



OFFICE OF THE DIRECTOR

Kate Brown, Governor

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January 8, 2020

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) December 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 011-17: Posting Cash Payments – Cash Medical

Status: Continue to Monitor

Fiscal Impact: \$16.1M (funding opportunity)

Summary: OHA receives cash medical payments from the Division of Child Support (DCS) for clients on OHP, and some of these payments have yet to be posted to the appropriate trust account in MMIS. Application of these revenues to the appropriate trust account will reduce state and federal costs for these clients. OHA has historically not taken timely advantage of these funds but a project is currently underway to post the backlog of available funds. Going forward OHA has dedicated resources to ensure that the MMIS system continues to post the revenues correctly. Once all of the backlog is posted, OHA will move to close this issue.

Issue Number 008-17: Pharmacy Other Coverage Code (Payer of Last Resort)

Status: Resolved

Fiscal Impact: \$0.8M

Summary: Code "OCC-01" in the Medicaid Management Information System (MMIS) is used at the pharmacy point of sale (POS) that overrides a system process intended to ensure that Medicaid is the payer of last resort when there is an appropriate third-party payer. Tribal Self-funded Health Programs were incorrectly designated as Third-Party Liability. A federal case, Redding Rancheria v. Hargan provided clarity that Indian Health Insurance is secondary to Medicaid. The OCC-01 code will no longer be used for tribal pharmacy claims and the incorrectly collected funds have been reimbursed.

Issue Number 008-18: Tribal Pharmacy All-Inclusive Rate (AIR) Settlement Payments

Status: Resolved

Fiscal Impact: \$16.8 million (all federal funds)

Summary: Oregon SPA OR-17-0007 gives the OHA the authority to issue tribal All-Inclusive Rate (AIR) pharmacy settlement payments, which was approved on September 20, 2017 and payments issued to the tribes starting in the fourth quarter of 2017. The manual process for calculating tribal pharmacy AIR settlement payments, pulls claims for each quarter based on payment date of the claim, rather than the date of service. Routine reprocessing of claims results in updated payment dates, causing some pharmacy claims to be erroneously included in the manual quarterly tribal pharmacy AIR settlement calculation, causing concerns of overpayments. Upon further research it was determined that because the retroactive nature of the payments there was in fact an underpayment to the IHS/tribal programs. The error was 100% federal funds and the settlement payment has been issued.

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
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)	\$807K	Resolved
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	\$16.135 Million (Opportunity)	Continuing to Monitor
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
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
007-18	Insufficient Notices of Action Regarding Mental Health Residential Services	None	Resolution Plan Established
008-18	Tribal Pharmacy All-Inclusive Rate Settlement Overpayment	\$ 16.8 Million (federal funds)	Resolved
009-18	End Stage Renal Disease (ESRD) Provider Overpayments	\$6.3 Million	Issue Established