
SUBSTITUTE SENATE BILL 5258

State of Washington

69th Legislature

2025 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Gildon, Braun, Christian, Fortunato, MacEwen, Nobles, and J. Wilson)

READ FIRST TIME 02/10/25.

1 AN ACT Relating to implementing state auditor recommendations for
2 reducing improper medicaid concurrent enrollment payments; amending
3 RCW 74.09.035; and adding new sections to chapter 74.09 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 74.09
6 RCW to read as follows:

7 The authority and the department shall collaborate to ensure that
8 the department notifies the authority when individuals who are
9 enrolled in both the income-based medicaid program and other income-
10 based programs determined by both the department and the authority,
11 including but not limited to the food stamp program as outlined in
12 RCW 74.04.510, have moved out of the state. The authority and the
13 department shall consult and seek recommendations from caseworkers
14 and other relevant frontline staff to more effectively and
15 efficiently identify individuals who have moved out of the state.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09
17 RCW to read as follows:

18 (1)(a) The authority shall work with the federal social security
19 administration and centers for medicare and medicaid services to
20 clarify when and how state medicaid agencies may determine whether

1 clients who receive social security income are no longer eligible for
2 the state medicaid program due to out-of-state residency.

3 (b) After the authority and the department receive guidance and
4 clarification as outlined in this subsection, the department shall
5 update procedures and provide consistent training to all caseworkers
6 and relevant staff to ensure clients are not concurrently enrolled in
7 multiple medicaid programs.

8 (c) If the authority and the department do not receive guidance
9 and clarity from the federal social security administration and
10 centers for medicare and medicaid services, the state auditor shall
11 make recommendations and provide further guidance on how the
12 authority and the department should proceed.

13 (2) The authority and the department shall develop rules to
14 implement this section.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09
16 RCW to read as follows:

17 (1) Beginning January 1, 2026, the authority shall amend the
18 contracts and processes with the managed care organizations to:

19 (a) Allow the state to recover premiums when the managed care
20 enrollee has moved out of Washington state and has not received any
21 services in the managed care service area;

22 (b) Require managed care organizations that conduct business in
23 more than one state to analyze their enrollment records on a monthly
24 basis and identify occurrences when the enrollment records show that
25 the same person is enrolled in more than one state medicaid program;
26 and

27 (c) Direct the managed care organizations to inform states of the
28 results of the analysis conducted in subsection (2) of this section
29 that the same person is concurrently enrolled in their medicaid
30 programs and report those results to the authority on a monthly
31 basis.

32 (2) The authority shall submit an annual report by January 1,
33 2027, and every year thereafter for the following five years, to the
34 governor and the relevant committees of the legislature that details:

35 (a) The amount of premiums recovered from the managed care
36 organizations under the revised contract provisions implemented under
37 this section in the previous calendar year; and

1 (b) The total number of individuals that the managed care
2 organizations have identified as enrolled in more than one state
3 medicaid program from the previous calendar year.

4 (3) By December 31, 2031, the office of the state auditor shall
5 conduct a performance audit of the concurrent medicaid enrollments in
6 the state of Washington. The performance audit must examine how much
7 the state is paying for concurrent medicaid coverage and evaluate the
8 progress the state has made in limiting the unnecessary premiums
9 since the 2024 performance audit report published by the Washington
10 state auditor and make any additional recommendations to limit
11 unnecessary premiums in the future.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 74.09
13 RCW to read as follows:

14 The authority and the department shall analyze the full list of
15 medicaid enrolled client addresses through the national change of
16 address database from the United States postal service on an annual
17 rolling basis to identify clients who have moved out of the state.

18 **Sec. 5.** RCW 74.09.035 and 2020 c 136 s 4 are each amended to
19 read as follows:

20 (1) To the extent of available funds, medical care services may
21 be provided to:

22 (a) Victims of human trafficking, as defined in RCW 74.04.005,
23 who are not eligible for medicaid under RCW 74.09.510, section
24 1902(a)(10)(A)(i)(VIII) of the social security act, or apple health
25 for kids under RCW 74.09.470, who otherwise qualify for state family
26 assistance programs under RCW 74.04.820;

27 (b) Persons eligible for the aged, blind, or disabled assistance
28 program authorized in RCW 74.62.030 and who are not eligible for
29 medicaid under RCW 74.09.510; and

30 (c) Persons eligible for essential needs and housing support
31 under RCW 74.04.805 and who are not eligible for medicaid under RCW
32 74.09.510.

33 (2) Enrollment in medical care services may not result in
34 expenditures that exceed the amount that has been appropriated in the
35 operating budget. If it appears that continued enrollment will result
36 in expenditures exceeding the appropriated level for a particular
37 fiscal year, the department may freeze new enrollment and establish a

1 waiting list of persons who may receive benefits only when sufficient
2 funds are available.

3 (3) Determination of the amount, scope, and duration of medical
4 care services shall be limited to coverage as defined by the
5 authority, except that adult dental, and routine foot care shall not
6 be included unless there is a specific appropriation for these
7 services.

8 (4) The authority shall enter into performance-based contracts
9 with one or more managed health care systems for the provision of
10 medical care services under this section. The contract must provide
11 for integrated delivery of medical and mental health services.

12 (5) The authority shall establish standards of assistance and
13 resource and income exemptions, which may include deductibles and
14 coinsurance provisions. In addition, the authority may include a
15 prohibition against the voluntary assignment of property or cash for
16 the purpose of qualifying for assistance.

17 (6) Eligibility for medical care services shall commence with the
18 date of eligibility for the aged, blind, or disabled assistance
19 program provided under RCW 74.62.030 or the date of eligibility for
20 the essential needs and housing support program under RCW 74.04.805.

21 (7) To the extent possible, the authority must coordinate with
22 the department of social and health services, food assistance
23 programs for legal immigrants, state family assistance programs, and
24 refugee cash assistance programs.

25 (8) The authority shall ensure notices and letters about program
26 eligibility sent to persons under this section who are the applicant
27 for, or the recipient of, health care coverage meet the standards
28 established in the plain language guidelines by the state.

29 (9) The authority shall ensure that all written notices and
30 correspondence mailed by the authority include "address service
31 requested" on the mailing piece.

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