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**SENATE BILL 5258**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senator Gildon

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 shall analyze the full list of medicaid enrolled  
15 client addresses through the national change of address database from  
16 the United States postal service on a quarterly basis to identify  
17 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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