



Memorandum

TO: All Administrative Agencies

FROM: Ann Robbins, Manager
HIV/STD Comprehensive Services Branch

DATE: October 23, 2007

SUBJECT: Payor of Last Resort

The provision calling for Ryan White funds to be the Payor of Last Resort has been included in legislation since 1990. While not so easy to implement, the idea within the Payor of Last Resort policy is simple, and inherent in the title: explore and charge all other possible sources for payment before expending Ryan White funds. In June 2007, DSHS adopted the revised policy. This document is designed to clarify timelines and further assist agencies in the pursuit of this requirement.

Expectations at the Administrative Agency (AA) level

1. Policies

While the AA may opt to clarify certain expectations with additional policies or guidance within its HSDA, each AA must at least establish policies regarding:

- a) How subcontractors apply for waivers
- b) How subcontractors report and may utilize program income

2. Plan for Implementation

The AA should document its strategy to assist its subcontractors with implementation of these expectations, including goals for subcontractors and timelines for completion.

3. AA Monitoring tool for subcontractors

The AA should be inquiring about steps taken and planned toward meeting the requirements outlined in the Payor of Last Resort policy. The AA monitoring tool should therefore include issues such as:

- a) Review of progress the agency is making toward implementing the policy
- b) Procedures for reviewing and documenting financial eligibility
- c) Policies on charging clients, including how to work with clients who cannot or refuse to pay
- d) Systems for collecting fees
- e) Systems for charging Medicaid, Medicare, CHIP, etc. and Employment-Based Insurances.

4. Technical Assistance

The AA should document any technical assistance requested and/or provided to subcontractors

Steps for subcontractors to accomplish by March 31, 2008

1. Create a plan for implementation
2. Establish agency policies and procedures to govern the processes around Payor of Last Resort
3. Inform and begin the training of staff on Payor of Last Resort issues
4. Individually survey all clients to:
 - a) Determine what employment-based medical insurances each client currently holds
 - b) Determine what publicly-funded medical insurance benefits (e.g. Medicaid) each client receives
 - c) Conduct a financial assessment to determine if the client is eligible for any publicly-funded medical insurance benefit program
5. Create a priority list of all publicly-funded medical insurance benefits held within the caseload or that individual clients are potentially eligible for, plus all employment-based medical insurances held by clients within the agency caseload
6. Start the enrollment process with clients who are potentially eligible for Medicaid and/or other publicly-funded health insurance benefit program(s)
7. Notify agency clients procedures for charging and billing all third party payors will begin after April 1, 2008

Steps for subcontractors to accomplish by March 31, 2009

1. Establish a system for charging, collecting and tracking client monies, including insurance co-payments and client contributions to their own medical care whether on a sliding scale or flat fee basis
2. If the subcontractor is a clinic-based service provider, apply for the ability to bill Medicaid, Medicare and Employer-Based Insurance companies (etc)
3. If the subcontractor is a free-standing case management facility, pursue billing all available third party payors for services provided with contracted physicians
4. Establish financial systems to track services, billing and payments from third party payors
5. Apply for waiver(s) for low priority third party payors
6. Bill third party payors
7. Charge and collect client contributions to medical care

If you have any questions about the information contained in this bulletin, please contact your Field Operations or Clinical Resources consultant.