



April 15, 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) April 15<sup>th</sup> 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 002-17: Dual Eligible Population**

**Status:** Continue Monitoring

**Estimated Impact:** \$42,251,781.37

**Summary:** OHA identified two issues related to the dual eligible population (eligible for both Medicaid and Medicare) that occurred during 2014, 2015, and part of 2016: (1) OHA paid full capitation rates to Coordinated Care Organizations (CCOs) for some dual eligible members, rather than the correct (lower) capitation rates that reflect Medicaid as the payer of last resort (Issue 1); and (2) in some cases, dual eligible members were not properly coded in the Medicaid Management Information System (MMIS) with the appropriate eligibility category, leading to the federal government paying the 100% match rate associated with Medicaid-only Affordable Care Act (ACA) expansion members (i.e., Modified Adjusted Gross Income Adults) in cases when the match rate should have been lower, or about 64% (Issue 2). OHA made system and process changes in 2016 to ensure that CCOs are paid the correct capitation rate for dual eligible members and that the correct federal match rate is claimed going forward. These system changes also corrected capitation rates retroactively to the beginning of 2016, and OHA has repaid over-claimed federal funds for 2016.

**Update:** Overpayments to the CCOs were recouped between April 2018 and December 2018. The federal funds owed to CMS were paid back at the time of recoupment. This issue will be continually monitored pending the resolution of disputed claims and to ensure no additional over or under payments were made.

**Issue Number 001-19: Adult Foster Care Homes**

**Status:** Closed

**Estimated Impact:** None

**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.

Governor Kate Brown

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**Update:** Upon further research and communication with our partners with the Center for Medicare and Medicaid Services (CMS) it has been determined that there is no financial impact to the state. OHA failed to submit a State Plan amendment which is currently being reviewed by CMS to remediate a technical error that was found related to the Adult Foster Care Home methodology.

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 flourish 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**

<b>1. Issue Identified</b>	<b>2. Initial Issue Meeting</b>	<b>3. Research Underway</b>	<b>4. Issue Substantiated</b>	<b>5. Resolution Plan Established</b>	<b>6. Issue resolved</b>
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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)	\$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
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
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	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	None	Closed