



OFFICE OF THE DIRECTOR

Kate Brown, Governor

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September 6, 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) August 15th 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.

Updates to Previously Documented Issues

Issue Number 003-17: Payments to Institutions for Mental Disease (IMDs)

Status: Update

Estimated Impact: \$47,866,472.20

Summary: Federal financial participation (FFP), the Federal Government's share of State's Medicaid expenditures, cannot be used for any Medicaid expenditure while a Medicaid beneficiary is receiving treatment in an Institution for Mental Disease (IMD). An adequate process for notification between IMDs and the Oregon Health Authority had not been established. As such, when Medicaid beneficiaries moved into an IMD the appropriate shift to state general funds did not promptly occur and when the beneficiary left the IMD the use of federal funds did not resume promptly.

Upon reconciling these expenditures, it was discovered that there exists a funding balance owed back to CMS and upon further research the financial impact was calculated for the period of July 2013 to May 2019. The \$47.9 million is the estimated impact through May 2019 and will be updated with actuals through June 2019 after the system adjustments take place. System adjustments are currently being tested with the target for final financial adjustments taking place in September 2019. Data queries will be run monthly and reviewed by the Medicaid Policy Unit to ensure no further errors occur.

OHA is in the process of applying for an IMD Medicaid demonstration project (i.e., Medicaid waiver) that will allow the state from the date of approval to claim FFP while a Medicaid beneficiary is receiving substance abuse disorder treatment in an IMD. The draft waiver has been submitted to CMS for informal feedback and comments from

CMS were positive. Additional conversations with CMS regarding budget neutrality and Peer Run Organizations (PRO) services and supports need to take place. Tentative final application submission will take place before end of year 2019 with an implementation date of early 2020.

Issue Number 019-17: Tribal Targeted Case Management Services

Status: Update

Estimated Impact: Approx. \$24,371.50

Summary: CMS has stated that targeted case management (TTCM) services related to social services programs provided to a subset of tribal clinics should be claimed at the traditional Federal Medical Assistance Percentages (FMAP) rate rather than at 100% federal funds match. System configuration was completed in September 2018 to ensure the proper rate is applied to TTCM services. Upon further research it was determined that a total of \$24,371.50 was owed back to CMS for which OHA is currently in the process of returning the funds.

Issue Number 017-17: 100% FMAP for Coordinated Tribal Care (Opportunity)

Status: Removed

Estimated Impact: \$294,662.50 Savings

Summary: CMS State Health Official letter SHO#16—002, issued February 26, 2016, reinterpreted Section 1905(b) of the Social Security Act so that health services coordinated by Indian Health Service and Tribal 638 facilities would be considered services “received through” such facilities, and thus eligible for 100% federal matching funds (FMAP). Governor Kate Brown followed up on this federal policy change with a letter to the tribes on September 7, 2016, directing the Oregon Health Authority to develop a method to direct these state savings back to the tribes for reinvestment into tribal health programs and services.

OHA has developed a process to implement this policy and, in doing so, has become the first state in the nation to issue payment of these state savings back into the tribal health system. OHA continues to work with the tribes to process claims submissions and issue payments in alignment with the requirements of SHO#16—002. In 2018 the first payments were issued to the tribes, and twenty-two payments have been issued thus far. OHA retains a 10% administrative fee for all payments processed through this program.

Issue Number 007-18: Insufficient Notice of Action Regarding Mental Health Residential Services

Status: Update

Estimated Impact: No Monetary Impact

Summary: OHA has contracted for services to determine medical appropriateness of fee-for-service mental health residential services. The contractor recommends approval or denial of prior authorization (PA) requests from providers of these services. The notices being sent to individuals were not legally sufficient. In addition, due to the manual nature of the process, in some cases the guardians of individuals receiving the services may not have received copies of the notice.

The Honorable Governor Kate Brown
RE: Oregon Health Authority Monthly Update on Ongoing and Emerging Issues
September 6, 2019
Page 3

Upon further research it has been determined that there is no monetary impact from this issue. A manual operating process has been established in the program area to address the issue while a system change is being developed. The system change order has been submitted and the anticipated resolution is set for early Spring 2020.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Allen', with a long horizontal stroke extending to the right.

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	IMPACT	STATUS
002-17	Dual Eligible Population	\$41.48 Million	Continuing to Monitor
003-17	Payments to Institutions for Mental Disease (IMDs)	\$47.87 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	\$294,662.50 (savings)	Resolution Plan Established
019-17	Tribal Targeted Case Management Services	\$24,371.50	Issue Substantiated
020-17	Prior Period Adjustments for Public and Private Providers	TBD	Issue Substantiated
001-18	Mental Health Residential Transition	Est. \$4.6 Million	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	None	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