



OFFICE OF THE DIRECTOR

Kate Brown, Governor

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March 11, 2019

The Honorable Governor Kate Brown
254 State Capitol
Salem, OR 97301

RE: Oregon Health Authority Monthly Update on Ongoing and Emerging Issues

Dear Governor Brown:

This letter is the Oregon Health Authority's (OHA) monthly issue update. We have two previously documented issues to communicate updates.

OHA's Issue Resolution Leadership Team and the Issue Resolution Project Team have been meeting jointly to provide leadership oversight and to ensure progress continues to be made in resolving identified issues. We are also continuing ongoing research and analysis into previously documented issues as well as documenting new issues. The Leadership Team has also instituted a process for identifying priority issues to focus our efforts. We believe this process will support our efforts to achieve resolution for each of the issues on this log in an organized and targeted manner.

Updates to Previously Documented Issues

Issue Number 018-17: Enhanced Federal Funding for Preventive Services

Status: Closing the issue with the acceptance of risk

Estimated Impact: \$378,060.00

Summary: Certain preventive services are eligible for a 1% increase in the federal funds match rate. The system is not currently configured to claim the enhanced match rate for these services. System changes to automate the corrected federal match rate for these claims are being reviewed. OHA will only be able to retroactively claim Federal Funds for the current and prior six quarters.

Update: This issue is being removed from the issues log. With diminishing returns over the next six quarters, the cost of the enhanced funding opportunity outweighs the monetary benefits gained. Additionally, staff time has been prioritized on the issues with greater financial impact.

Issue Number 023-17: Eligibility Coding for Rate Development

Status: Resolved

Estimated Impact: No Financial Impact

Summary: As previously documented, this issue relates to an error in the Program Eligibility Reporting Code (PERC) and has led to incorrect codes being assigned to some members in the data used for capitation rate development purposes. OHA has researched and analyzed this issue in the context of the 2018 CCO rate development. In the vast majority of cases, the PERC code accurately reflects an individual member's eligibility category. In some instances, redeterminations have led to a mismatch between the PERC code and the correct eligibility category, mostly children in the Child 0-1 and Child 1-5 categories. This is due to the fact that, for children, the PERC code also includes an age component (e.g., Child 0-1, Child 1-5). As a child ages and moves from one category to the next, the PERC code should change to reflect the correct category.

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Due to redeterminations, PERC codes for some children were not updated to reflect the child's current age. CCOs have been paid according the correct age and eligibility category, but the data used for rate development reflected eligibility based on the PERC codes.

Update: To overcome the PERC code issue, rather than using PERC codes to determine the category of aid (COA), we based COA on the capitation the system paid for the client because the system is programmed to evaluate the child's age to identify the correct capitation rate, assigning a "Paid COA. The Paid COA is used to assign each client to a COA for each month of eligibility, linking each client's eligibility, CCO membership and expenditures appropriately.

This issue had a direct impact to the original 2018 CCO capitation rates. With the restatement of the 2018 CCO rates, OHA was able to correct the issue.

Newly Documented Issue

Issue Number 001-19: Adult Foster Care Homes

Status: Research Underway

Estimated Impact: TBD

Summary: OHA is currently researching past payments made to adult foster care homes to ensure compliance with federal statute around how the reimbursement rate was structured. More research is needed to determine if any payments were made in error.

Please don't hesitate to contact me with any questions you may have.

Sincerely,



Patrick M. Allen
Director

ENC: Issues Log and Status Report

EC: Fariborz Pakseresht, Director, DHS

ISSUES LOG AND STATUS REPORT



Resolution Process Lifecycle

1. Issue Identified	2. Initial Issue Meeting	3. Research Underway	4. Issue Substantiated	5. Resolution Plan Established	6. Issue Resolved
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Issues and Status

NUMBER	ISSUE	PRIORITY	IMPACT	STATUS
002-17	Dual Eligible Population		\$41.48 Million	Continuing to Monitor
003-17	Payments to Institutions for Mental Disease (IMDs)	*	\$9.7 Million	Resolution Plan Established
004-17	Payments for Certain Procedures Related to Termination of Pregnancy	*	\$2.0 Million	Resolution Plan Established
005-17	Bariatric Surgery Payments		\$1.5 Million	Resolution Plan Established
007-17	Overwritten Eligibility Records		1200 Individuals/\$46,000	Resolution Plan Established
008-17	Pharmacy Other Coverage Codes (payer of last resort)		\$1.2 Million (Est.)	Resolution Plan Established
009-17	Retroactive Terminations		\$17.3 Million (Est.)	Resolution Plan Established
010-17	Prescription Drug Rebate Credits		\$22.3 Million (Est.)	Resolution Plan Established
011-17	Posting of Cash Payments – Cash Medical		\$20 Million (Est. opportunity)	Resolution Plan Established
012-17	Fee-for-Service Payments while Enrolled in CCOs		TBD	Resolution Plan Established
013-17	Post-Delivery Coverage for CAWEM Plus Clients		TBD	Issue Substantiated
014-17	Capitation Payments for Deceased and Incarcerated Clients		TBD	Issue Substantiated
015-17	Long-Term Residential Services Eligibility		TBD	Resolution Plan Established
016-17	Case Mismatch Across Systems		TBD	Resolution Plan Established
017-17	Services Provided to Tribal Members at Non-Tribal Facilities		TBD	Resolution Plan Established
018-17	Enhanced Federal Funding for Preventive Services		\$378K Opportunity	Closing
019-17	Tribal Targeted Case Management Services		TBD	Issue Substantiated
020-17	Prior Period Adjustments for Public and Private Providers		TBD	Issue Substantiated
022-17	Non-Covered Services in Rates for Certain Certified Community BH Clinics		TBD	Issue Substantiated
023-17	Eligibility Coding for Rate Development		No Financial Impact	Resolved
001-18	Mental Health Residential Transition		Est. \$4.6 Million	Resolution Plan Established
002-18	Adult Residential Treatment Programs	*	TBD	Resolution Plan Established
003-18	Retroactive Medicare Eligibility	*	TBD	Resolution Plan Established
004-18	Medicaid Compliance – Language and Translation		TBD	Issue Substantiated
005-18	Disproportionate Share Hospitals (DSH) Audit Reporting		None	Continuing to Monitor
006-18	Contract Issues and Impact on Medicaid		TBD	Issue Substantiated
007-18	Insufficient Notices of Action Regarding Mental Health Residential Services	*	TBD	Resolution Plan Established
008-18	Tribal Pharmacy All-Inclusive Rate Settlement Overpayment		TBD	Research Underway
009-18	End Stage Renal Disease (ESRD) Provider Overpayments		Est. \$3.7 Million	Research Underway
001-19	Adult Foster Care Homes		TBD	Research Underway