



OFFICE OF THE DIRECTOR

Kate Brown, Governor

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October 17, 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) September and October 2019 monthly issue update. We have three previously documented issues to communicate updates.

OHA's Leadership Team is providing oversight 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 015-17: Long-term Residential Services Eligibility

Status: Resolved

Fiscal Impact: \$2.1 Million

Summary: This issue addresses how ambiguity about eligibility rules for the 1915(i) population led to incorrectly calculating Medicaid eligibility for a fraction of the 1915(i) population. The focus of this issue is Oregon Health Plan (OHP) members who qualified for Medicaid under the 1915(i) 150% of federal poverty level (FPL) to 300% of SSI residential pathway and have incomes over the 150% of FPL threshold. A review of Oregon's Medicaid State Plan and policy documentation concluded that Medicaid eligibility was incorrectly assigned to this group from January 2017 through June 2018 and a refund of the Medicaid federal matching funds is required.

Going forward, the decision was made to set 1915(i) at 150% of FPL in line with Medicaid rules and to mitigate the impact on individuals in residential treatment facilities as of July 1, 2017, losing Medicaid eligibility. The program has secured state funding from the legislature to resolve the matter.

Issue Number 006-18: Contract Issues & Impact to Medicaid

Status: Resolved

Fiscal Impact: \$1.5 Million (Overpayment Recovery from Providers)

Summary: An internal OHA audit determined that behavioral health providers were overpaid for services caused using an incorrect rate amount stated in contract between November 10, 2014, and April 30, 2017. New contract language has been written and

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has been included in contracts through the contract amendment process. The Department of Justice (DOJ) has determined the language to be legally sufficient. OHA has negotiated through written agreement with the behavioral health providers to recoup the \$1.5 million overpaid funds over a period of 24 months.

Issue Number 004-17: Payments for Certain Procedures Related to Termination of Pregnancy

Status: Resolved

Fiscal Impact: \$2 Million

Summary: Three procedure codes that may be used to pay termination of pregnancy procedures were determined not to be eligible for federal funding. The use of the procedure codes occurred from December 2002 through November 2017. Repayment of federal funds to the Center for Medicare and Medicaid Services (CMS) occurred in June of 2019. June to September 2019 reports show the coding issue is corrected.

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	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	Resolved
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	\$2.1 Million	Resolved
016-17	Case Mismatch Across Systems	TBD	Resolution Plan Established
019-17	Tribal Targeted Case Management Services	\$25K	Resolution Plan Established
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	\$1.5 Million	Resolved
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