

Oregon Health Plan Section 1115 Quarterly Report



7/1/2012 – 9/30/2012

Demonstration Year: 11 (7/1/2012 – 6/30/2013)

Demonstration Quarter: 1/2013

Federal Fiscal Quarter: 4/2012



Table of Contents

I. Introduction	1
A. Letter from the State Medicaid Director	1
B. Demonstration description	2
C. State contacts.....	2
II. Events affecting health care delivery	4
A. Overview of significant events across the state.....	4
B. Complaints and grievances.....	4
C. Appeals and hearings.....	5
D. Implementation of 1% withhold	5
E. Statewide workforce development	6
F. Significant CCO/MCO network changes during current quarter.....	6
G. Transformation center	7
H. Legislative activities.....	8
I. Litigation status	8
J. Two-percent trend data	9
K. DSHP terms and status	9
III. Status of Corrective Action Plans (CAPs)	9
IV. Evaluation activities and interim findings.....	9
V. Public Forums	9
VI. Transition Plan, Related to Implementation of the Affordable Care Act.....	9
VII. Appendices.....	9
A. Quarterly enrollment reports	9
B. Neutrality reports	10
C. Two-percent trend reduction tracking.....	10
D. DSHP tracking.....	11
E. Oregon Measures Matrix	11

I. Introduction

A. Letter from the State Medicaid Director



In July, the Centers for Medicare & Medicaid Services approved an amendment to the State’s 1115 Demonstration, the Oregon Health Plan (OHP) giving Oregon more flexibility to move forward toward our goal of improving health and health care for OHP members.

Under the agreement, Coordinated Care Organizations (CCOs) will have flexibility to pay for services that improve health and lower costs but are not traditionally covered by Medicaid or the Children’s Health Insurance Program (CHIP). Examples include flexible preventive services that might reduce unnecessary hospital visits or expensive ongoing acute care, as well as more primary care and a greater emphasis on local community health workers who can help OHP members manage chronic illnesses.

As our Governor noted, “this waiver is the final building block to creating a better model of care, and Oregon is ready to demonstrate how local communities can lead the nation in keeping people healthier over the long term in a more effective way.”

As of September 1, nearly 500,000 adults and children – the majority of Oregon Health Plan members – have access to a CCO. To help make the transition seamless, OHA will ensure that members follow their managed care organization (MCO) into the new CCO whenever possible so that their benefits and doctors will stay the same.

As you will read in this quarter’s report, we are just beginning to establish the standards by which we will measure the effectiveness of Oregon’s health system transformation through CCOs. I look forward to seeing where these efforts lead and how they will improve our work with the coordinated care delivery system.

At the same time, we also had to manage an approximate \$9 million shortfall in our medical assistance budget, requiring some fee-for-service rate reductions from July 1 through Sep. 1, 2012, contingent on federal approval.

Sending notice to Oregon transport agencies and 3,400 health care locations about the about the 2 percent rate reductions was difficult. Payments to CCOs and payments for certain services such as primary care, were not reduced. This ensures that primary care services, particularly centered around a coordinated care model, remain a priority.

I am truly grateful for all the health care providers, partners and stakeholders we are able to work with to make sure these important needs continue to be met.

A handwritten signature in black ink that reads "Judy Mohr Peterson".

*Judy Mohr Peterson, PhD.
Director, Division of Medical Assistance Programs,
Oregon Health Authority*

B. Demonstration description

The Oregon Health Plan (OHP) is the state's demonstration project, funded through titles XIX and XXI of the Social Security Act. A demonstration project under Section 1115 of the Social Security Act, OHP began in phases in February 1994.

Phase I started on February 1, 1994, for Medicaid clients in the Poverty Level Medical (PLM) and Aid to Families with Dependent Children (AFDC, now known as Temporary Assistance to Needy Families/TANF). One year later, Phase II added persons who are aged, blind, and disabled, and it added children in state custody/foster care.

Following the creation of Title XXI of the Social Security Act by Congress in 1997, the State Children's Health Insurance Program (SCHIP) was incorporated into the Oregon Health Plan. From its inception, SCHIP provided eligible people with essentially the same benefit package available to all OHP-Medicaid clients, as well as a seamless delivery system.

The OHP 2 demonstration began November 1, 2002, which established the OHP Plus and OHP Standard benefit packages, and included the Family Health Insurance Assistance Program. In 2007 and 2009, more children became eligible through expanded SCHIP eligibility and the creation of the Healthy Kids program.

On July 5, 2012, the Centers for Medicare and Medicaid Services (CMS) approved the current demonstration through June 30, 2017. Key features of the current demonstration, Oregon's **Health Care Transformation**, include:

- **Establishment of Coordinated Care Organizations (CCOs):** Establishes CCOs as the delivery system for Medicaid.
- **Flexibility in use of federal funds:** State has ability to use Medicaid dollars for flexible services (*e.g.*, non-traditional health care workers). All flexible services will have to be used for health related care; however, the CCO will have broad flexibility in creating the array of services necessary to improve care delivery and enrollee health.
- **Federal investment:** Calls for federal investment of ~\$1.9 billion over 5 years (Year 1: \$620 million, Year 2: \$620M, Year 3 \$290M, Year 4: \$183M, Year 5: \$183M). This funding comes through the Designated State Health Programs (DSHP): The Oregon Medical Insurance Program, new Workforce Training program, Gero-Neuro program, and other programs as approved by CMS.
- **Workforce:** To support the new model of care within CCOs, Oregon will establish a loan repayment program for primary care physicians who agree to work in rural or underserved communities in Oregon and training for 300 community health workers by 2015.

The primary goals of the Oregon demonstration are:

- **Improving health for all Oregonians.** Fostering innovative approaches to improving population health through a focus on linking community health and services with the clinical delivery system. Population health efforts and alignment with schools and the education system are integral to improve the health of all Oregonians by going beyond the walls of the clinics and hospitals.
- **Improving health care.** Coordinating physical, behavioral and oral health care and increasing the focus on prevention and improved care. Individuals can get the care and services they need, coordinated regionally with access to statewide resources when needed, by a team of health professionals who understand their culture and speak their language;
- **Reducing the growth in Medicaid spending.** The state has agreed to reduce per capita medical trend by 2 percentage points by the end of the second year of the waiver from an assumed trend of 5.4 percent as calculated by federal Office of Management and Budget.

C. State contacts

Demonstration and Quarterly Reports

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II. Events affecting health care delivery

A. Overview of significant events across the state

Category of event	Impact? (Yes/No)			Interventions or actions taken? (Yes/No)
	Demonstration goals	Beneficiaries	Delivery system	
A. Enrollment progress	Yes	Yes	Yes	Yes - MCO to CCO transition begins in August
B. Benefits	-	-	-	No changes to benefits
C. CCO Complaints and Grievances	No	Yes	No	Policies and protocols in place to address CCO transition concerns and client billing issues
D. Quality of care – CCO / MCO / FFS	-	-	-	Nothing to report An Innovator Agent is active in 2 counties
E. Access	-	-	-	MCO to CCO transition begins
F. Provider Workforce	-	-	-	Nothing to report
G. CCO networks	-	-	-	Nothing to report

B. Complaints and grievances

During the member transition to CCOs, increased calls were received about access and plan/provider interactions related verifying the members ability to see ongoing providers and were often able to be addressed at the time of the call. OHA in partnership with contracted plans have developed and instituted policies and client transition protocols to promote continuity, maintain existing provider networks for current active treatment and continuation of current prior authorizations.

To address client billing issues, DMAP held a workgroup to walk through best practices around billing procedures, training and education of providers, and payment waiver policy development and dissemination. During this quarter, plans reported complaints and grievances using their traditional reporting format, which does not align with the more specific categories listed below. Plans will begin reporting according to these new categories Jan. 1, 2013. The reporting format for this report will be fully implemented at that time.

Complaint or grievance type	Number received	Trend(s) identified? Yes/No	Number resolved	Actions to prevent recurrence Yes/No	Range received by CCOs
Eligibility and enrollment	0	-	-	-	-
Access to providers and services	191	Yes	-	Yes	0-26
Interaction with provider or plan	431	No	-	Yes	2-158
Consumer rights	Combined with Interaction with Provider or Plan for this reporting period.				
Clinical care	303	No	-	-	1-113
Quality of service	Combined with Clinical Care for this reporting period.				
Client billing issues	270	No	-	Yes	1-153

Trends related to complaints and grievances

During this reporting period, partial, overlapping or duplicated reporting may occur due to the MCO to CCO transition which changed coverage areas and managed care entities. As client movement and reporting stabilizes, we will be able to identify and analyze trends more confidently.

C. Appeals and hearings

During this quarter, plans reported appeals and hearings using their traditional reporting format. Plans will begin reporting according to new, more specific categories Jan. 1, 2013. Appeals and Hearings will be broken out separately, and the reporting format for this report will be fully implemented at that time.

Plan type	Payment Denied	Authorization Denied	Total Appeals
CCO	153	371	524
FCHP	101	337	438
DCO	48	79	127
MHO	-	16	16
Total	302	803	1105

D. Implementation of 1% withhold

Implementation will begin Jan. 1, 2013. Future quarterly reports on and after Jan. 1 will report the following information:

Metric	Frequency	
	Quarterly	Annually
Actual amount paid of monthly PMPM capitation rate broken out by: <ul style="list-style-type: none"> ■ Average/mean PMPM ■ Eligibility group ■ Admin component ■ Health services component For the first year, this will be 99% and NOT include the 1% withhold, which is reflected under incentives agreement (or policy)	X	X
Actual amount paid in incentives monthly broken out by: <ul style="list-style-type: none"> ■ Total by CCO ■ Average/mean PMPM incentive ■ The over/under 100% of capitation rate by CCO and by average enrollee PMPM 	X	X
Best accounting of the flexible services provided broken out by: <ul style="list-style-type: none"> ■ Services that are not Medicaid state plan services but DO have encounter data ■ Services that are not reflected in encounter data 	X	X
CCO sub-contractual payment arrangements – narrative <ul style="list-style-type: none"> ■ Description of innovative (i.e., non-FFS) reimbursement and incentive arrangements between CCOs and sub-contracted service delivery network 		X
Encounter data analysis <ul style="list-style-type: none"> ■ Spending in top 25 services by eligibility group and by CCO ■ To the extent that this can be further indexed to the payment arrangements listed above, that would be helpful analysis as well 	X	X

E. Statewide workforce development

Non-traditional health care workers

	Total Number Certified*	Number of approved training programs
Community Health Workers	0	0
Personal Health Navigators	0	0
Peer wellness specialists	0	0
Other NTHW	0	0

* Statewide NTHW registry anticipated to launch in fall of 2013. Quarterly reporting would be reasonable after that point.

Health professional graduates participating in Medicaid

Tracking method and reporting format in development. Current assumptions are that:

- Tracking and reporting will begin July 2013, per STC 57(b)(iii) and will continue through the period for which FFP is claimed.
- Tracking will include graduates of each health professional training program for which FFP is claimed, within Oregon Health & Science University, the Oregon University System, and select Community Colleges.
- Tracking and reporting will be done by program/professional type (e.g. reporting will distinguish between physicians, nurses, dentists, physical therapists, and so on) and by practitioner specialty to the extent possible.
- These data will be presented in a detailed annual report. Updates will be provided quarterly, as available.

OHA staff have been meeting with representatives from Oregon Health Sciences University, the Oregon University System, and the community college system to discuss existing tracking mechanisms and identify feasible and fruitful methods for identifying graduates that go on to become Medicaid providers in the state. Oregon will consult with CMS on the complete plan for graduate tracking prior to July 2013.

F. Significant CCO/MCO network changes during current quarter

	Effect on		Number affected	
	Delivery system	Members	CCOs	CCO members
Approval and contracting with new plans				
July – OHA conducts readiness review for 11 CCOs. Three CCOs defer readiness review.	Enrollment in CCO service areas transitions from MCOs to CCOs.	Members residing in CCO service areas effective 8/1 – 9/1 begin transitioning from MCO to CCO enrollment.	13	461,584
August – eight CCOs become effective on 8/1. OHA conducts readiness review for five CCOs.				
September – five CCOs become effective on 9/1. All remaining CCO applicants defer readiness review.				
		Members exempt from CCO transition includes some FFS members with specific diagnoses and treatment plans, and members receiving		

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Approval and contracting with new plans	Effect on		Number affected	
	Delivery system	Members	CCOs	CCO members
		primary managed care through an MHO.		

A full list of certified CCOs is available at www.oregon.gov/oha/OHPB/Pages/health-reform/certification/index.aspx.

G. Transformation center

Innovator Agents – Summary of promising practices (Based on one Innovator Agent)

Task	Summary of activities	Promising practices identified	Number Participating	
			CCOs	Innovator Agents
Innovator agent training	N/A	N/A	N/A	N/A
Learning Collaborative activities	N/A	N/A	N/A	N/A
Assisting and supporting CCOs with Transformation Plans	N/A	N/A	N/A	N/A
Assist CCOs with target areas of local focus for improvement	N/A	N/A	N/A	N/A
Communications with OHA	Facilitated problem solving	N/A	2	1
Communications with other Innovator Agents	N/A	N/A	N/A	N/A
Community Advisory Committee activities	Introductions, education, beginning of support of Community Health Assessment	N/A	2	1
Rapid-cycle stakeholder feedback to: Identify and solve barriers; Assist with adapting innovations; Simplify and/or improve rate of adoption Increase stakeholder engagement	N/A	N/A	N/A	N/A
Data base implementation Tracking of CCO questions, issues and resolutions in order to identify systemic issues	Not initiated	N/A	N/A	N/A
Information sharing with public	CCO hosted quarterly meetings		2	1

Innovator Agents – Measures of effectiveness

Measure	Data published for current quarter? Type?	Web link to Innovator Agent quality data
1. Surveys rating IA performance	N/A	N/A
2. Data elements (questions, meetings, events) tracked	N/A	N/A
3. Innovations adopted	N/A	N/A
4. Progress in adopting innovations*	N/A	N/A
5. Progress in making improvement based on innovations *	N/A	N/A
6. CCO transformation plan implementation	N/A	N/A
7. Learning Collaborative effectiveness	N/A	N/A
8. Performance on Metrics and Scoring Committee metrics	N/A	N/A

An Oregon Health Authority employee moved into the role of Innovator Agent in August 2012, first providing support to Umpqua Health Alliance and shortly afterwards beginning to support AllCare. Both CCOs have communicated their satisfaction with the support of this Innovator Agent who has served as their point of contact for facilitating resolution of agency issues regarding a variety of operational and policy challenges. This Innovator Agent has helped support their Community Advisory Councils and most recently, has helped with the CCO Transformation Plan development.

All Innovator Agents will receive a comprehensive orientation including an orientation to the OHA, an orientation by the CCOs that includes OHA to reinforce shared expectations, and an intensive Innovator Agent training.

Systems development work to support Innovator Agents will be initiated through OHA's new Transformation Center.

H. Legislative activities

In September 2012, there were interim meetings of a number of Legislative Committees. OHA presented legislative reports on the following:

- Implementation of the All Payer All Claims Data Reporting Program (APAC) as required by HB 2009, passed by the 2009 Legislature. The APAC database will provide a more complete picture of cost, quality, and utilization across Oregon's health care system.
- Progress in establishing a recommendation for Oregon's Essential Health Benefits package for 2014. Reported with the Medicaid Advisory Committee.
- Health System Transformation status, with a list of potential CCOs. Reported to the Interim Senate Committee on Health Care.

I. Litigation status

In mid-September 2011, the Oregon Alliance of Children's Programs, Inc. filed a petition for judicial review. This petition challenged the provider reimbursement rates for the Behavior Rehabilitation Services program. This case has been stayed since early February 2012.

J. Two-percent trend data

See Appendix C. This table shows expenditures, including services inside and outside capitation rates for all populations served by CCOs, as well as administrative expenditures and indicates progress in meeting spending growth reduction targets.

K. DSHP terms and status

There were no federal draws for DSHP during this reporting period. Appendix D will provide more detailed information when reporting begins in 2nd Quarter 2013.

III. Status of Corrective Action Plans (CAPs)

Nothing to report this quarter.

IV. Evaluation activities and interim findings

Waiver evaluation plans were being developed during this time period. In accordance with the Terms & Conditions, a draft waiver evaluation design was submitted to CMS on November 5, 2012. Subsequent feedback from and conversations with CMS resulted in the final design being incorporated into the Accountability Plan, now STC Attachment H.

V. Public Forums

Nothing to report this quarter.

VI. Transition Plan, Related to Implementation of the Affordable Care Act

To be reported on and after April 1, 2013.

VII. Appendices

A. Quarterly enrollment reports

1. SEDS reports

Attached.

2. State reported enrollment tables

Enrollment	July 2012	August 2012	September 2012
Title XIX funded State Plan Populations 1, 3, 4, 5, 6, 7, 8, 12, 14	524,755	525,941	526,798
Title XXI funded State Plan	78,750	79,140	80,240
Title XIX funded Expansion Populations 9, 10, 11, 17, 18	74,293	73,247	71,895

Enrollment	July 2012	August 2012	September 2012
Title XXI funded Expansion Populations 16, 20	1,044	1,045	1,133
DSH Funded Expansion	NA	NA	NA
Other Expansion	NA	NA	NA
Pharmacy Only	NA	NA	NA
Family Planning Only	NA	NA	NA

3. Actual and unduplicated enrollment

Ever-Enrolled Report

POPULATION			Total Number of Clients	Member Months	% Change from Previous Quarter	% Change from Previous Year
Expansion	Title 19; OHP Standard	OHP Parents	24,970	65,126	-2.25%	5.21%
		OHP Childless Adults	50,449	139,036	-4.05%	-3.60%
	Title 19; OHP Plus	PLM Children FPL > 170%	1,567	3,380	1.47%	11.93%
		Pregnant Women FPL > 170%	973	2,117	6.89%	1.03%
	Title 21; Plus	SCHIP FPL > 170	19,260	48,283	2.14%	4.47%
Optional	Title 19; Plus	PLM Women FPL 133-170%	15,637	34,569	-1.69%	0.10%
	Title 21; Plus	SCHIP FPL < 170%	66,044	170,714	2.09%	5.32%
Mandatory	Title 19; Plus	Other OHP Plus	498,574	1,388,496	0.73%	4.00%
QUARTER TOTALS			677,474			

* Due to retroactive eligibility changes, the numbers should be considered preliminary.

OHP eligibles and managed care enrollment

OHP Eligibles*	Coordinated Care		Physical Health		Dental	Mental	
	CCOB**	CCOE***	FCHP/PCO	PCM	DCO	MHO	
July	618,940	0	0	521,816	3,076	597,622	576,619
August	619,527	259,625	1,540	263,988	3,047	600,531	317,761
September	621,079	461,584	33,469	56,341	3,036	597,750	80,980
Qtr Average	619,849	240,403	11,670	280,715	3,053	598,634	325,120
		38.78%	4.16%	45.29%	0.49%	96.58%	52.45%

*Total OHP Eligibles include: TANF, GA, PLM-Adults, PLM-Children, Families, Adults & Couples, OAA, ABAD, CHIP, FC and SAC.

Due to retroactive eligibility changes, the numbers should be considered preliminary.

**CCOB = CCO provides physical and mental health services.

***CCOE = CCO provides mental health only

B. Neutrality reports

1. Budget monitoring spreadsheet

Attached.

2. CHIP allotment neutrality monitoring spreadsheet

Attached.

C. Two-percent trend reduction tracking

Attached.

D. DSHP tracking

Reporting format in development this quarter, with reporting to begin 2nd Quarter 2013.

E. Oregon Measures Matrix

Reporting format in development this quarter, with reporting to begin 2nd Quarter 2013.