

DCHS' Provider Payment Timeliness

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 King County

DCHS
Department of Community
and Human Services

Agenda

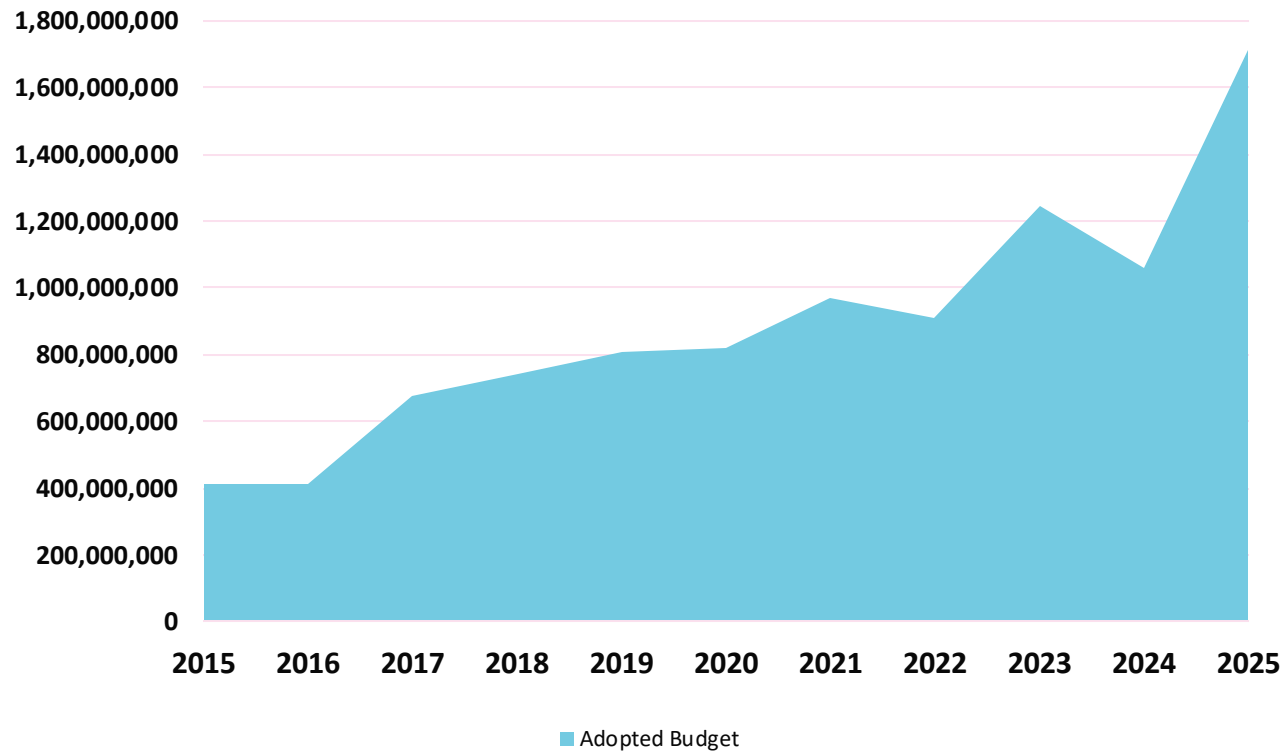
1. Background
2. Process for paying invoices of DCHS providers
3. DCHS payment timeline trends
4. Actions taken to decrease time to payment
5. Unique steps for large capital awards

Key Takeaways

1. **By end of 2024, DCHS processed invoices within an average of 9 days from receipt, with payment usually issued within the next 48 hours.**
2. Time to payment peaked 2020-early 2024
3. DCHS has strengthened internal systems to manage payments.
4. Post-pandemic, providers have limited reserves and expanded programming, making quick payments more critical.

DCHS Grew Significantly 2015-2024

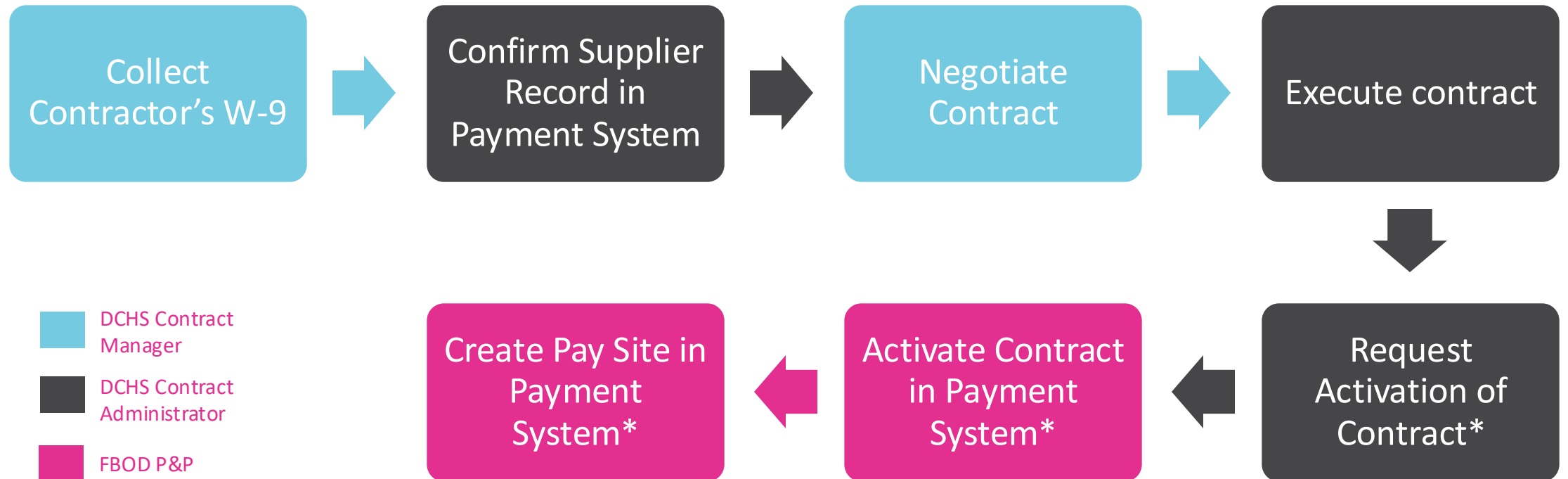
DCHS' Annual Budget



- DCHS budget quadrupled from 2015-2024, from \$400M to \$1.7B annually.
- DCHS now manages substantially more contracts, resulting from a larger budget and intentional efforts to diversifying providers.
 - 2700 contracts with 580 contracted providers in 2024
 - Processed over 7,000 invoices in 2024

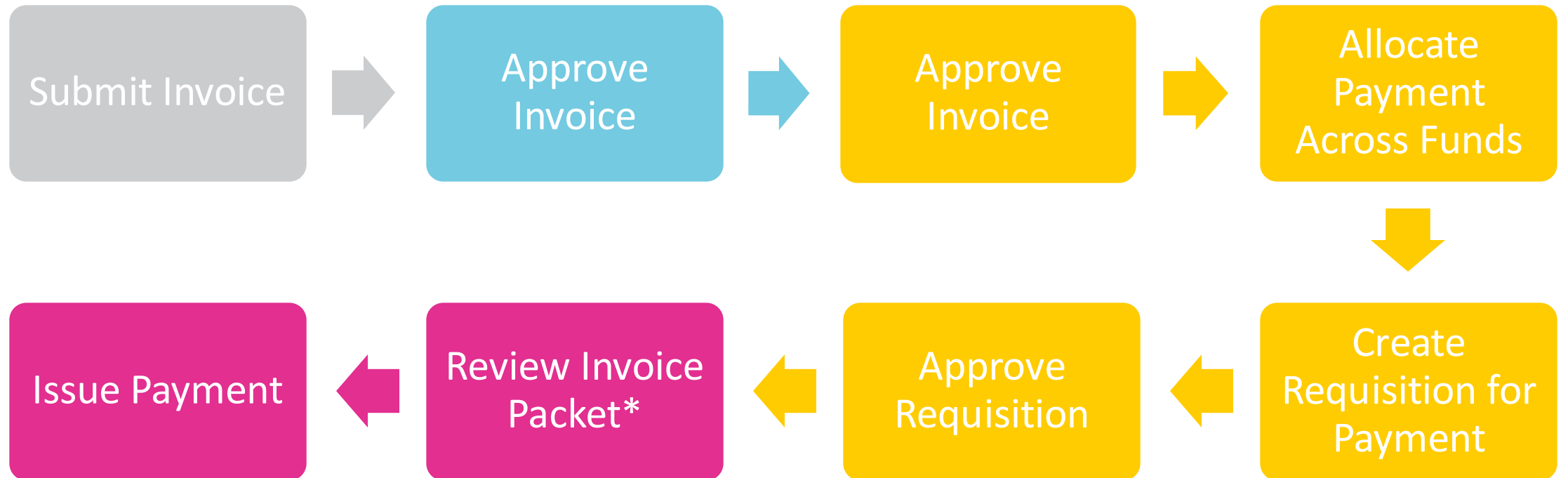
Contracts includes individual statements of work and letters of agreement

Phase 1: Set up Contractor and Contract in Payment System



**If applicable*

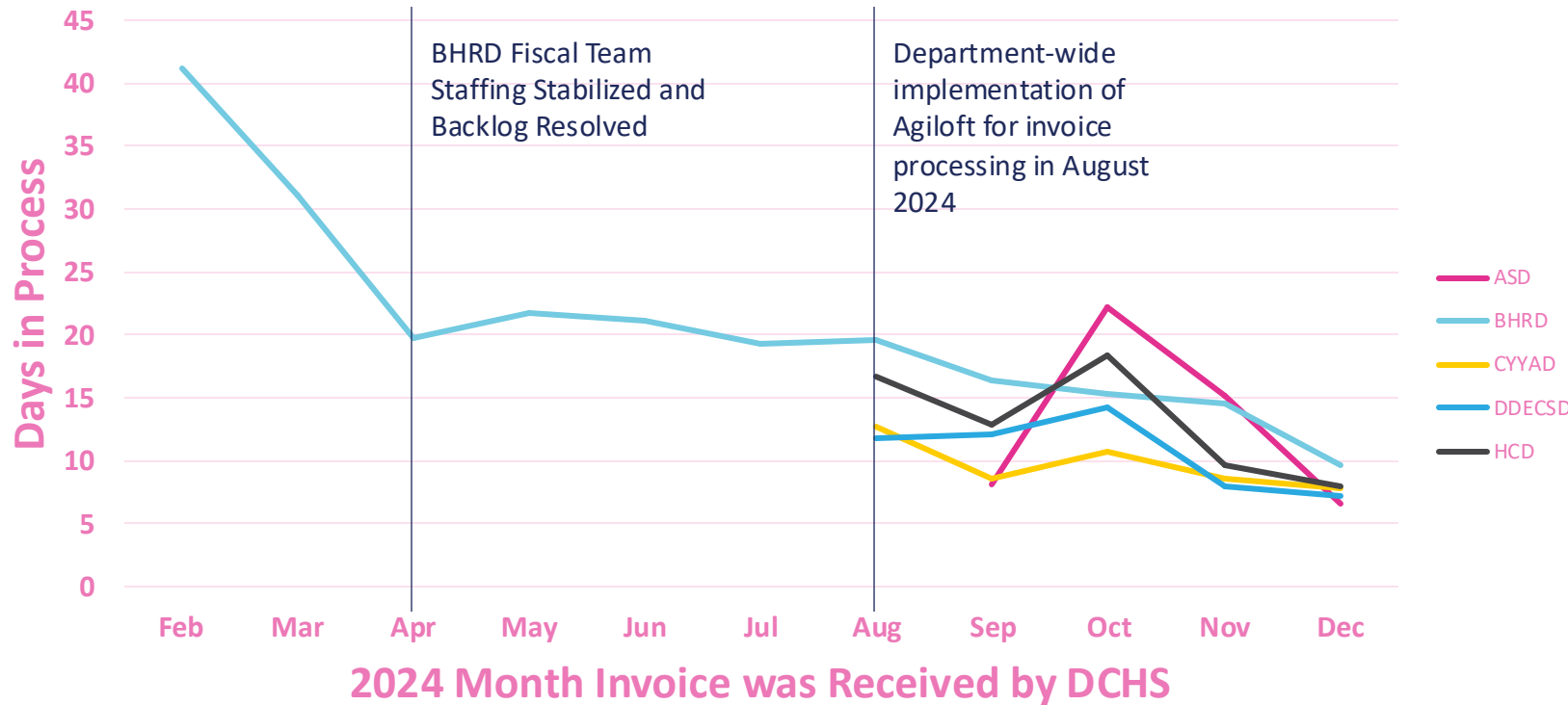
Phase 2: Process Invoices and Payments



**If applicable*

By end of 2024, DCHS was processing invoices within an average of 9 days

2024 Agiloft Invoice Processing Time:
From provider submission to sending to FBOD



DCHS processes invoices within an average of 9 days.

Most requisitions are paid within 48 hours by FBOD via ACH.

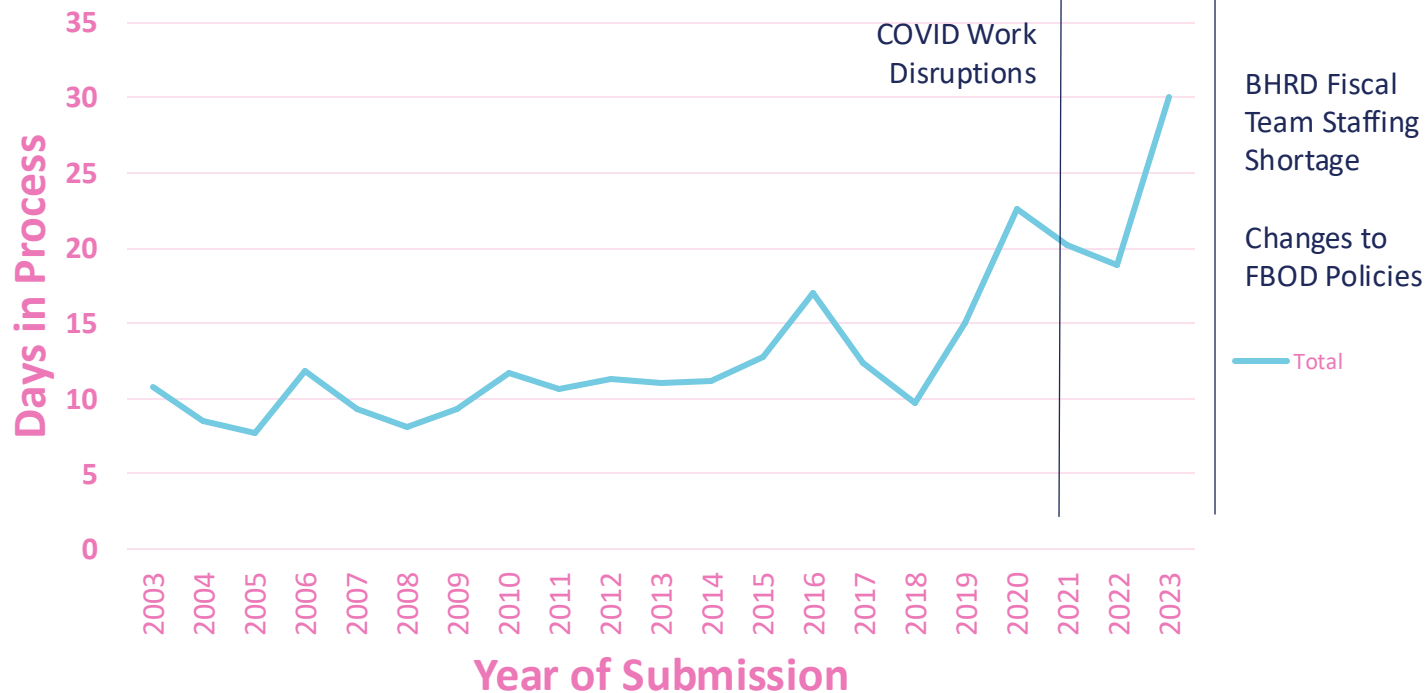
Providers typically submit invoices within two weeks of creation.

In FY24Q4, DCHS processed over 1,800 invoices from contracted providers via Agiloft.

Based on preliminary analysis of Agiloft Invoice and Approval records.

DCHS' Behavioral Health & Recovery Division historically processed invoices in 10-15 days

**BHRD Invoice Processing Time:
From provider submission to sending to FBOD**



Pandemic work disruptions, fiscal staffing shortages, and FBOD policy changes caused longer processing times in 2020 and 2023.

The rest of the department did not have an automated invoice process tracking system until August 2024.

Data from BHRD's legacy Chemical Dependency Invoice Processing system.

Actions taken to return **payment time** to **<30 days**

- Expanded and stabilized fiscal team
- Implemented Agiloft—contracting and invoicing software with automatic data upload to KC’s payment system. Results:
 - More transparency and consistency for providers
 - More efficient for finance
 - More and better data on payment processing
- Collaborated with FBOD
 - Developed and implemented clear and consistent processes
 - Clarified policies for pay site creation and fraud prevention

Unique challenges for large housing capital contracts and initial payments

- First payment is usually >\$1M and sometimes needs to be wired at closing to escrow
- Contracts reassigned from a non-profit to LLLP
- Impacts 15-20 contracts/payments a year

Recent improvements to capital payments

- DCHS and FBOD teams have refined roles, sequencing, timing, and necessary documentation.
- DCHS teams are adjusting and documenting requirements for unique circumstances.
- DCHS Finance team is training staff on wire transfers and the process for ACH initial payments.

DCHS is continually improving operations and tracking time to payment quarterly

- Monthly meetings between DCHS and FBOD to align processes
- Ongoing improvements in and documentation of invoice and payment processes in DCHS and FBOD
- Building data infrastructure and capacity
- Potential resource needs will be identified as part of FY26–27 budget proposal



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