DSHS
WASHINGTON STATE
Department of Social
and Health Services

REPORT TO THE LEGISLATURE

Financial Eligibility FTE Use & Associated Outcomes

ESSB 5693 Sec. 203 (1)(gg)

December 31, 2024

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Executive Summary

The Legislature passed Engrossed Substitute Senate Bill 5693 Sec. 203 (1)(gg) in 2022. This provided one-time funding to hire more Department of Social and Health Services' Developmental Disabilities Administration staff to speed up financial eligibility determinations. The law required us to report on how we used the funds and how determination waits changed.

Our Long-Term Care and Specialty Programs Unit, or LTCSPU, manages financial eligibility determinations for our clients and for people who receive some specific non-DDA services as well. A team of public benefits specialists maintain initial applications, annual renewals and case maintenance for a variety of benefits. Adequate staffing improves processing speed and accuracy of the LTCSPU. This provides better service to clients. It helps clients start Medicaid health insurance and long-term care services sooner. It helps ensure compliance with federal requirements for processing timeframes. We are grateful for the one-time funding for additional staff and requests funding on an ongoing basis to maintain compliance and not risk loss of federal matching funds.

Background

The number of financial eligibility staff managing the DDA caseload has been inadequate since the unit was first established. When the unit transitioned from ALTSA, the worker to caseload ratio was 1:1,800 and there was a six-month backlog of assignments. In 2022, the Legislature approved one-time funding for financial eligibility staff in fiscal year 2023 and in fiscal year 2024 extended the temporary funding. The funding for these critically needed staff will end on June 30, 2025.

Deliverables and Status

JOB CLASS	Base FTEs *Prior to additional fundingfor FY23*	Permanent FTEs *added in FY23-24 for caseload adjustments*	SB5693 Non-Permanent Project FTE's	Total FTE's
Public Benefits Specialist 4	**30**	**5**	**17**	**52**
Public Benefits Specialist 5, supervisor	**4**	**-**	**2**	**6**
Social and Health Program Consultant	**-**	**1**	**1**	**2**
Administrative Assistant	**-**	**1**	**-**	**1**
Administrative Hearing Specialist	**1**	**-**	**-**	**1**
LTC Specialty Program Manager	**1**	**2**	**-**	**3**
LTC Office Chief	**1**	**-**	**-**	**1**
Total	**37**	**9**	**20**	**66**

As of July 2022, all public benefits specialist 4 and social and health program consultant positions were filled. In August 2022, we hired supervisors, completing the hiring of all the temporary project positions provided by the Legislature in SB 5693. Depending on their skill level when hired, it may take a year or more for a new hire to become proficient.

Public benefits specialists working in the LTCSPU are responsible for processing and making eligibility decisions on initial Medicaid applications, annual eligibility reviews, case maintenance, administrative hearings and call center activities. Staff must also be proficient in determining eligibility for food assistance and cash programs, such as Basic Food under the federal Supplemental Nutrition Assistance Program, food benefits under the Washington Combined Application Project and the Aged, Blind, Disabled cash program with facilitation leading to Supplemental Security Income.

In 2017, we studied staffing levels needed to comply with assignment processing requirements. We learned that the ideal ratio is 516 cases per public benefits specialists (1:516). An earlier study suggested a ratio of 1:400 would meet acceptable customer service and performance standards. Due to caseload increases, the ratio for fiscal year 2025 is 1:952 with current permanent and non-permanent staff.

Within our current DDA caseload, some programs need staff who are trained on specific programs. This takes more time to manage. Healthcare for Workers with Disabilities is an example of one of these specialty programs. Each month, and for each client, PBS staff do an in-depth analysis of Social Security benefits, Social Security Substantial Gainful Activity standards, earned income, current and potential client responsibility for cost of care, current and potential assets, work related expenses for individuals and employers and calculate HWD premiums. To be sure the client has the most economical coverage option, workers who manage the HWD program must regularly analyze a client's eligibility for other Medicaid programs that allow access to long-term care services. We must coordinate closely with the DSHS Office of Financial Recovery to send timely and accurate monthly invoices and premium non-payment notices. Staff also need expertise in sub-specialties like:

- Hospice.
- DDA Residential Habilitation Centers.
- Eastern and Western State Hospital admissions and discharges.
- Behavioral Health Adult Residential Treatment Facilities.
- Children's Long-term In-patient Psychiatric Facilities.
- Acute care hospital admission and discharge.
- Nursing facility admission and discharge.
- Department of Corrections incarceration and release.

Staff who manage the sub-specialty cases are not available or only available part-time to manage the general DDA caseload, which focuses on clients receiving DDA services. This increases the general caseload ratio.

Problem Statement

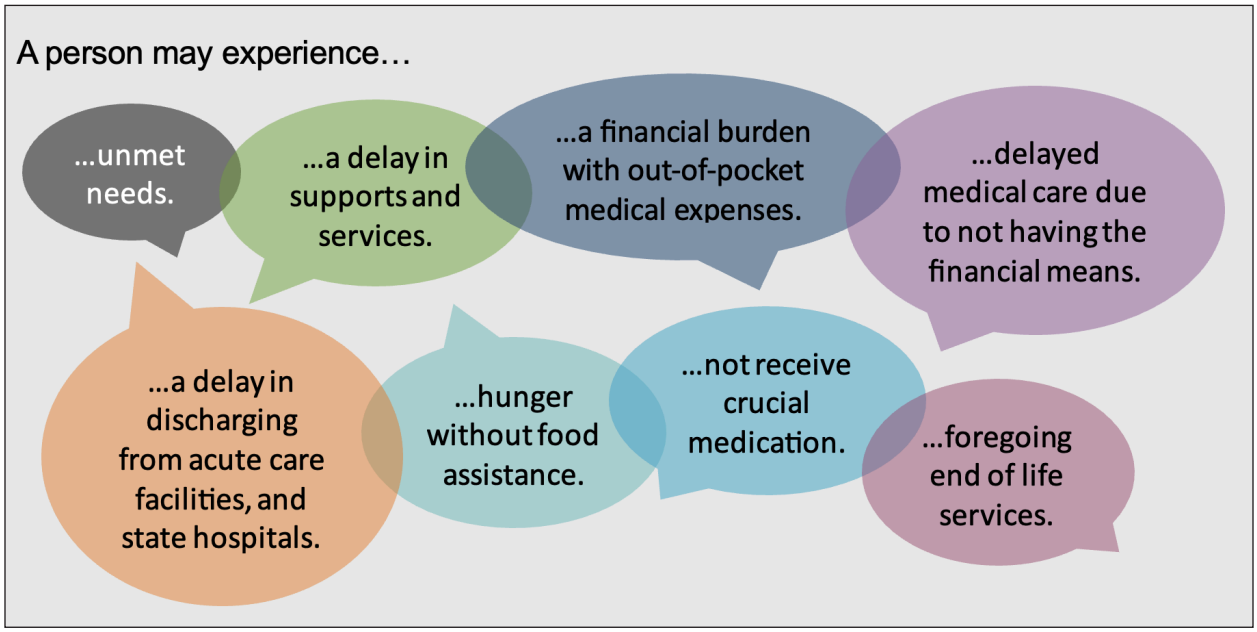
Not having enough staff creates negative outcomes for clients and risks federal match for Washington state's Medicaid programs.

We lose funds or get fined when we take too long processing applications. If we do not comply with federal mandates, we are at risk of a $70 million fine and a $137 million loss in federal enhanced match per quarter.

Centers for Medicare and Medicaid services payment error measurement, or PERM, rate audits requiring corrective action plans may invoke repayment of federal matching dollars for Medicaid services that were inappropriately issued to clients who were not eligible.

Delays in processing of initial applications or reviews impact clients. This can cause people to go hungry while waiting for food assistance benefits. They might miss prescription medications while they wait for medical coverage. Personal care, waiver services or even hospice care can be impacted. A financial burden to the individual for out-of-pocket expenses or overpayments might be incurred. A client may end up having to stay in a hospital longer than is medically necessary if their application for long-term care is not able to be processed timely.

What happens when there is a delay in timely process?



Case Processing

Receipt of services requires both functional and financial eligibility determination. Once approved for a DDA service by a case resource manager who completed a functional eligibility assessment, clients must then complete an application to determine financial eligibility for Medicaid benefits by PBS staff. Financial eligibility for Medicaid requires an initial determination, annual reviews thereafter and case reviews each time there is a change in circumstances for a client.

Initial application processing times require:

- Medical applications are to be processed within 45 days of receipt.
- Requests for additional information from the applicant be sent within 20 days of receipt of the initial application.

Reference: WAC 388-406-0035, WAC 182-503-0060

Annual eligibility reviews require:

- Notice with renewal form provided 45 days prior to the end of the certification period, to be completed, signed and returned.
- A complete review of all eligibility factors completed at least every 12 months (with certain exceptions).

Circumstance changes require:

- Clients in an institution – processing changes the month they happen, or for income changes, a six-month estimation with a reconciliation of actual amounts.
- Clients receiving HCBS waivers – processing changes the first of the following month; unless it is a loss or reduction of income, then changes must be processed in the month the change happened.
- Not processing reported changes timely may result in an overpayment or underpayment to the client.

Standard of promptness is the number of days the Department must process an application for benefits and starts the day after the application is received for each program. The promptness standards for food and medical benefits are federally mandated.

Program	SOPs in Calendar Days
BASIC FOOD - Expedited	7
BASIC FODD – Non-Expedited	30
CASH – Aged, Blind, or Disabled (GA), all types	45
MEDICAL - Disabled	45
MEDICAL – auto-screened S03 Program	30
ALL OTHER PROGRAMS	45

In recent years, the Legislature has invested in significantly increasing slots for DDA waivers to help meet client needs, along with mandating timely civil transition processing under SB 5440, discharging clients from acute care hospital settings into the community, and prioritizing waiver services for youth in dependency under SB 1188. As caseloads increase so does the workload for financial staff to ensure clients who are filling the slots are Medicaid eligible.

With an increasing caseload, the number of documents needing to be processed also increases. The average total number of assignments waiting to be processed between January and July 2022 was 16,503. The average total number of assignments waiting to be processed in fiscal year 2023 was 7,410 and between January and August 2024 is 7,480.

Outcomes

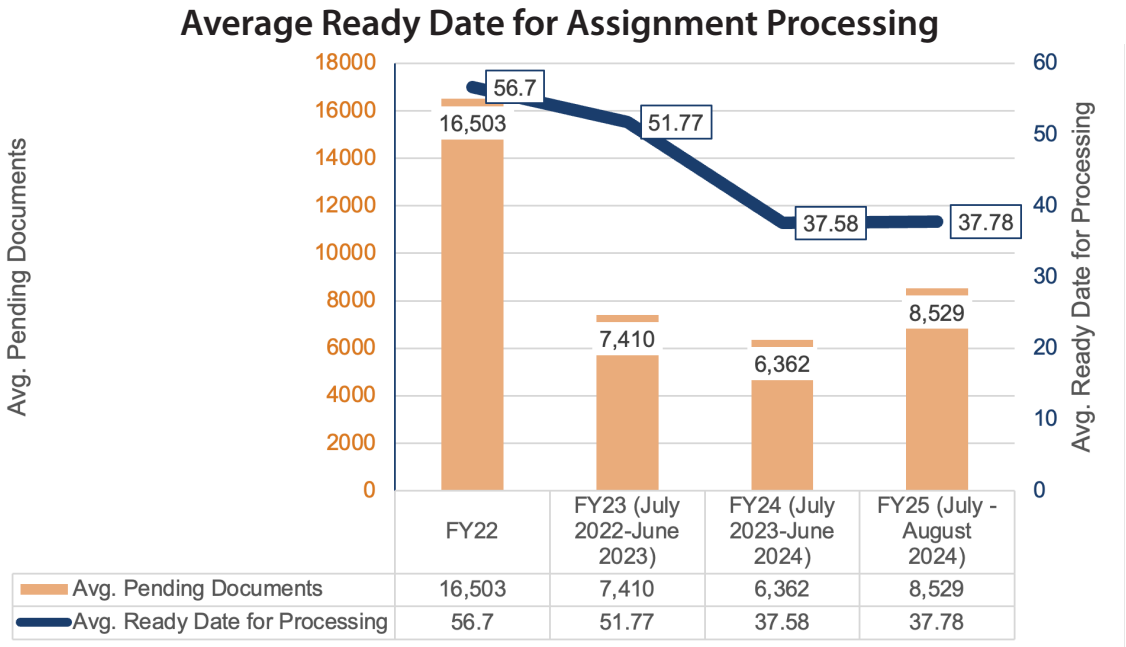
The use of overtime and the addition of non-permanent project positions has helped lower the backlog, but the backlog will return when the project positions end, if they are not made permanent. New hires are assigned work that matches their skill level, and they have been able to reduce the backlog of assignments waiting to be processed. Seasoned staff are assigned more difficult work which takes longer to process, but seasoned staff are also occupied with mentoring new hires. While the overall average processing time (in days) has significantly decreased in fiscal year 2024-2025, the number of pending assignments has increased due to caseload growth and ending overtime in fiscal year 2024.

These are the fiscal year 2023 averages since hiring new staff:

2022-2023	Number of Average Working Days Since: Ready to Work *(initial processing time)*	Average Total Cases	Average Pending Documents/ Assignments	Average Pending Case Ticklers
July	**58.09**	**7,155**	**9,521**	**5,548**
August	**58.62**	**6,524**	**8,230**	**5,431**
September	**54.43**	**6,269**	**8,089**	**5,019**
October	**55.80**	**5,979**	**7,709**	**4,544**
November	**52.88**	**6,533**	**8,043**	**5,165**
December	**58.82**	**5,977**	**8,157**	**4,095**
January	**57.11**	**6,139**	**8,384**	**4,252**
February	**53.24**	**5,592**	**7,435**	**3,915**
March	**50.61**	**5,096**	**6,184**	**3,654**

These are the fiscal year 2024-2025 averages since training new staff and the June 30, 2023, report:

2023-2024	Number of Average Working Days Since: Ready to Work *(initial processing time)*	Average Total Cases	Average Pending Documents/ Assignments	Average Pending Case Ticklers
April-23	**47.11**	**5,158**	**5,886**	**3,852**
May-23	**40.43**	**5,167**	**5,097**	**4,356**
June-23	**35.07**	**5,452**	**6,188**	**4,027**
July-23	**38.74**	**5,574**	**6,259**	**4,121**
August-23	**42.12**	**5,276**	**5,897**	**3,657**
Sept-23	**41.12**	**5,001**	**5,528**	**3,451**
Oct-23	**40.89**	**4,647**	**5,211**	**3,038**
Nov-23	**45.80**	**4,274**	**4,761**	**3,079**
Dec-23	**42.36**	**5,119**	**5,905**	**3,611**
January-24	**39.74**	**5,126**	**6,941**	**3,250**
February-24	**30.26**	**4,501**	**6,346**	**2,905**
March-24	**28.38**	**4,819**	**6,762**	**3,042**
April-24	**32.86**	**4,734**	**6,561**	**2,934**
May-24	**34.38**	**5,145**	**7,445**	**2,860**
June-24	**34.29**	**5,608**	**8,727**	**3,122**
July-24	**36.50**	**5,818**	**8,842**	**3,048**
August-24	**39.05**	**5,606**	**8,215**	**3,164**

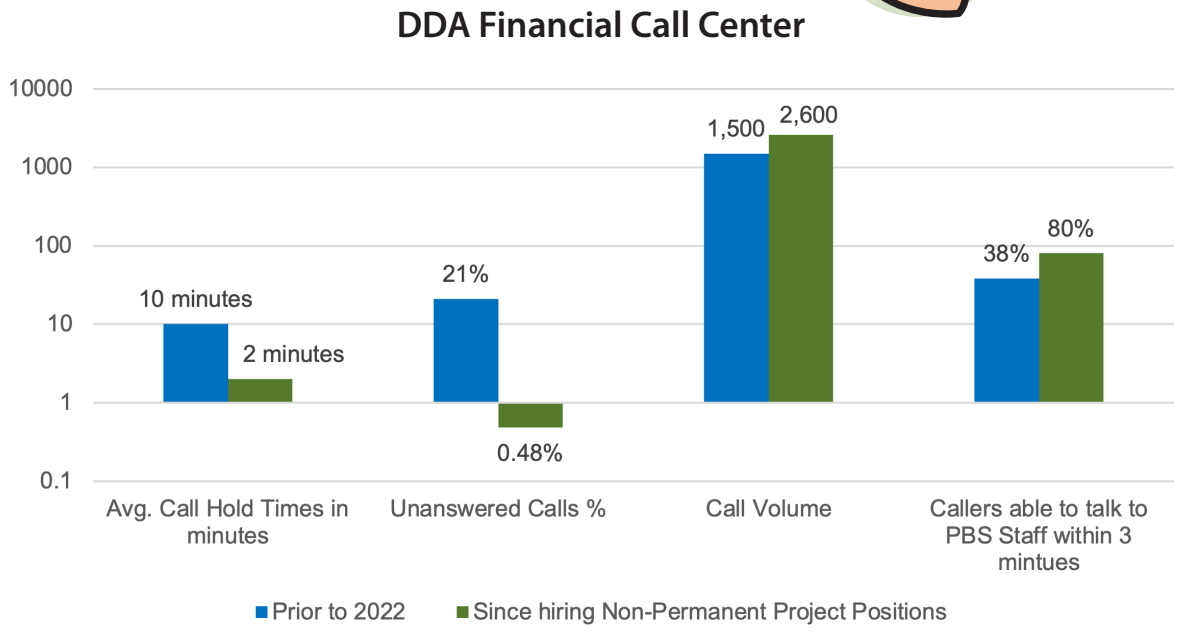


Over the last three years, recruitment and retention has been a challenge for the temporary project positions. With the unpredictability of their future in the LTCSPU, some staff have taken permanent positions elsewhere. The revolving door and the length of time it takes new staff to achieve the necessary skill level has hindered the ability to build and maintain a skilled workforce.

Certain eligibility rules and procedures that changed from pre-pandemic to pandemic to post pandemic have transformed into a new eligibility process for long-term care. Although the aim is to lessen the burden on clients, they add additional complexity and training requirements for LTC Medicaid eligibility and staff. For example, the new CMS Final Rule requires automated client renewals with current cross-matches. In WA we are using a robotic process, a manual administrative process and a standard renewal process. Each of these requires different eligibility procedures.

We anticipate an increase of the ratio of cases per worker as the overall DDA caseload grows each year. Without adequate staff, improvements being made with our backlog will be lost. Centers for Medicare and Medicaid Services' compliance requires using three different methods for processing eligibility reviews, including the use of an automated process and staff administrative renewals. 42 CFR Parts 431, 435, 457, and 600, CFR 433.112.

To have low hold times at base staffing levels, the unit must have maximum staff coverage in the call center. Consequently, to process documents the unit must periodically close the call center to work on pending assignments (documents received and other case actions). It is a challenging balance to manage a call center and manage pending assignments, since delays in processing documents can drive up call volume. Being able to adequately staff the call center will improve customer service, lessen caller frustration and provide a better experience for both customers and staff.



Training & Knowledge

The rules and policies that the members of the Long-Term Care & Specialty Programs Unit must know to make decisions about eligibility for Medicaid and other benefits are abundant and complex. Required basic training can take six to 12 months to complete, and an additional six months to complete the necessary long-term care trainings. After training is completed, it takes one year or longer to become proficient in long-term care processes, skills and knowledge of rules.

Health Care Services and Supports
Program and Eligibility Elements Specific to Long-Term Care

The rules and policies that the members of the Long-Term Care & Specialty Programs Unit must know to make decisions about eligibility for Medicaid and other benefits are abundant and complex. Required basic training can take six to 12 months to complete, and an additional six months to complete the necessary long-term care trainings. After training is completed, it takes one year or longer to become proficient in long-term care processes, skills and knowledge of rules.

- Application process for LTC Eligibility.
- Community First Choice.
- Eligibility Requirements for Institutional LTC.
- Eligibility for MAGI based LTC (K track, formally known as institutional children/families).
- Exception to rule process for cases when unable to verify citizenship and ID.
- Managed Care and LTC.
- LTC insurance and third-party resources.
- Medicaid Personal Care.
- Home and Community Based waivers.
- Hospice.
- Medicare.
- Institutional Status (children & families and Aged/Blind/Disabled).
- Eligibility for Basic Food when living in an institution.
- Medically Needy LTC programs (Specific rules are used for Medical Needy in a Medical institution for gross income over the Medicaid SIL).
- Equal Access - Necessary Supplemental Accommodation and long-term services and supports.
- 1619B and SSI deemed eligibile (after DAC, Pickle/COLA, Widower Exclusion).
- Roads to community living.
- Short Stays in Medical Institutions (Temporary Admissions).
- State funded HCS services (A01/A05 MCS in residential setting).
- State-funded LTC for noncitizens (L04/L24).
- Working clients and LTC.

PBS staff who manage cases with institutional and home and community-based services are required to have extensive knowledge in advanced program and eligibility elements. Specific program knowledge includes classic Medicaid (non-MAGI-based), Modified Adjusted Gross Income Medicaid (MAGI-based) and long-term services and supports, which includes determining what a client's responsibility is towards their cost of care (room and board and participation).

Although we have many new PBS 4 staff, most are not yet ready to fully contribute towards reducing our backlog because of the length of time it takes to become proficient in the complex rules that govern eligibility for Medicaid. In January 2024 we hired nine PBS 4s, but as stated above, it may take more than a year to become proficient. Seasoned workers help with onboarding and mentoring new staff, which means they have less time to manage cases. Recently hired PBS staff requires three months of onboarding including LTC CORE training, more on the job training within the unit, an increase in case auditing and one-on-one training with lead workers for staffing cases.

Conclusion

The LTCSPU has a concentrated caseload of some of the most vulnerable of Washington's citizens. Adequately staffing the team means that staff can have personal contact to help people become or maintain their Medicaid eligibility and prevent negative outcomes.

Maintaining our recent staff additions will continue to improve the timeliness processing applications, reviewing eligibility and case maintenance actions while reducing call wait-times for clients. Once the workforce stabilizes with permanent positions and recent hires are fully trained and experienced in this complex work, clients will receive services much sooner than they do now and within federal- mandated standards of promptness. PBS staff will be able to manage cases proactively, reaching out to help clients who have not responded to requests for information or who are in jeopardy of losing eligibility to help them through the process. With the non-permanent project positions, we have made improvements. If the temporary projects positions are not made permanent, we will be out of compliance. Clients will not be able to receive services and supports timely and we may receive penalties and sanctions if timeliness errors are found in our federal audit.