



OFFICE OF THE DIRECTOR

Kate Brown, Governor

Oregon
Health
Authority

500 Summer St NE E20

Salem OR 97301

Voice: 503-947-2340

Fax: 503-947-2341

www.Oregon.Gov/OHA

www.health.oregon.gov

February 23, 2018

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

RE: Oregon Health Authority Bi-Weekly Update on Ongoing and Emerging Issues

Dear Governor Brown,

This letter is the Oregon Health Authority's (OHA's) February 23 bi-weekly issue update. This update includes one newly documented issue. This issue still requires additional research and analysis. As such, we expect our understanding of the cause, scope, and impact to evolve.

Adult Residential Treatment Programs

Status: Not yet resolved; additional analysis required.

Estimated Impact: Clients with chronic mental illnesses may be required to leave residential treatment facilities after a medical appropriateness review, in a time of scarce housing resources, limited treatment alternatives and the need for appropriate transition support to prevent clients from becoming homeless. Estimates as of February 2018 indicate \$900,000 in federal funds that may be at risk of being disallowed; a mitigation plan is in development to minimize disallowance.

Summary: OHA is ensuring our compliance with federal regulations while wanting to make sure some of our most vulnerable Oregonians aren't abruptly transitioned out of residential care. To assure full compliance with our State Plan 1915(i) State Plan for Home and Community Based Services., OHA has contracted with an Independent and Qualified Agent (IQA), KEPRO. The State had been assessing 1915(i) levels of care, but under a process that used a different standard than is now being used under KEPRO's contract. This change in process and standard resulted in an increase in the number of persons with Chronic Mental Illness (CMI)/Severe and Persistent Mental Illness (SPMI) who are in congregate residential settings to not meet the criteria for medical appropriateness. Oregon Administrative Rules allow OHA to authorize up to 60 days of continued stay while transition efforts are taking place to prevent the individual from becoming homeless. Scarce housing resources, in many cases, will require that OHA continue to renew these 60-day extensions until a suitable placement is found. In granting these extensions, OHA is at risk for a federal Medicaid disallowance once the individual has received a Notice of Action and the 60-day period to request a hearing has expired. OHA is working with KEPRO and residential providers to effect smooth transitions for affected individuals, communicate to providers to submit documentation, and minimize any potential disallowance or use of general fund to pay for these services.

Honorable Governor Kate Brown

February 23, 2018

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

Sincerely,

A handwritten signature in blue ink, appearing to be 'PA', with a long horizontal stroke extending to the right.

Patrick M. Allen
Director

CC: Fariborz Pakseresht, Director, DHS