to use them for any purpose consistent with their respective missions as agencies of the state of Washington. Each agency will include the other in all decisions regarding use of these jointly owned materials, and collaborate to resolve concerns before such use. Such use includes reproducing, copying, modifying, or creating derivations of the original material.

Material includes formulae, improvements, methods, models, processes, findings, conclusions, recommendations, reports, designs, plans, diagrams, drawings, software, databases, documents, pamphlets, surveys, studies, computer programs, films, tapes, and training materials.

ARTICLE V. SCOPE OF WORK

5.0 HCA and DSHS will provide both operational and programmatic support to the other, as is outlined, with certain exceptions, in the attached schedules. These schedules are not to be construed as being inclusive of all such support, but serve as an illustration and an attempt to outline the main areas covered. DSHS and HCA will perform pursuant to the following:

Schedule A: Administrative Functions

Schedule B: Medical Services Programs

Schedule C: Third Party Liability & Division of Child Support

General Provisions

5.1.0 HCA and DSHS will cooperate and collaborate in all relevant areas and work together as partners in a spirit of good faith and mutual negotiation towards the effective and efficient operation of the Medicaid program, Children's Health Insurance Program, and state-funded health care programs. The single state agency transition requires HCA and DSHS resources and both parties agree to absorb their respective implementation costs.

- 5.1.1 HCA will develop the policies and procedures for all programs the Legislature has designated HCA to administer. Subject to HCA's oversight as the single state Medicaid agency, DSHS will develop the policies and procedures for all programs the Legislature has designated DSHS to administer. DSHS will determine eligibility for all HCA medical services programs except those centralized at HCA (see Schedule A1, Eligibility) through September 2013. Effective October 2013, HCA is responsible for all Modified Adjusted Gross Income (MAGI) methodology related to eligibility determinations, re-certifications, and case management, and DSHS is responsible for all non-MAGI "Classic Medicaid" eligibility determinations, re-certifications, and case management.

DSHS will be responsible for monitoring and providing security clearance for access to the ACES and SSPS systems and medical services program eligibility data from ACES in accordance with Social Security Administration and HIPAA requirements and the terms of existing and future agreements. HCA has general oversight and management responsibilities for MMIS information; DSHS has general oversight and management responsibilities for ACES and SSPS information; the agencies will work together to effectively share such data, provide technical assistance to each other in efficiently utilizing such data, and establish criteria for access to data.

- 5.1.2 HCA will provide DSHS with assistance regarding the ability to use Medicaid funding to meet the duties and responsibilities of DSHS, will timely provide documents required by CMS in order for DSHS to access Medicaid funding and will timely notify DSHS of all changes that impact Medicaid funding. HCA will immediately upon receipt provide DSHS access to documents and correspondence from CMS related to DSHS. HCA will be the final authority on compensatory Medicaid costs as set forth in Subpart A of 42 C.F.R. 431.10(e)(3).
- 5.1.3 DSHS may contract with individuals, entities, tribes, or units of government to furnish administrative or programmatic services for which DSHS has responsibility (see Schedule B). DSHS will provide to HCA, upon request, copies of such contracts.

For the purposes of funding the costs of DSHS's regulation of Medicare and/or Medicaid long-term care facilities, HCA is not required to review annual grant renewals and the dollars associated with them each year. Instead, HCA may automatically approve expenditures of Medicaid funds to match the funds that have already been approved and awarded by the federal Medicare program.

- 5.1.4 DSHS will provide HCA, within timeframes agreed to between HCA and DSHS for timely submission to CMS, with its actual expenditures relating to all Medicaid administrative and programmatic services provided to its clients. The purpose of this is to meet federal criteria for HCA to acquire federal financial participation. In the event DSHS' actual expenditures are not available, DSHS will provide HCA an expenditures estimate. The reimbursement of federal share may be delayed

only if due to insufficient grant awards to HCA as a result of, and proportional to, DSHS expenditures exceeding actual or estimates provided by DSHS alone.

- 5.1.5 DSHS will certify to HCA that the state share monies used to match federal funds or to repay the state share of actual Medicaid expenditures under this Agreement are (i) directly appropriated public dollars of DSHS or appropriate local funds certified to DSHS as matchable; (ii) not state funds used to match other federal matching programs; and, (iii) not unallowable provider taxes or donations as referenced in 42 U.S.C. § 1396b(w)(1)(A).
- 5.1.6 DSHS claims for administrative costs will be in accordance with DSHS Cost Allocation Plan approved by the U.S. Department of Health and Human Services, Division of Cost Allocation.
- 5.1.7 DSHS will bear the costs of federal or state audits that pertain to Medicaid programs administered by DSHS.

ARTICLE VI. LAWS APPLICABLE

- 6.0 The parties will comply with all applicable federal and state statutes and regulations, and acknowledge and expect that over the term of this Agreement, laws and regulations may change. Specifically, the parties expect changes in (i) federal Medicaid statutes and regulations, (ii) state Medicaid statutes and rules, and (iii) federal and state statutes and rules governing practice of health-care professions and the delivery of services, including health care services. The parties will be mutually bound by such changes and will reach consensus on any necessary implementation timelines.
- 6.1 All questions pertaining to the validity, interpretation, and administration of this Agreement will be determined in accordance with Washington State law, regardless of where any service is performed.
- 6.2. If any portion of this Agreement is found to be in violation of state or federal law, that portion will be stricken from this Agreement and the remainder of the Agreement will remain in full force and effect.

ARTICLE VII. EXTERNAL AUDIT AND INSPECTION

- 7.0 HCA and DSHS will fully cooperate with each other and any authorized auditing agency or entity, Federal (CMS, OIG, GAO, etc.) or State (SAO, JLARC, etc.), for the purpose of compliance with all required reporting and auditing of Titles XIX and XXI programs. Audits affecting both HCA and DSHS will be coordinated including entrance and exit interviews, responses and corrective action plans. DSHS and HCA agree to fully cooperate with DSHS/HCA fiscal staff and program auditors and to provide records requested to assist each other with the performance of their statutory duties.

- 7.1 HCA and DSHS will keep such records as are necessary to disclose fully the eligibility for and the extent of service provided or authorized by HCA and DSHS to Titles XIX and XXI recipients and, upon request and when necessary for the administration and legal oversight of Titles XIX, XXI, or any other public benefit or public assistance program falling within HCA's authority, will furnish records and information not already available to the requester regarding any claim for providing or authorizing such service to each other, the Washington Attorney General's Medicaid Fraud Control Unit (MFCU), and the U.S. Secretary of Health and Human Services. The records and information will be retained and furnished in accordance with timelines set out in each agency's record retention policy, consistent with the retention periods required by HIPAA and federal regulations. HCA and DSHS will not destroy or dispose of records that are under audit, review or investigation when the record retention limitation is met. HCA and DSHS will maintain such records until informed in writing by the auditing, reviewing or investigating agency that the audit, review or investigation is complete.
- 7.2 Authorized representatives of HCA, MFCU, and the U.S. Secretary of Health and Human Services will have the right to examine records relating to authorization for payment and services, financial statements or claims submitted by DSHS under this Agreement and to audit DSHS' financial records as provided by 42 C.F.R. § 431.107 to the extent applicable.
- 7.3 HCA and DSHS will submit, within thirty-five calendar days of a request by the other, MFCU, or the U.S. Secretary of Health and Human Services, all documents, records, and information in its possession, custody, or control concerning the ownership of any subcontractor with whom HCA or DSHS has had Medicaid business transactions.
- 7.4 HCA and DSHS will have the right to interview the other agency's personnel regarding any claim for denying, providing or authorizing services, and DSHS/HCA will make its employees available for this purpose.
- 7.5 DSHS will continue to conduct Medicaid Eligibility Quality Control (MEQC) reviews at the direction of HCA based on established audit plans, CMS requirements, or quality improvement plans adopted by HCA.
- 7.6 HCA will be responsible for the management of the claims review portion of the Payment Error Rate Measurement (PERM) and will be the primary contact between Washington State, CMS and CMS contractors during the Washington State PERM cycle. DSHS staff will participate by supplying DSHS data/policies and performing appropriate research and follow-up as needed. DSHS will continue to perform necessary eligibility reviews related to federal PERM requirements. DSHS will be involved in any discussions that occur about what will or should be audited.

ARTICLE VIII. CONFIDENTIALITY AND INFORMATION SHARING

- 8.0 DSHS and HCA agree that client information is confidential on all systems and will be treated confidentially. Both parties will safeguard client information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy and security laws and regulations and any amendments in 45 CFR Parts 160 - 164, the HITECH Act, 42 U.S.C. § 1396a(a)(7), 42 C.F.R. § 431.300-306, and applicable State and federal laws and rules.
- 8.1 HCA and DSHS will share all relevant information about Titles XIX and XXI and state-funded health care programs as needed to efficiently and effectively deliver services and manage service programs, including related outreach, eligibility, and quality assurance program activities.
- 8.2 DSHS and HCA will share all relevant information about providers of Titles XIX and XXI services for individuals receiving services reimbursed by DSHS or HCA. DSHS and HCA will share all available information when fraud, abuse, or other potentially disqualifying condition of a provider, service applicant, or service recipient is suspected or discovered, or when a provider has been excluded from participation in Medicare or Titles XIX or XXI.
- 8.3 DSHS and HCA agree to maintain secure electronic systems and processes to ensure client data is held confidential when transmitted between or held or used by the agencies. Both parties agree to comply with the joint Data Security Requirements Exhibit, attached in Schedule A3 and incorporated in full into this agreement. The parties further agree to notify the other agency promptly of any security breaches of data owned by the other agency as provided in that Exhibit.
- 8.4 DSHS and HCA acknowledge that each is a "covered entity" for the purposes of the HIPAA privacy laws and regulations. Should either entity determine to change that status, that agency will notify the other of this decision. For purposes of the HIPAA Privacy Rule, the parties' covered entity to covered entity use and disclosure of protected health information is permitted by 45 CFR § 164.512(k)(6). The parties agree to cooperate in any joint obligations under the HIPAA laws and rules, including responding to and investigating privacy complaints and providing notice of privacy practices for protected health information.
- 8.5 The parties will share confidential information for administration of their programs and for business purposes as permitted by federal and state law. DSHS and HCA acknowledge their joint responsibility to share information to administer programs and agree that the programs covered by this Agreement are to be considered to have a joint and mutual purpose to provide, coordinate, and integrate services and benefits to clients.

ARTICLE IX. REDUCTIONS OF FEDERAL AWARD

- 9.0 For purposes of this article, a reduction of the federal award will include any reduction or withholding of federal financial participation for Medicaid expenditures related to program reviews, audits, deferrals, disallowances, sanctions, or other reductions of federal funds. DSHS and HCA understand that during the term of this Agreement, CMS or the Health and Human Services Office of Inspector General (OIG) may reduce or recommend a reduction in the amount of federal payments for Medicaid expenditures made in connection with this Agreement.

Each agency is responsible for managing its appropriation of State General Fund dollars and the amount of federal funds available to each agency to fund the Medicaid expenditures assigned to each agency under chapter 15, laws of 2011 1st special session, this Agreement, related State plan amendments, and subsequent assignments made in state law during the effective dates of this Agreement. If there is a reduction in the federal award, the assignment of the reduction, and the timing of any adjustment, will be resolved on a case-by-case basis between the agencies. Any resulting assignment to DSHS will occur as an adjustment to the next scheduled transfer of federal funds from HCA to DSHS after the reduction of federal funds is made to the federal Letter of Credits of either agency.

- 9.1 If a reduction in federal award occurs because of a failure to timely file a State Plan Amendment after timely receipt from DSHS, meet technical notice requirements of a State Plan Amendment, or noncompliance with a federal requirement by not changing the State Plan or state practice, HCA will be responsible for the difference between the anticipated amount of federal funds and the actual allowed amount of federal funds.
- 9.2 HCA is responsible for resolving with CMS any findings that result in the reduction of the Title XIX or XXI grant. Each agency will be responsible for any reductions in federal awards that are attributed to sections of the State Plan or services that are their responsibilities. If a reduction is applied to services or portions of the State Plan that are jointly administered by DSHS and HCA, the reduction in federal funds will be divided proportionally between the two agencies based upon a mutually agreeable method. This division will be based on the actual or estimated amount of claims for such services that were used to develop the expenditures for CMS. HCA will not be responsible for reductions or losses of federal funds resulting from any acts or omissions by DSHS including failure to comply with the Medicaid State Plan, failure to implement or enforce provisions of the Medicaid State Plan, or for Medicaid service rendered by a DSHS subcontractor.

- 9.3 The parties will work cooperatively in appealing any reduction in federal funds and in developing any necessary corrective action plans. In the event of a successful appeal and the return of federal funds, the returned funds will be distributed to the agency that was assigned responsibility for the original reduction in federal funds under 9.1 or 9.2 of this Article.
- 9.4 If the cause of a reduction in federal funds is not clear or the parties cannot agree on its cause, the parties will exercise due diligence and cooperation in an attempt to reach resolution. Each agency will provide information and access to employees as necessary to resolve the disagreement. If resolution is not possible at managerial levels, the Director and Secretary will meet to resolve the dispute. If a resolution cannot be reached by the Director and Secretary, the issue will go to the Governor's Health Care Cabinet or Chief of Staff for resolution.

ARTICLE X. TRIBAL RELATIONS

- 10.1 The HCA Director and the DSHS Secretary will participate in the following tribal meetings:
- (A) Annual joint meeting of the DSHS Indian Policy Advisory Committee (IPAC) and the American Indian Health Commission (AIHC)
 - (B) AIHC Tribal Leaders Health Summit

ARTICLE XI. PAYMENTS / REIMBURSEMENT

- 11.0 HCA will transfer the federal revenue share of allowable Title XIX Assistance costs weekly and Title XIX administrative costs and Title XXI assistance administrative costs expended by DSHS on state paydays pursuant to the Public Assistance Cost Allocation Plan approved by the U.S. Department of Health and Human Services, Division of Cost Allocation. DSHS will establish and maintain such records as necessary to document the costs associated with all assistance and administrative services provided under this Agreement. Both agencies will act in accordance with requirements of the federal Cash Management Improvement Act.
- 11.1
- (A) HCA will pay DSHS or providers pursuant to the provisions of the attached Schedules.
 - (B) The parties agree that HCA's payment for services where DSHS has been appropriated the state share match constitutes HCA advancing the state share match to DSHS. DSHS will reimburse HCA all advanced payments of state share made on behalf of DSHS.

- 11.2. DSHS will reimburse HCA all payments advanced for non-Medicaid reimbursable expenditures paid by HCA on behalf of DSHS, whether the DSHS funding source for such expenditures is state or federal dollars for which DSHS has authority to spend. HCA will bill DSHS on a weekly basis 100% of actual claim payments appearing on the HCA warrant register for non-Medicaid expenditures.
- 11.3 HCA and DSHS will have forty-five (45) calendar days to pay an undisputed valid invoice or claim pursuant to the terms of this Agreement.
- 11.4 The federal financial participation rate in effect for each time period covered under this Agreement will be applied uniformly to all federally-qualifying medical assistance payments occurring in that time period. If additional FMAP becomes available to HCA during the term of this Agreement, the revised federal financial participation rate will be applicable to DSHS expenditures for the specified periods unless the parties agree to the contrary.

ARTICLE XII. DISPUTE RESOLUTION

- 12.0 The parties recognize that situations will arise when there is dispute or difference of opinion between the parties or their agents about the interpretation, application or implementation of a term or terms of this Agreement.
- 12.1 When such disputes or differences arise, it is the intention of the parties that they be resolved informally and amicably through communication and problem solving between managers empowered by their respective agencies to resolve the issues at hand at the lowest level possible within the organizations.
- 12.2 If a dispute or difference cannot be resolved between involved managers, it should be referred, through whatever operational protocol each agency develops, to the Secretary and Director or their Deputies.
- 12.3 When the Secretary or Director get a referral of an unresolved dispute or difference, then the Secretary and Director will confer about the matter in order to consider all potential problem solving options and arrive at a resolution decision. If the Secretary and Director desire to appoint a review team, or a facilitator, or both to assist in the informal resolution of the dispute or difference, they can agree together to do so on whatever terms and timeline they mutually develop.
- 12.4 After the Secretary and Director have reviewed the dispute or difference, they will attempt to mutually arrive at a resolution decision through whatever consensus or agreement process they desire to use, and the resolution decision reached between them will be final and binding as to the matter reviewed and in accordance with the terms of the resolution decision. If unable to mutually arrive at a resolution decision, the Secretary and Director will consult with the Governor's Office and HCA will announce the final decision.

ARTICLE XIII. TERMINATION

- 13.0 Either party may terminate for cause with a thirty (30) calendar day written notice to the other party. Either party may terminate without cause with a sixty (60) calendar day written notice to the other party contingent upon no statutory requirement dictating otherwise.

- 13.1 In the event funding of the Medicaid program from State, Federal, or other sources is withdrawn, reduced, or limited to the extent that either party determines the expectations of this Agreement cannot be reasonably met after the effective date of this Agreement and prior to the anticipated agreement expiration date, this Agreement or portions thereof may be terminated immediately by HCA or DSHS upon notification to the other party.

AGREEMENT:

By: Mary Anne Lindeblad 11-20-2012
MaryAnne Lindeblad, Director Date
Health Care Authority

By: Robin Arnold-Williams 11-16-12
Robin Arnold-Williams, Secretary Date
Department of Social and Health Services

COOPERATIVE AGREEMENT

LIST OF SCHEDULES

Schedule A: Administrative Functions

- A1. Eligibility
- A2. Finance
- A3. Information Systems/Services
- A4. Operations
- A5. Policy, State Plan Amendments, and Waivers

Schedule B: Medical Services Programs

Schedule C: Third Party Liability and Division of Child Support

SCHEDULE A

ADMINISTRATIVE FUNCTIONS

PURPOSE

DSHS and HCA recognize that the work projects and priorities of one will often connect to or have a practical impact upon the other. Because of the interconnection between the agencies and their customers, as well as the fluctuating environment in which both agencies conduct their business (the need to be responsive to federal direction, legislative direction, stakeholder needs, and so on), it is essential that the agencies have effective partnership practices. The specifics of this schedule govern current needs and practices between the agencies.

The schedule describes those administrative functions provided by DSHS to support operations of the medical services programs administered by HCA. HCA acknowledges that various divisions within DSHS perform these functions. The following schedule identifies the responsibilities by the various DSHS divisions. Unless otherwise stated the following services are described in the DSHS Cost Allocation Plan or represent direct costs that are allowable Medicaid administrative costs. DSHS is responsible for the state share of Medicaid administrative expenditures identified in the DSHS Cost Allocation Plan or a direct cost. DSHS will certify to HCA that the state share monies used to match federal funds or to repay the state share of actual Medicaid expenditures under this Agreement are (i) directly appropriated public dollars of DSHS; (ii) not state funds used to match other federal matching programs; and (iii) are allowable provider taxes or donations as referenced in 42 USC 1396b(w)(1)(A).

This schedule also describes the administrative functions performed by both DSHS and HCA related to the delivery of direct medical services under the Medicaid program as stated in the Washington Medicaid State Plan. HCA acknowledges that these administrative functions are performed by various divisions within DSHS.

HCA and DSHS recognize responsibilities imposed upon HCA, as the Agency authorized to administer the Medicaid program and acknowledge the importance of ensuring that HCA retain the authority to discharge its responsibilities. At the same time, both agencies recognize that, consistent with the general principles upon which this Agreement is based, DSHS provides certain supports in order for HCA to serve Medicaid and other clients.

SCHEDULE A1

ELIGIBILITY

- A. As the Single State Medicaid Agency, HCA will establish Medicaid eligibility requirements and related policy. Eligibility means those financial and non-financial criteria that must be met in order to qualify for benefits and services. HCA will establish eligibility policy per federal and state law and regulations for all covered medical assistance groups and populations, including Title XIX Medicaid, Title XXI, and Medical Care Services, with the following exceptions:

With HCA's final concurrence, in accordance with single state agency requirements, DSHS will:

- Determine level of care needs for individuals who are potential Medicaid beneficiaries.
 - Establish eligibility requirements for the Aged, Blind, or Disabled program.
 - Establish eligibility requirements for Medical Care Services.
 - Establish eligibility requirements and related policy for nursing facility and ICF/ID services, chemical dependency and mental health programs, and other long-term care services such as Home and Community based state plans and waivers.
- B. DSHS is responsible for eligibility determination of all HCA medical service programs except those centralized at HCA through September 2013. Effective October 2013, HCA is responsible for all Modified Adjusted Gross Income (MAGI) methodology related to eligibility determinations, re-certifications, and case management, and DSHS is responsible for all non-MAGI "Classic Medicaid" eligibility determinations, re-certifications, and case management.

DSHS/Economic Services Administration Community Service Division, central staff, and Home and Community Services will continue to process medical eligibility applications and case maintenance except for those programs centralized at HCA or for which eligibility is determined by the Health Benefits Exchange. HCA is responsible for Managed Care enrollment.

- C. HCA will submit Medicaid State Plan Amendments. HCA will submit changes concerning medical eligibility that are related to Washington State laws and rules (RCWs and WACs) except those laws and rules that pertain to financial and functional medical eligibility for long-term care programs administered by the Aging and Disability Services Administration (ADSA). DSHS will coordinate changes in rules for these programs with HCA.
- D. DSHS or other designated entities will be responsible for functional eligibility determinations or the assessment of a person's functional capabilities and

severity of disability. Changes in the standards evaluated for functional eligibility will be coordinated with HCA.

- E. HCA and DSHS Economic Services Administration and Aging and Disability Services Administration will designate a contact person/s to facilitate communication and collaboration.
- F. DSHS will allocate and maintain federally required out stationed staffing including, but not limited to, disproportionate share hospitals and Federally Qualified Health Centers.
- G. HCA will issue and maintain Medicaid coverage for children in Foster Care, Adoption Support, Foster Care Relative Placement, and Juvenile Rehabilitation.
- H. DSHS will coordinate with HCA and obtain HCA's written approval prior to implementing any DSHS program change that impacts medical services programs documented in the ESA Eligibility and/or Procedure Manuals.
- I. Fostering Well-Being (FWB) is a cross-departmental program with a memorandum of understanding (MOU) in place between DSHS (CA and ADSA) and HCA. HCA houses the Foster Care Medical Team (FCMT) and coordinates Medicaid eligibility and request of medical records for dependent children in out-of-home placement. ADSA houses the FWB Care Coordination Unit (CCU) which provides coordination of health related services to dependent children in out of home placement. CA provides liaison activities between ADSA and HCA in order to coordinate, share information and respond to inquiries related to the administration of the FWB program.

SERVICE RESPONSIBILITIES AND EXPECTATIONS

DSHS/Economic Services Administration (ESA):

1. Process the following medical services programs:
 - a. Family and Children – F series (except CHIP F07 and children's spend down F95, F99),
 - b. Medical Care Services G series,
 - c. ADATSA Medical Care Services – W series,
 - d. Refugee – R series,
 - e. SSI, SSI related and HWD – S series,
 - f. Pregnancy – P series (excluding Basic Health members)

- g. Psychiatric Indigent Inpatient – M series
 - h. Home and Community based waivers administered by ADSA's Developmental Disabilities Division – C series
 - i. Home and Community based waivers administered by ADSA's Home and Community Services Division (HCS) for clients who are members of a TANF or TANF-related assistance unit – L series
 - j. Hospice – L series
 - k. Family Long Term Care – K series
 - l. Long Term Care (where care assessment not completed by ADSA) – L series
 - m. IMD – I series
2. Maintain a 3% or less payment error rate for all Medicaid programs administered.
 3. Process medical assistance applications within standard of promptness expectations as governed by 42 CFR § 435.911 and WAC 388-406-0035:
 - a. 15 working days for pregnancy applications
 - b. 45 calendar days for Medical Assistance programs (*i.e.*, Medicaid), Medical Care Services, ADATSA Medical Care Services, SSI-related, HWD, Home and Community based waivers, and long-term care in a medical institution.
 - c. 60 calendar days for applications requiring a disability decision
 4. Participate in research, grant application, workgroups and committees as able and upon request from HCA.
 5. Continue to provide the Automatic Client Eligibility System (ACES), Document Management System (DMS), Bar Code and web based eligibility manuals to support HCA medical services programs and staff.
 6. Participate with HCA to correct and respond to audit findings from CMS, SAO, PERM, and MEQC.
 7. Process client quality assurance problem reports within 15 business days from date of receipt.
 8. Respond to HCA within 15 business days on issues surrounding client eligibility.

DSHS/Aging and Disability Services Administration (ADSA):

1. The ADSA Home and Community Services Division will process the following medical services programs for clients who receive paid services and are not members of a TANF or TANF-related Assistance Unit:
 - a. Medical Care Services G series
 - b. Refugee – R series
 - c. SSI, SSI related, Medicare Savings Programs and HWD – S series,
 - d. Home and Community based waivers – L series
 - e. Long-term care in a medical institution – L series
2. Maintain a 3% or less payment error rate for all Medicaid programs administered.
3. Process medical assistance applications within standard of promptness expectations as governed by 42 CFR 435.911 and WAC 388-406-0035:
 - a. 45 calendar days for Medical Care Services, SSI-related, HWD, Home and Community based waivers, and long-term care in a medical institution
 - b. 60 calendar days for applications requiring a disability decision
4. Participate in research, grant application, workgroups and committees as able and upon request from HCA
5. Develop, revise and maintain institutional medical eligibility WACs
6. Maintain forms that support institutional medical eligibility programs
7. Participate with HCA to correct and respond to audit findings from CMS, SAO, PERM, and MEQC
8. Process client quality assurance reports developed by HCA within 15 business days from date of receipt.
9. Respond to HCA within 15 business days on issues surrounding client eligibility
10. In collaboration with HCA and CA, administer the Fostering Well-Being Care Coordination Unit and evaluate Fostering Well-Being program performance measures and other data annually, develop quality assurance processes and modify program goals as needed.

Health Care Authority (HCA):

1. Process the following medical services programs:
 - F06 (including Basic Health Plus) F95 and F99
 - F07 (SCHIP Apple Health for Kids)
 - P02 (Pregnant Basic Health members)
 - D01, D02 (Foster Care, Adoption Support)
 - P06 (Take Charge Family Planning)
 - S30 (Breast & Cervical Treatment Program)
2. Maintain a 3% or less payment error rate for all Medicaid programs administered.
3. Process medical assistance applications within standard of promptness expectations as governed by 42 CFR § 435.911 and WAC 388-406-0035:
 - 15 working days for pregnancy applications
 - 60 calendar days for applications requiring a disability decision
 - 30 calendar days for all other applications
4. Replace P1 client Services Cards
5. Develop, revise and maintain non-institutional medical eligibility WACS
6. Maintain forms that support non-institutional medical services programs
7. Manage the Provider and Client toll free telephone line within the Medical Assistance Customer Service Center (MACSC), including all managed care enrollment functions
8. Provide training and clarifications for ESA and HCS staff engaged in medical services program eligibility determinations within 15 business days
9. Facilitate responses and corrective action plans for SAO, CMS, PERM & MEQC audit findings in consultation with ESA and HCS
10. Participate in research, grant application, workgroups and committees as able and upon request from ESA or HCS

11. Establish and maintain Medicaid eligibility for children in out-of-home foster care placement.
12. Send health reports to foster care caregivers that include information regarding medical diagnoses, healthcare providers, medications, and immunizations.
13. Request and upload medical records for foster care children into FamLink or other DSHS-approved document management system linked to the child's FamLink case.
14. Provide information to providers, caregivers, and others regarding medical eligibility of children in foster care out-of-home placement.
15. Assist the Office of Medical Benefits and Clinical Review when appropriate for prior authorization requests and denials for children in foster care.
16. Facilitate transition of medical eligibility for children who are moving between foster care placements.
17. Establish Medicaid and state medical eligibility policy for foster care children in out-of-home placements.
18. Process hospital applications for youth hospitalized for an inpatient stay and prior to the hospitalization were in a JRA facility.
19. Process and maintain Medicaid for youth in JRA community facilities.

DSHS/Children's Administration (CA):

1. Participate in various stakeholder and workgroup activities as appropriate or as requested by HCA including Fostering Well-Being related activities.
2. Provide ongoing liaison, training, and support to HCA staff as negotiated.
3. Assist in policy and procedure development related to the FWB program.
4. Coordinate with CA regional staff regarding FWB activities and communication as needed.
5. Coordinate with HCA regarding relevant judicial or legislative concerns.
6. Utilize regional protocols for scanning documents into FamLink or other DSHS approved document management system linked to the child's FamLink case – this includes medical records when available.
7. Develop and ensure access to an approved record retention system to store medical records.

DSHS/Juvenile Rehabilitation Program (JRA):

1. JRA will provide to HCA funding for .5 FTE and HCA will:
 - a. Open and maintain Medicaid assistance for youth in JRA community facilities.
 - b. Open Medicaid for JRA youth who receive inpatient hospitalization.
2. Communicate with HCA/FCMT when youth transition out of community facilities or hospitals.
3. Provide FCMT access to JRA ACT system

SCHEDULE A2

FINANCE

A. Accounting

1. HCA will draw all Title XIX and Title XXI federal funds, including Federal Financial Participation (FFP) for DSHS program and administrative activities. Typically Title XIX Assistance draws are done weekly and Title XIX Administrative draws are done on state paydays. HCA shall perform any administrative functions necessary to assure the disbursement of the federal share of DSHS assistance costs weekly and DSHS administrative costs at least every two weeks.
2. All activities related to the Federal-State agreement implementing the Cash Management Improvement Act (CMIA) for the Title XIX and Title XXI programs will be HCA's responsibility.
3. HCA will prepare and submit quarterly expenditure and estimate reports of Title XIX and Title XXI expenditures, including but not limited to the CMS 21, CMS 21B, CMS 37 and CMS 64. DSHS will respond in a timely way to requests for information needed to complete this report. DSHS will also cooperate with CMS staff and provide additional information as needed to respond to CMS questions.
4. HCA will manage the financial reconciliation and supplemental request process related to Title XIX, Title XXI, and other federal grant awards under their control.
5. HCA and DSHS will, during the term of this Agreement, maintain separate cost allocation plans for their Title XIX and Title XXI direct and indirect administrative claiming. Each respective plan will meet the requirements of the Department of Health and Human Services, Division of Cost Allocation and OMB Circular A-87.
6. HCA and DSHS will work collaboratively to perform interagency accounting reconciliations to ensure accurate reporting of transactions between and for the two agencies.
7. During the transition phase, HCA and DSHS will process journal vouchers as necessary so expenditures will align with appropriation authorities.
8. HCA and DSHS will work collaboratively to maintain account coding updates for the Cost Allocation System (CAS) through the year and at the Federal Fiscal Year close. The two agencies' cost allocation will need to mirror one another in specific areas related to Medicaid to provide assurance of proper posting of transactions. This arrangement will be ongoing.

9. DSHS and HCA will work collaboratively to account for and process Affidavits of Lost Warrants, warrants beyond Statute of Limitations, and unclaimed property (to include re-issuance, as DSHS issues its unclaimed property payments). This may have impacts related to federal cost claims and recovery.
10. HCA and DSHS will work collaboratively to post in the accounting records any financing arrangement costs like the Office of State Treasurer Certificates of Participation (COP). DSHS is obligated to pay the current COPs and HCA will reimburse DSHS for any portion of the HCA COPs costs.
11. HCA and DSHS will work collaboratively to determine the equitable allocation or application of costs and risks resulting from agency self-insurance.
12. HCA will invoice DSHS/Economic Services Administration quarterly for the identified medical assistance Refugee and Entrant Assistance program cost provided to eligible refugee clients and administrative costs allocated based on the approved P1 Transaction Count methodology.

B. Budget

1. DSHS will provide HCA its submitted annual budget allotments and all subsequent revisions for all DSHS non-Title XIX medical expenditures and for all Title XIX programs for which DSHS retained the state appropriated funding.
2. HCA will provide DSHS its submitted annual budget allotments and all subsequent revisions for Title XIX programs.
3. DSHS and HCA will exchange draft decision packages and/or concepts in advance of internal budget submission deadlines. Proposals that would change Title XIX Medicaid or Title XXI expenditures, including but not limited to changes in benefit plan, payment rates, eligibility requirements, or number of people served, will be developed with an opportunity for comment by the other agency.
4. HCA and DSHS will continue to provide supporting documentation upon request for decision packages and proposed legislation, such as fiscal notes, bill analysis, surveys, etc., that involve the expenditure or possible expenditure of funds for programs administered by either agency.
5. HCA and DSHS will work collaboratively to submit budget requests, as necessary, to transfer funds to cover the shifting impacts of revolving fund services, such as Medicaid-related litigation within the Attorney General's Office, State Auditor emphases, and OFM transactional cost, within existing resources.

C. Receivables and Recoveries

1. The DSHS Division of Child Support (DCS) Cash Unit will be the final repository for specific HCA receivables as identified in the Memorandum of Understanding between DCS and Financial Services Administration/Office of Accounting Services dated September 13, 2010, and any future service level agreement. This includes generating Cash Receipts upon deposit through the DCS Remittance Processor and imaging all checks and backup documentation including the Cash Receipt. They will provide these image files to HCA and/or OFR for posting activities. HCA will reimburse DSHS for these services based on actual volume.
2. The DSHS Office of Financial Recovery (OFR) will provide services to HCA, including recovery, collections and general account maintenance activities for estate recovery, audit, payment review program, premium payment programs (MEB, HWD, CHIP), Court Ordered Restitutions (COR), vendor overpayment, unsolicited recoveries, Medicaid Fraud Control Unit awards, mental health, and any HCA Coordination of Benefits (COB) referred third party liability accounts. Until official notice is received from the Director, OFR is delegated the authority to charge off or negotiate accounts receivable in accordance with state law, policy and procedure. OFR will continue to provide current monthly summary or account activity data/information to HCA. OFR and DCS will work collaboratively on preparing for and answering all audit questions and examinations and implementing audit recommendations. HCA will reimburse OFR for costs expended on certified mail sent to clients and vendors in the pursuit of all Medicaid-related recoveries as well as the cost of filing and releasing real property liens.
3. HCA COB will provide referrals to OFR for collection activities when there has not been payment or contact by the payee within 90 days of establishment and notification to the payee of the sum certain receivable amount. This includes ProShare/DSH/Certified Public Expenditures and Critical Access Hospital settlements.

D. Payroll

1. HCA and DSHS will work collaboratively to process (providing information and inputting to the system) retroactive adjustments in pay, benefits, taxes, and leave using mutual agreement to address and process transactions as appropriate through interagency payment process to insure transactions ultimately show in the appropriate agency.
 - HCA will process and collect payroll overpayments occurring while MPA was a part of DSHS. These overpayments must follow the appropriate notification process and employees provided due process collaboratively.
 - DSHS will process and reconcile the last quarterly IRS, SSA, L&I, and ESD filings and payments up to effective transfer with agreement from

HCA that any employee reconciliation adjustments as deemed appropriate will be facilitated by HCA.

E. Provider Tax Reporting

DSHS will have tax reporting oversight responsibilities for those DSHS providers paid through the ProviderOne Payment system and third parties that will be remitting payments to DSHS providers.

F. Systems

Appropriate system securities and accesses will be determined for all systems identified below to ensure proper controls, separation of duties and protection of data integrity:

- Grants Management System (GMS)
- OFM Cost Allocation System (CAS)
- Bill Tracker
- AFRS Data File
- RDA Server
- MODIS
- ProviderOne
- Agency Contracts Database (ACD)
- SSPS

G. Rate Development

HCA and DSHS will retain responsibility for rate development and analysis in accordance with the approved state plan, for the providers paid by each agency.

H. Audits

DSHS will be responsible for providing information, working with auditors, responding to findings and other audit issues as well as reimbursement for any questioned costs pertaining to any DSHS related programs.

HCA will be responsible for providing information, working with auditors, responding to findings and other audit issues as well as reimbursement for any questioned costs pertaining to any HCA related programs.

HCA or DSHS corrective action plans for audit findings may depend on actions to be taken by the other agency and will be coordinated and submitted in a timely manner.

SCHEDULE A3

INFORMATION SYSTEMS/SERVICES

A. General

DSHS and HCA agree to work cooperatively to assure that information technology systems/services operate smoothly and without interruption.

If this agreement is silent on information systems/services regardless of owner, it will be assumed that DSHS and HCA will continue to perform said services in cooperation until this agreement can be modified or amended.

B. DSHS and HCA Responsibilities

Each agency shall provide or adhere to the general support services requirements stated below.

1. Services provided by each agency are identified in the Services Matrix (Section C Miscellaneous, of Schedule A.3) as defined in the ISSD service catalog where appropriate.
2. Cooperate and participate in shared state and federal audits and reviews of data processing operations covered under this agreement and maintain and supply all records and information required in such audits and reviews.
3. Each party agrees to engage each other in appropriate strategic and operational decision making processes.
4. DSHS and HCA agree to keep each other informed of any planned or emergency changes related to technical infrastructure, connectivity, staff or equipment location that would impact the other agency.
5. DSHS and HCA agree to comply with all OCIO standards and policies and notify each other of variances.
6. DSHS and HCA agree to maintain a secure networking environment between their respective networking infrastructures, and assist each other with maintenance.
7. The agencies will use existing processes for responding to program requirements of each respective agency that require system additions or modifications.
8. Each agency will maintain a technical contact list which includes key areas identified in this agreement.

9. HCA and DSHS shall comply with the policies and procedures of the operating agency's supported systems.
10. Training will be provided by the operating agency based upon the methods defined for said system.
11. HCA will steward the ProviderOne payment system and, in partnership with DSHS, implement Phase 2 of the project to incorporate ADSA provider payments and client paid services data and information into a single management system.
12. DSHS and HCA Enterprise Architecture (EA) groups will work cooperatively to address cross agency EA issues.
13. Both agencies will follow all OCIO and federal security and privacy requirements.

C. Miscellaneous

The Forms Matrix set forth in Schedule A4 includes DSHS forms that are used by ProviderOne.

The Services Matrix is a list of IT related systems and services that are provided by either DSHS or HCA. The Service Matrix defines the long term support requirements and includes the following elements:

- System
 - System/service name.
- Owner
 - Agency and Administration.
- Enterprise system
 - Is this system/service an enterprise system or service?
- Short-term use by HCA
 - Is use by HCA only needed in the short-term during a transitional period?
- Long-term use by HCA
 - Is use intended to continue long-term, after all planned transition activities are complete?
- Service Level Information
 - If a Service Level Agreement (SLA) is desirable, what will be the focus?
- Transition Activities or Use Condition (if any)
 - What steps need to occur to facilitate the planned transition, or how will the system use continue if long-term?
- System of record
 - What, if any, data elements has this system been identified as being the system of record for?

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
ACD	DSHS/ISSD	Yes		X	Per User/System Interfaces	DSHS will work with HCA on creation and updating of templates per DSHS' standard template procedures. HCA will continue to use the ACD for certain contracts.	DSHS Contracts
ACES	DSHS/ESA	Yes		X	Per User/System Interfaces	HCA staff will continue to access ACES and receive/transmit data as needed to conduct business operations.	Client Record, Eligibility Record
ARRTS	DSHS/ISSD	No	X		Per User	HCA may continue to use the DSHS Agency Request Tracking System (ARRTS) until HCA implements its own system for tracking public records requests	Public Records Requests
Barcode	DSHS/ESA	No		X	Per User	HCA staff will continue to access Barcode and receive/transmit data as needed to conduct business operations.	Case records
BDS	OFM	No	X		Per Agency	HCA will have access as necessary for agency business and as agreed within the Finance Schedule of this agreement.	Budget Development

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
BillTrack	DSHS/CA	No		X	Per User	HCA will have access rights to the DSHS Bill Track system and DSHS/CA will administer the system on HCA's behalf. HCA will use the DSHS Bill Track for all of its programs including PEBB, UMP and Basic Health.	Legislative Records
CARS and CARS subsystems	DSHS/ISSD	No		X	Per User	Ongoing use of CARS subsystems such as Vendor Accounts Receivable (VAR), Court Ordered Restitution (COR), Estate Recovery will be as defined within the Finance Schedule of this agreement. Necessary changes made to CARS on 1/2/2012.	Accounts Receivable
Cash Receipting & Cash Adjustment	DSHS/ISSD and DSHS/ESA			X		Ongoing use of systems supporting these processes will be as noted in the Finance Schedule of the SLA. Necessary changes completed 1/2/2012.	
Client Hub	DSHS/ISSD	Yes		X	Per User/System Interfaces	HCA will continue to use the DSHS Client Hub	Client Identifier Record
Client Registry	DSHS/RDA	Yes		X	Per User; Per Interface	HCA will continue to use Client Registry and provide data to the system.	N/A

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
CMS21/CMS21B Reports	DSHS/FSA	No	X		Per Report	These reports and associated CMS system access will need to be transitioned to HCA.	N/A
CMS64/CMS37 Reports	DSHS/FSA	No	X		Per Report	These reports and associated CMS system access will need to be transitioned to HCA	N/A
Disaster Recovery	DSHS/ISSD	No			N/A	DSHS and HCA will participate, as needed, in DR planning and testing for shared systems.	N/A
DMS	DSHS/ESA	No		X	Per User	HCA will continue to use DMS.	Eligibility Verification and Correspondence Imaging
EAZ Manual	DSHS/ESA	No		X	Per User	HCA will continue to provide updates to the DSHS EAZ Manual which is supported as part of the DSHS/ISSD Web Services service.	N/A
eJAS	DSHS/ESA	Yes		X	Per User/System Interfaces	HCA staff will continue to access eJAS and receive/transmit data as needed to conduct business operations.	WorkFirst employment records
Enterprise Architecture	DSHS/ISSD	No			N/A	DSHS and HCA will work together on EA issues that impact both organizations.	N/A

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
FADS	HCA	Yes		X	Per User/Type	DSHS will continue to use FADS and will continue to supply data as previously agreed to support FADS operations.	N/A
FAMLINK	DSHS/CA	Yes		X	Per User	HCA will use DSHS system based on access and data share agreement.	
FSA Customer Profile System	DSHS/ISSD	No		X	Per User	Ongoing use of this system will be as noted in the Finance Schedule of the SLA. Continued access granted.	
LMS (DSHS Learning Center)	DSHS/HRD	Yes		X	Per User	Designated HCA Eligibility, Policy and Service Delivery staff will access DSHS Learning Center or other agreed upon system that allows access to policy materials and ESA training for HCA eligibility workers.	Employee Training,
Medicaid Overpayment Management System (MOMS)	DSHS/ISSD	No		X	Per User	Ongoing use of this system will be as noted in the Finance Schedule of the agreement.	COB recoveries, Audit recoveries, Vendor Overpayments, Unsolicited Recoveries
Medical Assistance Call Center (MACSC) Knowledge Base	HCA	No		X	N/A	DSHS will have access to the MACSC Knowledge Base as necessary for agency business.	Client and Provider Resource Guide. Billing instructions. Policy definitions and guidance.

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
MODIS	DSHS/ISSD	Yes	X		Per User, Per Doc Type	HCA will transition records from MODIS to HCA Document Management System. Planning for migration will occur and the resulting plan will outline the support DSHS will provide to this transition effort and the timeline for the work. Until migration, HCA will use the DSHS service.	N/A
MSIS	CMS	No		X	Per Interface	DSHS/RDA will continue to have access to MSIS data	
Other RDA Services	DSHS/RDA	Yes			Work order process / FTE utilization	HCA may occasionally contract with RDA for other work not noted in this agreement. This work will be as defined in those agreements.	
P1 ADW	HCA	Yes		X	Per User/Type, Per Interface	DSHS will continue to use P1 ADW	P1 Reports from ADW, Aggregated records from P1 and other sources
P1 Call Center	HCA	Yes		X	Per Seat License	DSHS will continue to use P1 Call Center	Client Contact, Provider Contact, Client Complaints
P1 Correspondence	HCA	Yes		X	Per User, Per Unit	DSHS will continue to use P1 Correspondence system.	System Generated Correspondence
P1 e-CAMS	HCA	Yes		X	Per User; Per Interface	DSHS will continue to use P1 e-CAMS	Provider Records, Claims, Encounters

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
P1 Imaging	HCA	Yes		X	Per User, Per Doc Type	DSHS will continue to use P1 Imaging	Paper Claims, Claim Attachments, Incoming Paper Correspondence
P1 ODS	HCA	Yes		X	Per User/Type, Per Interface	DSHS will continue to use P1 ODS	P1 Reports from ODS
PARIS	DSHS/ESA	No		X	Per User	HCA will continue to need access to this system	N/A
PRISM	DSHS/RDA	No		X	Per User/Per Interface	HCA will continue to need access to this system	N/A
RAPS	DSHS	No		X	Per User	HCA will continue to need access to this system for Coordination of Benefits and Third-party Liability	N/A
SAS	DSHS/RDA	No			Per User	HCA will continue to use DSHS SAS Service. The server is managed by DSHS/ISSD and the software licensing.	N/A
SEMS	DSHS/ESA	No		X	Per User	HCA will continue to need access to this system	Support Enforcement Records
Service Bus	DSHS/ISSD	Yes		X	ISSD Service Catalog : Enterprise Service Bus	HCA will continue to use DSHS service bus for some transactions/interfaces	N/A

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
Software Licensing	DSHS/ISSD	No	X		Per Contract	HCA licensing will be separated from DSHS when possible. If not possible DSHS will continue to provide service. Some HCA licensing will remain within the DSHS Microsoft Enterprise Licensing agreement for the current contract term.	N/A
SSPS	DSHS/ISSD	Yes	X		Per User	HCA will need access to this system until full implementation of ProviderOne Phase 2. Access to system/data beyond that time	Social Service Payments
SXC POS	HCA	Yes		X	Per User	DSHS will continue to use SXC POS	Pharmacy POS Claims
T19/T21 Databases and Reports	DSHS/ISSD	No	X		Per Database/Per Report	Ongoing use of this system will be as noted in the Finance Schedule of the agreement.	N/A
TALS	OFM	No			Per Agency	HCA will have direct access if needed. DSHS will support access as agreed.	Allotments
TRACKS	DSHS/ISSD	No	X		As needed		Query ability for historical records

System/Service	Owner	Enterprise System	Short-term HCA Use	Long Term HCA Use	Service Level Information	Transition Activities or Use Conditions (if any)	System of Record for:
WARP	DSHS	No	X		Per User	Ongoing use of this system will be as noted in the Finance Schedule of the SLA.	N/A
Wide Area Network Services	DSHS/ISSD	Yes	X		ISSD Service Catalog: Wide Area Network Connectivity	Allow for continued use of existing network monitoring tools.	

D. Data Security Requirements Exhibit (included per Agreement Section 8.3)

1. Definitions:

- a. "Confidential Data" means data shared by one of the agencies party to this Contract with the other that is information specifically protected by law which may impose penalties for wrongful disclosure. This includes protected health information of clients under the HIPAA Privacy Rule.
- b. "Data Provider" means either DSHS or HCA when providing Confidential Data to the other agency.
- c. "Encrypt" means to encode Confidential Data into a format that can only be read by those possessing a "key"; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 128 bits.
- d. "Hardened Password" means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
- e. "Physically Secure" means that access is restricted through physical means to authorized individuals only.
- f. "Receiving Agency" means either DSHS or HCA when receiving the Confidential Data from the other agency.
- g. "Secure Area" means an area to which only authorized representatives of the entity possessing the Confidential Data have access. Secure Areas may include buildings, rooms or locked storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Data is not available to unauthorized personnel.
- h. "Trusted Systems" include only the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Data with written acknowledgement of receipt; (2) United States Postal Service ("USPS") first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network.
- i. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.

2. Confidentiality.

- a. The agencies shall not use, publish, transfer, sell or otherwise disclose any Confidential Data gained by reason of this Contract for any purpose that is not directly connected with agencies performance of the services contemplated

hereunder, except as provided by law.

- b. The agencies shall protect and maintain all Confidential Data gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the agencies to employ reasonable security measures, which include restricting access to the Confidential Data by:

- (1) Allowing access only to staff that have an authorized business requirement to view the Confidential Data.
- (2) Physically Securing any computers, documents, or other media containing the Confidential Data.

- c. Upon request by DSHS, at the end of the Contract term, or when no longer needed, Confidential Data shall be returned to Data Provider or the Receiving Agency shall certify in writing that they employed an approved method to destroy the information.

3. Confidential Data Transport. When transporting records containing Confidential Data, outside a Secure Area, do one or more of the following as appropriate:

- a. Use a Trusted System, including the (State Governmental Network) SGN.
- b. Encrypt the Confidential Data, including:
 - (1) Encrypting email and/or email attachments which contain the Confidential Data.
 - (2) Encrypting any data that will be in transit outside the SGN. This includes transit over the public Internet.
 - (3) Encrypting Confidential Information when it is stored on portable devices or media, including but not limited to laptop computers and flash memory devices.

- c. Send paper documents containing Confidential Data via a Trusted System.

4. Protection of Confidential Data. The agencies agree to store Confidential Data on one or more of the following media and protect the Confidential Data as described:

- a. **Hard disk drives.** Confidential Data stored on local workstation hard disks. Access to the Confidential Data will be restricted to authorized users by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.

Network server disks. Confidential Data stored on hard disks mounted on network servers and made available through shared folders. Access to the data will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Confidential Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key,

card key, combination lock, or comparable mechanism.

For Confidential Data stored on these disks, deleting unneeded Confidential Data is sufficient as long as the disks remain in a Secure Area and otherwise meets the requirements listed in the above paragraph. Destruction of the Confidential Data as outlined in Section 6. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the secure environment.

- b. Optical discs (CDs or DVDs) in local workstation optical disc drives.**
Confidential Data provided on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secure Area. When not in use for the contracted purpose, such discs must be locked in a drawer, cabinet or other container to which only authorized users have the key, combination or mechanism required to access the contents of the container. Workstations which access the Confidential Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- c. Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.**
Confidential Data provided on optical discs which will be attached to network servers and which will not be transported out of a Secure Area. Access to Confidential Data on these discs will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Confidential Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- d. Paper documents.** Any paper records which contain Confidential Data must be protected by storing the records in a Secure Area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.

Paper documents with Confidential Data may be recycled through a contracted firm, provided the contract with the recycler specifies that the confidentiality of information will be protected, and the information destroyed through the recycling process. Paper documents containing Confidential Information requiring special handling (e.g. protected health information) must be destroyed on-site through shredding, pulping, or incineration.

Access via remote terminal/workstation over the State Governmental Network (SGN). Confidential Data accessed and used interactively over the SGN. Access to the Confidential Data will be controlled by Data Provider staff, who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to authorized Receiving Agency staff.

The Receiving Agency will notify the Data Provider within one (1) business day whenever an authorized person in possession of such credentials is terminated or otherwise leaves the employ of the Receiving Agency, and whenever a user's duties

change such that the user no longer requires access to Confidential Data subject to this Contract.

- e. **Access via remote terminal/workstation over the Internet through Secure Access Washington.** Confidential Data accessed and used interactively over Secure Access Washington. Access to the Confidential Data will be controlled by Data Provider staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to authorized Receiving Agency staff.

The Receiving Agency will notify the Data Provider within one (1) business day whenever an authorized person in possession of such credentials is terminated or otherwise leaves the employ of the Receiving Agency, and whenever a user's duties change such that the user no longer requires access to Confidential Data subject to this Contract.

- f. **Data storage on portable devices or media.**

(1) **Confidential Data shall not be stored** by the Receiving Agency on portable devices or media unless specifically authorized within the Contract. If so authorized, the Confidential Data shall be given the following protections:

- (a) Encrypt the Confidential Data with a key length of at least 128 bits
- (b) Control access to devices with a **Unique User ID and Hardened Password or stronger** authentication method such as a physical token or biometrics.
- (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

(2) Physically protect the portable device(s) and/or media by

- (a) Keeping them in locked storage when not in use.
- (b) Using check-in/check-out procedures when they are shared.
- (c) Taking frequent inventories.

(3) When being transported outside of a Secure Area, portable devices and media with Confidential Data must be under the physical control of Receiving Agency staff with authorization to access the Confidential Data.

(4) Portable devices include, but are not limited to; handhelds/PDAs, Ultramobile PCs, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook computers if those computers may be transported outside of a Secure Area.

(5) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape, Zip or Jaz disks), or flash media (e.g. CompactFlash, SD, MMC).

5. Data Segregation.

- a. Data in the possession of the Receiving Agency must be segregated or otherwise distinguishable from non-Data Provider Confidential Data. This is to ensure that when no longer needed by the Receiving Agency, the Confidential Data can be identified for return or destruction. It also aids in determining whether any Confidential Data has or may have been compromised in the event of a security breach.
 - (1) Confidential Data in the possession of the Receiving Agency may be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non- Data Provider Confidential Data.
 - (2) Confidential Data in the possession of the Receiving Agency may be stored in a container on electronic media, such as a partition or folder dedicated to Data Provider's Confidential Data.
 - (3) Confidential Data in the possession of the Receiving Agency may be stored in a database which will contain no non-Data Provider Confidential Data.
 - (4) Confidential Data in the possession of the Receiving Agency may be stored within a database in which the Data Provider Confidential Data is distinguishable from non-Data Provider Confidential Data by the value of a specific field or fields within database records.
 - (5) When stored as physical paper documents, Confidential Data in the possession of the Receiving Agency will be physically segregated from non-Data Provider Confidential Data in a drawer, folder, or other container.
- b. When it is not feasible or practical to segregate Data Provider Confidential Data from non-Data Provider data, then both the Data Provider Confidential Data and the non-Data Provider data with which it is commingled must be protected as described in this exhibit.

6. Data Disposition. Except as noted in 4.b, Confidential Data shall be returned to the Data Provider or destroyed in accordance with the table below at the end of this Contract's term. Media on which Confidential Data may be stored and associated acceptable methods of destruction are as follows:

Data stored on:	Will be destroyed by:
Server or workstation hard disks	Using a "wipe" utility which will overwrite the Confidential Data at least three (3) times using either random or single character data Degaussing sufficiently to ensure that the Confidential Data cannot be reconstructed, or Physically destroying the disk

Paper documents with sensitive or confidential data	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of Confidential Data will be protected.
Paper documents containing confidential information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration or, shredding, or completely defacing the readable surface with a course abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding
Removable media (e.g. floppies, USB flash drives, portable hard disks, Zip or similar disks)	Using a "wipe" utility which will overwrite the Confidential Data at least three (3) times using either random or single character data Physically destroying the disk Degaussing magnetic media sufficiently to ensure that the Confidential Data cannot be reconstructed.

7. Notification of Compromise or Potential Compromise. The compromise or potential compromise of Confidential Data must be reported to the Data Provider Contact designated in the Contract within one (1) business day of discovery. The Receiving Agency must also take actions to mitigate the risk of loss.

8. Data shared with Contractors. If Confidential Data is to be shared with a contractor, the contract with the contractor must include all of the data security provisions within this Contract and within any amendments, attachments, or exhibits within this Contract. If the contractor cannot protect the Confidential Data as articulated within this Contract, then the contract with the contractor must be submitted to the Data Provider Contact specified for this Contract for review and approval.

SCHEDULE A4

OPERATIONS

CENTRAL FILES, RECORDS RETENTION, AND PUBLIC RECORDS REQUESTS AND LITIGATION DISCOVERY

DSHS and HCA will continue to maintain and store their agency's records. DSHS and HCA designated records coordinators will receive requests for retrieval of records from DSHS/HCA records coordinators. Both DSHS and HCA will provide requested records to the requesting agency within a reasonable time, except that during emergency situations requests will be given a higher level of priority as agreed to by the parties.

DSHS and HCA Public Records Officers and Public Disclosure Coordinators (PDCs) will continue to follow their agency's current public records request procedures implementing the Public Records Act (PRA). Both DSHS and HCA will comply with all applicable state and federal statutes and rules, including but not limited to the United States Code, the Code of Federal Regulations, the Revised Code of Washington, the Washington Administrative Code, and their respective agency's standards, policies, and manuals. The PDCs for both agencies will work cooperatively on requests involving both agencies to ensure openness of government and full compliance with the intent of the PRA. The 5-day response letter will be the responsibility of the agency who received the request. Each agency is responsible to disclose the records it owns and to refer the requester to the other agency if that agency is believed to own records responsive to the request and include contact information of that agency's Public Records Officer.

DSHS and HCA will continue to follow their agency's current procedures for implementing litigation holds and responding to litigation discovery. Each agency is responsible for placing its own records on litigation hold and for producing the records it owns for litigation discovery requests. Both DSHS and HCA will refer representatives from the Attorney General's Office to the other agency if that agency is believed to own records that need to be placed on litigation hold and/or are responsive to litigation discovery.

PROGRAM INTEGRITY

- A. DSHS and HCA will work cooperatively to establish and implement policies and procedures to assure the integrity of payments.
- B. DSHS and HCA will conduct prior authorization and post-payment review processes to assure the integrity of payments made with Medicaid/CHIP funds.

C. DSHS is responsible for correcting Medicaid Eligibility Quality Control (MEQC) audit findings and any corrective action plans.

D. DSHS will be responsible for working and completing each month the monthly quality assurance reports developed by HCA in conjunction with DSHS.

HCA will oversee and direct MEQC or similar payment error rate measurement projects in collaboration with DSHS regarding methods, sample sizes, resources and time lines. HCA will conduct reviews as well as other related operational functions, including sampling, tracking and reporting for cases maintained in DSHS Service Centers.

E. HCA and DSHS will utilize processes for confirming the qualifications of providers, including procedures to prevent excluded providers from participation in the Medicaid/CHIP program.

F. HCA will provide the staff resources to serve as the primary Payment Error Rate Measurement (PERM) contact between Washington State, CMS and CMS contractors during the Washington State PERM cycle. HCA staff will maintain the PERM website and initial provider PERM notification. DSHS staff will supply DSHS payment data, attend meetings, answer questions regarding data and policies, contact providers or case workers for documentation, review documentation, and support all PERM activities.

G. HCA will facilitate regularly scheduled meetings with DSHS program experts to identify cost saving data analysis activities for DSHS programs currently paid through the Social Service Payment System (SSPS) and in the future through ProviderOne. HCA will post data analysis results on a SharePoint site for DSHS staff review and comment.

H. DSHS will ensure Subject Matter Experts are available for identification, development, approval and research/decision-making for DSHS programs' data analyses.

I. HCA will provide appropriate DSHS staff with access to the Fraud and Abuse Detection System (FADS).

J. HCA and DSHS will work collaboratively to address Medicaid Payment Integrity issues, co-chairing a cross-agency Steering Committee for this purpose.

K. The DSHS Office of Fraud and Accountability will investigate medical assistance client eligibility fraud on HCA's behalf.

RULES

As the federally-recognized Medicaid single state agency for the State of Washington, the Health Care Authority (HCA) has a fundamental interest in rules that implement the state Medicaid program and waivers. HCA and the Department of Social and Health Services (DSHS) will work collaboratively in accordance with this Agreement, ensuring that HCA retains the ability to discharge its responsibilities for the administration of the state Medicaid program.

Any DSHS or HCA administration, division, or other unit that intends to begin a formal rule-making process affecting the state Medicaid program, a related waiver, or closely aligned DSHS program, must notify HCA's rules coordinator or the DSHS rules coordinator of its intention before filing the CR-101. The notice will include a brief explanation of the subject of the possible rule-making, and an opinion on whether the possible rule will require any type of formal filing with the Centers for Medicare and Medicaid Services (CMS) for an amendment to the State Medicaid Plan or for a waiver. HCA/DSHS will review the notification, and communicate with the other party to:

- Address whether or not it believes that the possible rule will require a formal filing with CMS;
- Address potential rule-related concerns and how to resolve them, including involvement in drafting of the rule; and
- Advise whether either party wishes to be kept informed of the rule-making process.

If HCA or DSHS wishes to be kept informed of a rule-making process, the DSHS or HCA unit will work collaboratively to determine the degree of involvement. This may include placing the DSHS or HCA rules coordinator, or another office within DSHS or HCA, on the interested party list for that rule-making process; including appropriate DSHS or HCA staff in the rule-drafting process; and other actions as appropriate. In any event, the DSHS or HCA unit will share with HCA or DSHS any actual draft rule before releasing such draft for review outside the agency. HCA or DSHS will not distribute draft rules outside of their organizations without the permission of the drafting agency.

HCA and DSHS may at any time agree that specific DSHS or HCA units are exempted from this notification process, as being unlikely to initiate any Medicaid-related rule-making process in which HCA would wish to be involved. Rules of the Residential Care Services (RCS) Division of the Aging and Disability Services Administration (ADSA) related to licensing or certification of long-term care programs are an example of such rules, and RCS is exempted from the notification required above. However, if it so requests, HCA will be included in the interested party list for any RCS rule filing related to long-term care licensing or certification.

Each agency will give the other at least five (5) business days advance notice prior to beginning rulemaking action in any chapter of Title 388 WAC containing rules that govern HCA and DSHS programs. HCA will promulgate, make all filings with the Office of the Code Reviser, and maintain the official rule file for HCA rules, including HCA rules codified under Title 388 WAC. DSHS will promulgate, make all filings with the Office of the Code Reviser, and maintain the official rule file for those rules codified in Title 388 WAC that govern HCA and DSHS programs.

FACILITIES

HCA will continue to use mailstops currently assigned to it and the former Medicaid Purchasing Administration (MPA) as of June 30, 2011.

DSHS will continue to hold the vehicle title on two vehicles (24304E, 2010 Gold Prius and 24340E, 2010 White Escape) until the Certificate of Participation and title can be successfully transferred to HCA. HCA will reimburse DSHS for any payments made on the Certificate of Participation.

Two HCA Review Officers currently are co-located with the DSHS Board of Appeals. Either agency may request a collaborative relocation process should either determine that relocation needs to occur. Both agencies will proceed diligently to honor the relocation request made by the other agency and to address any financial impacts to either agency.

RESEARCH AND DATA ANALYSIS

DSHS' Research and Data Analysis unit will provide analytical and reporting services upon HCA's request. The parties will document these engagements in separate agreements.

INSTITUTIONAL REVIEW BOARD

The Washington State Institutional Review Board (WASIRB) will serve as the institutional review board for the Health Care Authority, will review matters referred to it by HCA to determine whether the matters are subject to WASIRB oversight, and will review all proposed non-exempt research within HCA's jurisdiction. HCA will follow defined WASIRB policies and procedures.

CONTRACTS

DSHS and HCA will work cooperatively to transition functions and documents to HCA. DSHS agrees to maintain electronic documents (e.g.; executed agreements and agreement formats in DSHS' Agency Contracts Database (ACD)) until such time as HCA has the capability of accepting those documents. Further, DSHS agrees to provide access to the ACD to HCA and to work cooperatively to upload HCA templates so that the ACD may continue to be used. If access to other systems is identified, HCA and DSHS will work cooperatively to attain access.

BACKGROUND CHECKS

DSHS' Background Check Central Unit will continue to process background checks. The Background Check Central Unit charges its operating costs back to the programs based on the number of background checks that are conducted in the previous fiscal year. To determine the percentages for the upcoming fiscal year, DSHS uses a weighted average for the types and sources of checks processed during the prior fiscal year. DSHS will use this charge back methodology for HCA background checks conducted by the Background Check Central Unit.

INTERPRETER TESTING

DSHS will continue to perform language and interpreter testing.

ADMINISTRATIVE HEARINGS, FINAL AGENCY DECISIONS, AND JUDICIAL REVIEW

1. Hearing Representation. For all medical services program (including all Medicaid, its waived programs and CHIP) cases, the scope of duties performed by each respective agency dictates which agency will be responsible for representing the state of Washington in the administrative hearing. Specifically, DSHS, including a DSHS employee or contractor, will represent HCA in administrative hearings when the issue relates to an action (1) taken by DSHS (or its contractor) or (2) related Medicaid survey and certification activities. HCA will represent itself in all other matters (such as, scope of coverage, authorization of medical/dental/transportation services, and denials of medical services program eligibility based on no emergency medical condition).
 - a. When DSHS is representing HCA in an administrative hearing, DSHS will follow HCA's hearing rules, policies, and all applicable state and federal law.

- b. HCA receives copies of initial hearing decisions from the Office of Administrative Hearings. On a case-by-case basis, HCA's Appeal Administrator contacts DSHS to inquire about adverse decisions and provides direction on whether a case should be appealed. The HCA Appeals Administrator is available to consult with DSHS on fair hearing issues including appeals.
 - c. HCA and DSHS will provide administrative hearings training as mutually agreed to by the agencies to implement the terms of this agreement.
 - d. The agencies will collaborate in developing and providing on-going subject matter training for the HCA Review Officers and DSHS Board of Appeals Judges on medical care services and related programs.
2. Case Disposition.
- a. DSHS will keep HCA informed regarding the disposition of cases, identified legal risks to HCA and DSHS when an AAG opinion has been sought, and any other information necessary for HCA to make informed policy decisions regarding medical assistance hearings.
 - b. DSHS and HCA will work collaboratively to ensure that there are appropriate data tracking mechanisms in place so that HCA and DSHS will be aware of the number of hearings requested per fiscal year relating to any medical services program with a closely aligned DSHS program or where DSHS employees act on behalf of HCA and the associated costs of the hearings.
3. Review of Initial Orders. For a medical services program case for which there is a right to appeal an initial order, a designated HCA Review Officer will review and issue the final agency decision on behalf of HCA.
4. Policy Consultation. HCA will provide DSHS consultation on all eligibility policies and procedures including issues relating to treatment of trusts and annuities, transfer of property, and spousal impoverishment determinations. HCA and DSHS will continue to work cooperatively regarding investigation of support services.
5. Communication.
- a. DSHS and HCA will continue to actively participate in the DSHS Standing Committee or by way of separate agreement will create a forum to meet at least quarterly to address any issues relating to medical services program hearings.

- b. DSHS and HCA will enter into a separate agreement that sets forth a communication plan for referral, transfers, and assignments of hearings for the purposes of agency representation.
6. Hearing Location. DSHS will continue to allow for in-person hearings to be scheduled at the client's local community services office. DSHS will also continue to support these hearings by providing local DSHS staff to assist the parties and the administrative law judge as needed.
7. Requests for Hearing. DSHS will continue to accept and process any requests for an administrative hearing presented by a client of medical services programs.
8. Adjudicative Proceeding –Multiple Agencies as Parties. HCA, in consultation with DSHS, will adopt hearing rules to implement the statutory requirements set forth in the Medicaid Single State Agency bill.
9. Other Agreements Permissible. DSHS and HCA may enter into additional agreements to implement the requirements contained in this Schedule.

FORMS AND PUBLICATIONS

DSHS and HCA will work cooperatively to transfer forms and publications from DSHS to HCA to facilitate performance of the medical services programs transferred from DSHS to HCA. Such cooperation includes, but is not limited to, providing access to electronically stored files of forms and publications, and providing on-going consultation and advice related to the development, use, and alteration of forms and publications. DSHS agrees to maintain electronic versions of forms and publications until HCA has the capability of accepting those documents.

ProviderOne Forms Matrix

	Description	Link	Form number
	Enrollment form used on multiple templates – multiple languages	Form 13-664	Form 13-664 1
		Form 13-666	Form 13-666 1
		Form 13-677	Form 13-677 1
		Form 13-677 New	Form 13-677 N 1
		Form 13-699	13-699 1
	TQ in 9 languages/ data filled	Form 13-711	Form 13-711 1
		Form 13-714	13-714 1
		Form 13-720	Form 13-720 1

	Form 13-726	13-726 1
	Form 13-727	13-727 1
	Form 13-728	13-728 1
	Form 13-729	13-729 1
	Form 13-731	Form 13-731 1
	Form 13-735	Form 13-735 1
	Form 13-735a	Form 13-735a 1
	Form 13-739	Form 13-739 1
	Form 13-743	Form 13-743 1
	Form 13-745	Form 13-745 1
	Form 13-747	Form 13-747 1
	Form 13-750	Form 13-750 1
	Form 13-756	Form 13-756 1
	Form 13-757	Form 13-757 1
	Form 13-760	Form 13-760 1
	Form 13-761	Form 13-761 1
	Form 13-763	Form 13-763 1
	Form 13-769	Form 13-769 1
	Form 13-770	Form 13-770 1
	Form 13-771	Form 13-771 1
	Form 13-772	Form 13-772 1
	Form 13-775	Form 13-775 1
	Form 13-785	Form 13-785 1
	Form 13-786	Form 13-786 1
	Form 13-787	Form 13-787 1
	Form 13-788	Form 13-788 1
	Form 13-791	Form 13-791 1
	Form 13-794	Form 13-794 1
	Form 13-799	Form 13-799 1
	Form 13-800	Form 13-800 1
	Form 13-801	Form 13-801 1
	Form 13-802	Form 13-802 1

	Form 13-803	Form 13-803 1
	Form 13-804	Form 13-804 1
	Form 13-805	Form 13-805 1
	Form 13-806	Form13-806 1
	Form 13-807	Form 13-807 1
	Form 13-808	Form 13-808 1
	Form 13-809	Form 13-809 1
	Form 13-810	Form 13-810 1
	Form 13-811	Form 13-811 1
	Form 13-812	Form 13-812 1
	Form 13-813	Form 13-813 1
	Form 13-814	Form 13-814 1
	Form 13-815	Form 13-815 1
	Form 13-815a	Form 13-815a 1
	Form 13-816	Form 13-816 1
	Form 13-817	Form 13-817 1
	Form 13-818	Form 13-818 1
	Form 13-819	Form 13-819 1
	Form 13-820	Form 13-820 1
	Form 13-824	Form 13-824 1
	Form 13-825	Form 13-825 1
	Form 13-826	Form 13-826 1
	Form 13-827	Form 13-827 1
	Form 13-827a	Form 13-827a 1
	Form 13-828	Form 13-828 1
	Form 13-829	Form 13-829 1
	Form 13-829a	Form 13-829a 1
	Form 13-832	13-1832 1
	Form 13-833	Form 13-833 1
	Form 13-834	Form 13-834 1
	Form 13-835	13-835 1
	Form 13-835A	13-835A 1

	Form 13-838	Form 13-838 1
	Form 13-839	Form 13-839 1
	Form 13-841	13-841 1
	Form 13-845	Form 13-845 1
	Form 13-846	Form 13-846 1
	Form 13-852	Form 13-852 1
	Form 13-858	Form 13-858 1
	Form 13-860	Form 13-860 1
	Form 13-861	Form 13-861 1
	Form 14-331	Form 14-331 1
	Form 15-298	Form 15-298 1
	Form 15-310	Form 15-310 1
Insurance Questionnaire – 9 languages – data filled	Form 15-333	Form 15-333 1
Nursing Home Questionnaire – 9 languages – data filled	Form 15-334	Form 15-334 1
MSV form – 9languages- data filled	Form 18-488	18-488 1

SCHEDULE A5

POLICY, STATE PLAN AMENDMENTS, AND WAIVERS

HCA as the single state Medicaid agency is responsible for approving rules, regulations, and policies that govern how the State Plan and waivers are operated. HCA and DSHS will work collaboratively in accordance with this Agreement, ensuring that HCA retains the authority to discharge its responsibilities for the administration of the Medicaid program pursuant to 42 CFR § 431.10(e).

- A. The Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) will have designated liaisons to ensure coordination and collaboration regarding the Medicaid State Plan, Federal Waivers and Policy affecting Medicaid programs.
- B. HCA as the designated Medicaid Agency will submit all State Plan amendments and all formal communication to CMS regarding amendments to the State Plan. When necessary and with adherence to HCA's then-current tribal notification policies and procedures, DSHS will develop amendment language, public notice, and tribal notification language to be submitted by HCA. As required, DSHS will furnish information, make recommendations, and respond to CMS regarding pending State Plan Amendments. Letters regarding the impact of state plan amendment changes on tribes will be sent to the tribes through HCA and reviewed by the HCA tribal liaison, with documentation of the tribal notification provided to CMS by HCA when the SPA is submitted.
- C. Pursuant to 42 CFR 430.25, HCA delegates authority to DSHS to submit waiver applications, renewals and amendments to the federal Centers for Medicare and Medicaid Services (CMS). DSHS will provide HCA access to the application, renewal and/or amendment documents and will obtain HCA Director approval prior to submitting to CMS. When necessary and with adherence to HCA's then-current tribal notification policies and procedures, DSHS will develop tribal notification language to be submitted by HCA. Letters regarding the impact of waivers and waiver amendments on tribes will be sent to the tribes through HCA and reviewed by the HCA tribal liaison, with documentation of the tribal notification provided to CMS by DSHS when the waiver/waiver amendment is submitted.

DSHS has responsibility for the operation, management, and reporting of allowable Medicaid administrative activities for its approved federal waivers and State Plan options that require reporting.

- D. Both HCA and DSHS agree to establish procedures and practices which assure the orderly and coordinated development, promulgation and implementation of necessary statutory changes.

- E. HCA and DSHS will be responsible for developing regulations, MMIS policy changes, and provider manuals related to programs they administer. Each agency will make these items available for early review by the other agency prior to making substantial changes. Substantial change includes changes to Washington Administrative Code (WAC) or to the State Plan and may include changes that impact a shared provider type or population.
- F. HCA will be responsible for its internal policy development, communication, and review protocols associated with DSHS-requested changes in regulation, the State Plan, MMIS policy, or provider manuals. HCA will ensure that its staff and the MMIS Fiscal Agent staff provide timely and clear guidance to DSHS staff regarding any such changes.
- G. HCA will assist DSHS with MMIS-related information or data requests from DSHS. DSHS will report waiver expenditures, service utilization information, and quality assurance results to HCA in compliance with applicable Federal regulations related to the role of the designated Medicaid agency.
- H. HCA will notify the DSHS Secretary when CMS approves a State Plan or waiver Amendment.
- I. In the development of any integrated and/or managed care initiatives that serve older people and people with disabilities HCA will work collaboratively with DSHS(ADSA) on the benefit design, service delivery models, procurement specifications, contract requirements, readiness review, monitoring and quality assurance processes, and consumer/provider/staff communication.
- J. Washington state tribes bill an Indian Health Service (IHS) encounter rate for the majority of fee-for-service (FFS) mental health services in accordance with the WA State Rehabilitative Services section of the Medicaid state plan. Policy development and oversight for tribal mental health services is the responsibility of the Division of Behavioral Health and Rehabilitation (DBHR) under the DSHS Aging and Disability Services Administration. HCA will make appropriate staff available to facilitate the integration of existing DBHR policy on attestation, licensure and documentation with HCA policy and procedures concerning clinician and facility enrollment, core provider agreement processing and claims adjudication.
- K. HCA and DSHS during legislative sessions will collaborate on both legislative and budget issues to assure timely participation and assistance with each other's legislative and budget issues.

SCHEDULE B

MEDICAL SERVICES PROGRAMS

PURPOSE

The purpose of this schedule is to identify the medical services programs administered by DSHS that are reimbursable under the Medicaid Program as stated in the Washington Medicaid State Plan including any waivers approved by the Centers for Medicare and Medicaid Services (CMS) or the Secretary for Health and Human Services. The listing in this schedule is a general overview of existing programs and is not exhaustive or permanent. As changes occur to these programs, they will be governed by the overall provisions of this Agreement.

Both HCA and DSHS recognize the responsibilities imposed upon HCA, as the agency authorized to administer the Medicaid program, and acknowledge the importance of ensuring that HCA retains the final authority necessary to discharge its responsibilities. Both agencies recognize that consistent with the general principles upon which this Agreement is based, DSHS shares responsibility for certain services and functions.

HCA recognizes that DSHS has the state share responsibility for certain Medicaid services either through program administration or as the direct service provider. HCA will provide the federal share of payment for these services as performed by enrolled providers in accordance with the reimbursement provisions described in Article XI, Section 11.1 of this Agreement. DSHS will not be responsible for the state share for services provided to the refugee population, which is funded by 100 percent federal funds.

List of Programs Administered by DSHS (not all-inclusive)

- I. Residential Habilitation Centers/Public Intermediate Care Facilities for People with Intellectual Disabilities (ICF/ID) (42 CFR 483.400)

DSHS will administer services to persons served in Residential Habilitation Centers, which are operated under chapter 71A.16 RCW. Units within these facilities have either Medicaid certification as Intermediate Care Facilities for People with Intellectual Disabilities or Medicaid certification as nursing facilities.

- II. Section 1915(b) and 1915(c) Waivers (42 CFR 440.180)
- III. Privately operated, licensed boarding homes or nursing homes that have Medicaid certification as Intermediate Care Facilities for People with Intellectual Disabilities (ICF/ID) (42 CFR 483.400)
- IV. Home and Community Based Services (HCBS) programs within the State Plan including Medicaid Personal Care.

V Chronic Care Management

VI. Approved Medicaid grants and demonstration projects including but not limited to:

- A. Money Follow the Person/Roads to Community Living
- B. Specialized Dementia

VII. Chemical Dependency

Chemical Dependency Outpatient Rehabilitation Services

Chemical Dependency Alcohol and Drug Screening, Detoxification, and referral services

Chemical Dependency Non-Institute for Mental Disease Residential Services for Adults and Youth

Mental Health

Mental Health Rehabilitation Services

State Mental Hospitals including

- A. Western State Hospital
- B. Eastern State Hospital
- C. Child Study and Treatment

Children's Long-Term Residential Inpatient Programs

Free Standing Evaluation and Treatment Facilities

Community Psychiatric Hospitals

VIII. Long-term Care (adult family homes, boarding homes, and the community residential services and supports program) and Nursing Facility services

DSHS will administer and pay for administrative and programmatic services related to long-term care and nursing facility services.

HCA recognizes DSHS as the State Survey Agency for Medicare and Medicaid Survey and Certification as described in the Federal State Operations Manual. DSHS retains responsibility for certification of nursing facilities, ICF/IDs, and for long-term care services (adult family homes, boarding homes, and the community residential services and supports program) that provide services to Medicaid recipients.

State Medicaid agency functions delegated to the DSHS state survey agency include:

1. Minimum Data Set (MDS) review and analysis for calculating case mix adjusted Medicaid rates;

2. Administration of Medicaid enforcement and compliance remedies for deficient nursing facilities, including civil fines, collections, and formal and informal hearings;
3. Quality Improvements and Evaluation System;
4. The Quality Assurance Nurses (QAN) program, including case mix accuracy and utilization review;
5. Nurse Aide registry (NATCEP) program;
6. Investigation of allegations of resident/client abuse, neglect, or misappropriation of nursing facility residents, including findings, as appropriate.

HCA will provide technical assistance in ongoing efforts related to tribal mental health and the EPSDT lawsuit.

SCHEDULE C

THIRD PARTY LIABILITY AND DIVISION OF CHILD SUPPORT

I. PURPOSE

The Division of Child Support (DCS) is the organizational unit charged with administering the child support enforcement program under title IV-D of the federal social security act. The Health Care Authority (HCA) is the organizational unit administering medical services programs funded under Title XIX of the federal social security act. DCS is required by federal regulations to pass insurance information on Medicaid individuals to HCA. DCS provides parent and child information to HCA via electronic file. This information is matched against Medicaid eligibility information in order to identify noncustodial parents who may have private insurance coverage available for their dependents. HCA Coordination of Benefits (COB) staff validate the availability of insurance with the insurance company and build third party liability screens in the Medicaid Management Information System (MMIS) should there be available medical insurance. Most private medical insurance policies are considered to be the primary payer responsible for payment of medical claims.

II. FEDERAL AUTHORITY

This Agreement is based on the following federal guidance:

42 USC 654a(f)(3) permits the exchange of information between the IV-D agency and programs operated under a state plan approved under Title XIX of the social security Act.

45 CFR 307.13 permits access to and use of data for purposes of exchanging information with State agencies administering programs under title XIX of the social security Act to the extent necessary to carry out agency responsibilities

42 USC 1396a(a)(7) restricts the use and disclosure of information regarding applicants and recipients of medical assistance to purposes directly connected with the administration of the state plan under title XIX.

WAC 182-501-0200, allows HCA to recover on claims paid or cost avoid on claims yet to be paid for covered services provided to a client on whose behalf the DCS is enforcing a child support obligation. HCA has determined that the disclosure authorized by this Agreement is necessary for purposes of the administration of HCA's programs. Both DCS and HCA find it necessary to share the data described in this Agreement. The information will remain confidential pursuant to RCW 74.04.060, RCW 26.23.120 and all other laws applicable to the information. The release or use of this information is restricted to persons or agency representatives who are subject to standards of confidentiality which are comparable to those of the HCA; 42 CFR§431.306(b).

III. DESCRIPTION OF DATA AND METHOD OF ACCESS OR TRANSFER

The following data will be provided under this Agreement:

DCS provides parent and child information required to match against MMIS Client Eligibility File, TPL Intermediate File, TPL Billing File and Claims Inquiry Screen in order to perform the actions described in Section I, Purpose, above.

DCS State Office staff will require Inquiry only access to the MMIS to perform the actions described in Section I, Purpose, above.

COB staff members will require Inquiry only access to Support Enforcement Management System (SEMS) Web to perform the actions described in Section I, Purpose, above.

DCS and HCA will use scheduled interfaces to electronically transfer data.

IV. DISPOSITION OF DATA

At the end of the use of the data disclosed by DSHS and/or the use of data created from this data, the disposition of data will be as follows:

- a. All hard copies containing direct identifier information will be shredded.
- b. Electronic data containing direct identifier information will be erased or archived and stored offline per DSHS records retention policies.
- c. All other data received from the department will be erased or maintained in a secured area up to six months from the end of the agreement period.
- d. All data will be destroyed no later than six months after the end of the agreement period.

V. CONFIDENTIALITY

This agreement is entered into pursuant to the provisions of 42 CFR§431.306. The data disclosed under this agreement is also governed by RCW 74.04.060 and RCW 26.23.120 and may be governed by other statutes, including chapter 70.02 RCW (health care information), RCW 70.24.105 (STD/HIV), RCW 70.96A.150 (chemical dependency treatment), RCW 71.05.390 (mental health treatment), and RCW 71.34.200 (mental health treatment – minors).

VI. EMPLOYEE AWARENESS OF USE/DISCLOSURE REQUIREMENTS

DCS will assure that all staff with access to the shared data are aware of the use and disclosure of this data as follows:

- a. Prior to making the data available, notify all staff with access to the information of the use and disclosure requirements and the penalties for unauthorized use or disclosure.

- b. Advise each new staff member of the provisions in "a" above and provide an annual reminder to all other staff with access to the data covered in this agreement.

In addition, DCS will ensure that access to confidential data will be limited to staff within DCS. Confidential data will further be restricted to staff who have immediate need to use confidential data to achieve the stated purposes. Furthermore, DCS will ensure that those people with access to confidential data are aware of this document in its entirety and that confidential information is not to be disclosed to other provider staff or to any individual or agency outside of DCS.

DCS Program Contact:

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HCA Program Contact:

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