



**STATE OF WASHINGTON
HEALTH CARE AUTHORITY**

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

November 1, 2021

Dear Provider:

The Washington State Health Care Authority (HCA) would like to inform you of some upcoming changes that may impact you. The reason for these changes is to ensure HCA's federal reporting requirements are being met and to reduce the risk of a disallowance of federal funds.

When HCA receives federal funding, it is obligated to comply with the federal policies and regulations associated with the funds. If HCA is found to be out of compliance with the federal reporting requirements the agency is at risk for a disallowance of federal funds, which could adversely impact the programs and services funded in part or in its entirety by federal funds.

HCA contract language currently contains either 45- or 60-day invoicing terms. Historically HCA has extended some leniency in paying late invoices, however, this has contributed to federal reporting delays and HCA being out of compliance. Additionally, it was confirmed by one of our key grantors (Substance Abuse Mental Health Services Administration) that federal drawdown requests will be denied that fall past the 90-day closeout process, resulting in a loss of funds to our partners. As such, HCA will be moving towards the standardization of contractor invoicing terms, and effective December 1, 2021, 45-day invoice terms will be included in all newly executed, renewed and contracts requiring amendments for other reasons. This is 45 days from the last service month, (i.e.: services provided between October 1-31, would need to be billed for by December 15). If your contract is structured to have you bill quarterly, or is performance based, you must bill within 45 days of the final calendar day of the quarter or when performance measures/products are completed. All billings must be received by HCA within 45 days of a grant ending. Moving forward it is imperative providers adhere to the invoicing terms outlined in their contract to avoid the invoice being denied for payment. If your agency sub-contracts funds, please work with your subcontractors to ensure they are submitting invoices to you timely, so you can submit to HCA within 45 days.

Any supplemental billings must be received within 30 days of the billing due date to be considered for payment. No supplemental billings will be accepted within 45 days of a grant close out period.

We understand the change in invoicing terms will be a challenge for some of the providers and partner agencies, however, these changes are necessary to ensure the federal reporting requirements are being met and federal funding is safeguarded.

Provider

November 1, 2021

Page 2

If you have any questions about these changes, please contact Wanda Johns at wanda.johns@hca.wa.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rachelle Amerine".

Rachelle Amerine
Contracts Administrator
Division of Legal Services

Enclosure

By email

cc: Michael Langer, Deputy Director, HCA
Angela Visser, Federal Financial Reporting Section Manager, HCA
Rena L'Heureux, Contracts and Procurement Manager, HCA
Jeff Arbuckle, Internal Auditor, HCA