

# In Lieu of Services (ILOS) Frequently Asked Questions

March 2022



## Overview

**In Lieu of Services (ILOS)** are services or service settings determined by the state to be medically appropriate and cost-effective substitutes for covered services under the Oregon Health Plan (OHP). Although Coordinated Care Organizations (CCOs) are not required to offer ILOS to their members, they can propose ILOS to the Oregon Health Authority that meet the following requirements, according to **42 CFR 438.3(e)(2)**:

1. The Oregon Health Authority (OHA) determines that the alternative service or setting is a medically appropriate and cost-effective substitute for the covered service or setting under the OHP.
2. The member is not required by the CCO to use the alternative service or setting.
3. The approved ILOS are authorized and identified in the CCO's member handbook.
4. The services offered must be available to all members who qualify.
5. The utilization and actual cost of ILOS are taken into account in developing the medical component of the CCO's capitation rates.

OHA has created **seven allowable categories** for ILOS proposals:

### ILOS Pre-Approved Categories

- ✓ Prevention programs
- ✓ Services provided by Traditional Health Workers (THWs)
- ✓ Community transition services
- ✓ Enhanced case management
- ✓ Post-hospitalization recuperative care
- ✓ Lactation consultations
- ✓ In-home health hazard remediation programs

## Why In Lieu of Services (ILOS)?

- Supports key services, such as the Diabetes Prevention Program and THWs.
- Enables covered services to be provided in non-clinical settings, including settings where it would not be appropriate to bill medical claims due to provider licensure.
- Connects to the larger vision for CCO 2.0 and key transformation objectives by:
  - Improving access to services in a more culturally responsive manner.
  - Enhancing care coordination for high-need/traditionally underserved members.
  - Reducing hospital care, nursing facility care, and emergency department utilization.

The purpose of this FAQ is to clarify details of ILOS, including: general criteria and coverage, CBO partners, planning and timeline, billing, and reporting. Additional guidance and technical assistance can be found on [OHA's ILOS webpage](#). This FAQ will be updated periodically to address additional questions.

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## ILOS Criteria & Coverage

### 1. What are ILOS?

ILOS are services offered by CCOs and approved by OHA that are medically appropriate and cost-effective substitutes for covered services or settings under the OHP. OHA initiated ILOS to support key alternative services, and to enable covered services to be provided in non-traditional settings, and by non-traditional providers. **Examples of ILOS include the following:**

| Description  | Covered Service  | In Lieu of Service   |
|--|--|--|
| <b>Post-hospitalization recuperative care alternative service</b>          | Personal care hours used for making meals for a member post-hospitalization                      | Medically tailored meals delivered to a member post-hospitalization  |
| <b>Prevention program in an alternative setting that is unable to bill</b> | Diabetes Prevention Program in a primary care clinic   | Diabetes Prevention Program in a YMCA that is unable to bill   |
| <b>Prevention program by an alternative provider who is unable to bill</b> | Multisector intervention with a member with uncontrolled diabetes by a nurse who is able to bill | Multisector intervention with a member with uncontrolled diabetes by a community paramedic who is unable to bill |

### 2. How are ILOS different than Health-Related Services?

Health-Related Services (HRS) are non-covered services that are offered as a supplement to covered benefits under OHP while ILOS are services determined by the state to be medically appropriate and cost-effective substitutes for covered services under OHP. HRS may be able to be used in conjunction with covered services or with ILOS. Referring to the examples in Question 1. above, HRS might be used to provide temporary housing for the member receiving post-hospitalization recuperative care, fund a bus ticket for a diabetic member to attend Diabetes

Prevention Program sessions, or provide medically tailored meals in the home to support the member with uncontrolled diabetes.

### **3. How does OHA evaluate which ILOS are approved? What must an ILOS proposal include?**

Proposals for new ILOS categories of service are evaluated based on whether they are both medically appropriate and cost-effective substitutes for a covered service or setting. Contractual changes will be made annually to include accepted ILOS categories available to all CCOs. For a CCO to offer an ILOS within an existing ILOS category, the CCO must identify the service as ILOS in its member handbook.

### **4. Can CCOs add ILOS mid-year?**

ILOS categories, beyond the initial seven, will be added to annually. New programs and providers can be added by CCOs mid-year as long as they map to the existing approved categories. CCOs are responsible for proposing these programs and providers to OHA through revisions to their member handbooks.

### **5. Will CCOs be required to submit ILOS encounter data the same way as regular encounter data?**

Yes, CCOs should submit ILOS encounter data the same way encounter data is currently submitted.

### **6. How does ILOS affect rate development?**

Utilization and actual cost of ILOS will be considered for rate development. There's no expected impact on 2022 capitation rates. Future years' rates would reflect actual utilization.

### **7. What are the reporting requirements for ILOS?**

While OHA is still developing reporting requirements for ILOS, CCOs should be prepared to track ILOS by category of service.

### **8. What's the Medical Loss Ratio (MLR) impact of ILOS?**

ILOS is currently listed in Oregon's MLR template as a category of Medical Costs included in the MLR numerator.

## Member Access

### **9. Is ILOS required to have the same network adequacy standards as covered services?**

Meeting network adequacy standards is the expectation for ILOS. Availability of ILOS could support CCOs in meeting network capacity requirements. Network adequacy considerations will be included in the OHA-CCO collaborative assessment in June of 2022. Additionally, one of the expectations for ILOS is that it is made available across a CCO's entire service area.

### **10. Once an ILOS is approved for one CCO, will it be made available/approved for all CCOs?**

Yes, once a service has been approved by OHA for one CCO, it may be utilized by any CCO. However, there is no obligation for CCOs to add approved services.

### **11. If a member transfers from one CCO to another, will the member be able to receive the same ILOS?**

The member will not necessarily be able to receive the same ILOS after a transfer to a new CCO. Since CCOs decide which ILOS they would like to offer, the member's new CCO might not offer the same service.

## Service Providers

### **12. How can ILOS be used to cover Traditional Health Workers?**

ILOS offers the opportunity to include Traditional Health Workers (THWs) as alternative providers for covered services. Examples include THWs, peer support specialists, or qualified mental health associates who have completed training, but are otherwise unable to bill or are providing covered services in alternative settings.

### **13. Can community paramedics qualify as ILOS under the Enhanced Case Management category?**

Yes, community paramedics as well as THWs could be proposed to provide an ILOS under the Enhanced Case Management category. See examples of this in [California's ILOS program](#).

**14. Could services available through a School-Based Health Center (SBHC) qualify as ILOS?**

These services may qualify by providing a covered service in an alternative setting or by providing a service as a substitute for a covered service. SBHC service will need to be assessed individually to determine whether they meet ILOS requirements.

**Specific Services**

**15. If a member's covered service includes 30 visits of therapy per episode of back pain, would an ILOS in a different setting also have the same limitation of 30 visits? Can the limit of visits be more or less than 30?**

The ILOS should be an equivalent substitute for the covered service, but that does not mean it needs to have the exact same limitations. The CCO needs to determine the appropriate number of visits of the ILOS that would be an equal substitute for the 30 therapy visits. This value is up to the discretion of the CCO.

**16. Is the Family Connects program, a universal home-visit program for newborns, a covered service or considered ILOS?**

The Family Connects program is a covered service and therefore does not qualify as ILOS.

**17. Could a CHW program that helps members access food and housing be an ILOS?**

While ILOS likely will not cover a specific program providing food or housing support, it could cover CHW care coordination services assisting a member in gaining access to food and housing services.

**18. Is the Diabetes Prevention Program moving to ILOS?**

Diabetes Prevention Program (DPP) is not automatically moving to ILOS. ILOS could be used to allow community-based organizations that cannot currently bill for DPP to do so.

## Community Based Organization (CBO) Partners

### **19. If an ILOS is being provided by a community-based organization, does the ILOS need to be indicated in the member's treatment plan?**

Indication of ILOS in a member's treatment plan may be required depending on what service is being provided. OHA is developing a plan to oversee medical appropriateness and documentation.

### **20. Are CCOs required to have contracts with providers from community-based organizations offering ILOS? Is a CCO required to accept billing claims from any provider, even if they are out of network?**

Yes, CCOs must hold contracts, whether that be a formal agreement, memorandum of understanding, etc., with CBOs or providers. ILOS should be thought of in the same way as covered services in the sense that a CCO wouldn't have an individual member served by an out-of-network provider without an arrangement for that member. ILOS providers should be included in the provider directory to provide guidance to members.

## Contact

For comments and questions regarding ILOS, please email the OHA ILOS team at [ILOS.info@dhsoha.state.or.us](mailto:ILOS.info@dhsoha.state.or.us).