



OFFICE OF THE DIRECTOR

Kate Brown, Governor

Oregon  
**Health**  
Authority

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August 31, 2018

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's) August 31<sup>st</sup> monthly issue update. We have one new issue to communicate this month as well as an update on three previously documented issues.

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 and documenting new issues. The Issues Log is attached and includes all documented issues. This cover memo provides detail related to new issues or material updates to existing issues. Issues that have previously been reported as complete have been removed from the log.

### ***Previously Documented Issue***

#### **Mental Health Residential Transition and Adult Residential Treatment Programs**

The Mental Health Residential Transition and Adult Residential Treatment Program issues, reported separately in previous updates, have been merged together to be resolved as one issue. The scopes of the two issues have been determined to be similar enough to warrant combining for a consistent and streamlined solution. Research is still being conducted to determine the impact.

#### **Disproportionate Share Hospitals (DSH) Audit Reporting**

As previously reported, the federal funds deferral related to the late audit reporting of Disproportionate Share Hospitals (DSH) has been resolved and the deferral has been lifted. However, it has been determined that reporting for the current period will miss the established deadline of 12/31/2018. The new estimated completion date is 3/31/2019 and has been communicated to the Center for Medicare and Medicaid Services (CMS). To ensure that this deadline is met, this issue will remain open and monitored through to completion. As previously reported, an automated solution is under current development and is scheduled to be in place prior to the following (2019) reporting period.

***Newly Documented Issues***

**Insufficient Notices of Action Regarding Mental Health Residential Services**

OHA has contracted for services to determine medical appropriateness of fee-for-service mental health residential services. The contractor recommends approval or denial of prior authorization (PA) requests from providers of these services. It has come to our attention that the notices being sent to individuals may not be legally sufficient. In addition, due to the manual nature of the process, in some cases the guardians of individuals receiving the services may not have received copies of the notice. Further research is needed to determine whether other OHA notices require any changes.

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 stroke extending to the right.

Patrick M. Allen  
Director

CC: 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	Resolution Plan Established
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	Issue Substantiated
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	Issue Substantiated
016-17	Case Mismatch Across Systems	TBD	Issue Substantiated
017-17	Services Provided to Tribal Members at Non-Tribal Facilities	TBD	Issue Substantiated
018-17	Enhanced Federal Funding for Preventive Services	Enhanced funding opportunity	Issue Substantiated
019-17	Tribal Targeted Case Management Services	TBD	Issue Substantiated
020-17	Prior Period Adjustments for Public and Private Providers	TBD	Issue Substantiated
021-17	Alignment of Federal Financial Reports – Budget Neutrality	TBD	Issue Substantiated
022-17	Non-Covered Services in Rates for Certain Certified Community BH Clinics	TBD	Issue Substantiated
023-17	Eligibility Coding for Rate Development	TBD	Issue Substantiated
001-18	Mental Health Residential Transition	Est. \$4.6 Million	Resolution Plan Established
002-18	Adult Residential Treatment Programs	N/A	Combined with 001-18
003-18	Retroactive Medicare Eligibility	TBD	Issue Substantiated
004-18	Medicaid Compliance – Language and Translation	TBD	Issue Substantiated
005-18	Disproportionate Share Hospitals (DSH) Audit Reporting	None - Monitoring	Resolution Plan Established
006-18	Contract Issues and Impact on Medicaid	TBD	Issue Substantiated
007-18	Insufficient Notices of Action Regarding Mental Health Residential Services	TBD	Research Underway