

SSB 6199 - S AMD 463

By Senator Baumgartner

WITHDRAWN 02/08/2018

1 On page 45, line 37, after "(10)" insert "The consumer directed
2 employer must:

3 (a) Conduct, at least annually, an independent financial audit of
4 its operations, receipts, and expenditures to determine and report:

5 (i) Whether its financial statements present fairly its financial
6 position and the results of its financial operation in accordance
7 with generally accepted accounting principles, and whether the
8 consumer directed employer has complied with laws and regulations
9 that may have a material effect upon its financial statements;

10 (ii) Whether it has internal control systems to provide
11 reasonable assurance that it is managing federal and state funded
12 programs in compliance with applicable laws and regulations; and

13 (iii) Whether the full amount received from the state under the
14 labor rate was paid out in wages and benefits for individual
15 providers. The cost of the annual independent audit may be considered
16 part of the administrative rate.

17 (b) Return to the state any labor rate funds not used to pay
18 individual providers' wages and benefits within thirty days of
19 completion of its annual independent audit. All payments to the state
20 must be accompanied by a reimbursement calculation form, to be
21 developed by the department of social and health services, including
22 at least:

23 (i) The name and contact information of the consumer directed
24 employer;

25 (ii) The period reviewed;

26 (iii) The total amount received from the state for the labor rate
27 during the review period;

28 (iv) Total expenditures for individual providers' wages and each
29 employment benefit made during the review period; and

30 (v) The amount of funds not expended for individual providers'
31 wages and benefits during the review period.

32 (11) The failure of a consumer directed employer to return any
33 unspent funds to the state as specified in subsection (10) of this

1 section must be treated by the department of social and health
2 services as a vendor overpayment, and the department must attempt to
3 recover the funds in accordance with RCW 43.20B.675.

4 (12) If a consumer directed employer fails to comply with
5 subsection (10) of this section and the department of social and
6 health services is unable to recover unspent funds from the consumer
7 directed employer in accordance with subsection (11) of this section,
8 the state must terminate or not renew its contractual relationship
9 with the consumer directed employer.

10 (13)"

11 Correct any internal references accordingly.

EFFECT: Requires the CDE to conduct an annual independent financial audit and report findings. Any labor rate funds that are not used to pay IP benefits or wages must be returned to the state within 30 days of audit completion. When the CDE returns the funds to the state they must be accompanied by a reimbursement calculation form. DSHS is required to create the reimbursement calculation form. If the CDE does not comply and DSHS is unable to recover the unused funds, the state is required to terminate or not renew the CDE contract.

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