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May 22, 2007

The Honorable Christine Gregoire, Governor
Governor's Office
Legislative Building
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

I am writing to once again request that you and State Auditor Brian Sonntag jointly write a letter to the Center for Medicaid Services (CMS) demanding clarification of the federal government's position concerning the state's Medicaid audit findings.

I have reviewed the February 2, 2007, response from CMS on the state's audit, and it is clear the Office of Inspector General (OIG) agrees 100 percent with the State Auditor's Office (SAO) on the violations of law; though CMS and OIG still disagree on some findings. The long-awaited review by CMS/OIG has not changed the status quo, meaning the potential for repeat audit findings again this year is very likely.

To avoid yet another Medicaid audit demonstrating lack of corrective action for the areas in question, the pressure needs to be raised on CMS/OIG to expeditiously clarify the federal government's position. This is why we believe a joint letter from you and the auditor is in order.

Failure to receive immediate clarification from the federal government could leave the state vulnerable to legal action against OFM for failing to cause corrective action as required by law should SAO once again issue the same Medicaid audit findings.

RCW 43.88.160(6)(D) reads in-part concerning audit findings: "It shall be the duty of the director of financial management **to cause corrective action to be taken within six months**, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110."

Aside from resolving the audit compliance controversy, it may be beneficial for you and the auditor to request the Government Accountability Office (GAO) to formally conduct a performance audit of the state's Medicaid program to determine any opportunities for improvement. Thank you for your attention to this problem.

Cordially,

Bob Williams
President

cc: State Auditor Brian Sonntag