

In Lieu of Services (ILOS) Frequently Asked Questions

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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.

There are **seven ILOS available** to CCOs for implementation in 2023:

- ✓ Community Health Worker Services - Alternative Setting
- ✓ Peer and Qualified Mental Health Associate Services - Alternative Setting
- ✓ Diabetes Self-Management Programs – Online Setting
- ✓ National Diabetes Prevention Program - Alternative Setting
- ✓ Chronic Disease Self-Management Education Programs - Alternative Setting
- ✓ Infant Mental Health Pre- & Post-Testing Services – Alternative Service
- ✓ Lactation Consultations – Alternative Setting

Descriptions of the ILOS above can be found on the [OHA ILOS webpage](#).

Why In Lieu of Services (ILOS)?

- Supports key services, such as chronic disease management and Traditional Health Worker services.
- Enables covered services to be provided in non-clinical settings, including settings where medical claims billing is challenging.
- 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.

ILOS Criteria & Coverage

What are ILOS?

ILOS are medically appropriate and cost-effective substitutes for covered services or settings under the Oregon Health Plan (OHP). Seven ILOS are approved by OHA and CMS and available for CCOs to implement in 2023.

2023 Oregon ILOS include the following:

ILOS Service	State Plan Service(s) In Lieu of
Peer and Qualified Mental Health Associate Services – <i>Alternative Setting</i>	Psychosocial rehabilitation services
Community Health Worker Services – <i>Alternative Setting</i>	Office or other outpatient visit, preventive medicine counseling and/or risk factor reduction, skills training and development, comprehensive community support services
Diabetes Self-Management Programs – Online	Diabetes outpatient self-management training services
National Diabetes Prevention Program – <i>Alternative Setting</i>	National Diabetes Prevention Program Services
Chronic Disease Self-Management Education Programs – <i>Alternative Setting</i>	Patient self-management and education
Infant Mental Health Pre- & Post-Testing Services	Psychological testing
Lactation Consultations – <i>Alternative Setting</i>	Lactation consultations in office or other outpatient settings

[Full descriptions of the ILOS](#) above can be found on the OHA ILOS webpage.

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. For example, HRS might be used to fund a bus ticket for a member to attend Diabetes Prevention Program sessions through ILOS. HRS could also be used to provide medically-tailored meals in the home alongside enrollment in a Chronic Disease Self-Management Program to support a member in managing their diabetes.

How can additional services be added to the list of approved ILOS?

Additional ILOS may be proposed to OHA at any point in the contract year. Once proposed, ILOS are developed in collaboration with CCOs and submitted to CMS for approval. Approved ILOS are added to CCO contracts for the next contract year and can be implemented by any CCO that elects to do so. CCOs are required to add any ILOS they intend to offer to their employee handbooks.

Can CCOs add approved ILOS mid-year?

CCOs can choose to offer any CMS-approved ILOS mid-year. In order to begin offering an ILOS, the CCO must propose their ILOS policy to OHA, amend member handbooks and provide appropriate notification to members. CCOs are not required to offer ILOS.

If a member's covered service includes ten sessions of lactation consultations in a clinical setting, for example, would the ILOS in an alternative setting also have the ten-session limitation?

The ILOS should be a medically-appropriate, 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 quantity of visits, sessions or services of

the ILOS that would be an equal substitute for the covered service. This value is up to the discretion of the CCO.

Billing & Reporting

How does billing for ILOS differ from billing for covered services?

ILOS aims to reduce administrative burden for providers through flexibility in Medicaid billing. CCOs may use a limited encounter claims dataset for ILOS billing. The ILOS Billing Guidance Document offers one example of how CCOs may collect the limited service data from providers. CCOs may collect this information from providers electronically or through paper. CCOs can pre-populate much of these data to further reduce administrative burden for providers. The minimum data elements required include:

- ✓ National Provider Identifier (NPI) of Billing & Rendering Provider, except for Atypical Providers*
- ✓ Name & Medicaid ID Number of Member
- ✓ Valid Diagnosis Code(s), Procedure Code(s) and Modifier(s)
- ✓ Billed Amount for Service
- ✓ Allowed & Paid Amount for Service

ILOS providers must include an ILOS-specific modifier V4 in claims passed to the CCO. *Atypical providers are not required to have an NPI.

Are CCOs required to submit ILOS encounter data?

Yes, CCOs are required to submit ILOS encounter data. Should a CCO receive the limited dataset for ILOS claims, the CCO would need to supplement additional data in order to create a compliant 837 file that meets the national standard X12 transactions and code sets requirements. ILOS encounter data must include the ILOS-specific modifier “V4” for tracking purposes.

How does ILOS affect rate development?

ILOS had no direct impact on the CY23 rate development as ILOS are expected to be cost effective substitutes for historical covered services already included in the CY23 base data. Evaluation of ILOS utilization and costs will be considered in future years rate development.

What are the reporting requirements for ILOS?

CCOs are required to report on ILOS through encounter data submission to OHA via MMIS using the modifier “V4”. CCOs are expected to report aggregate information to OHA annually through the Exhibit L Financial Report. Specific ILOS reporting requirements within Exhibit L include:

- **Exhibit L, Report L6, Line Item 15:** CCOs are expected to report the total dollar amount incurred for ILOS provided in any of the categories listed in the CCO contract.
- **Exhibit L, Reports L18 and L18.1:** CCOs are expected to provide the total payments by ILOS category, separated by OHP vs. Non-Medicaid spending.

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.

Service Providers

What are the eligibility and supervisory requirements for ILOS providers?

Eligible provider types and supervisory requirements for each ILOS are outlined in the [ILOS descriptions](#). If an ILOS does not specifically state provider eligibility and supervisory requirements, the ILOS follows provider and supervisory requirements as outlined for the aligned State Plan service. CCOs may be more prescriptive than the eligibility and supervisory requirements outlined in the ILOS descriptions. It is up to each CCO’s discretion which additional criteria they may choose to require of ILOS providers.

Do ILOS service providers need to have an NPI?

ILOS providers must have a valid and enrolled NPI, with the exception of atypical providers. Atypical providers are not required to have an NPI. National Diabetes Prevention Program providers are not required to have an NPI.

What is an atypical provider?

If the provider of the service is not covered under [the NPI Rule](#), the CCO can enroll the provider as an "Atypical" provider which would provide a Medicaid Provider ID# that the CCO would then use in their transaction to send the encounter claim(s). Only providers not covered under the NPI rule can be enrolled as atypical. If the provider is covered under the definition of the providers who must have an NPI, they cannot be enrolled as Atypical.

Are CCOs required to have contracts with ILOS providers? Are CCOs 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.

Are community-based organizations required to have a DMAP ID?

Community-based organizations are not required to have a DMAP ID to provide ILOS, as long as the CCO finds that acceptable. It is up to the CCO's discretion.

Member Access

Is ILOS required to have the same network adequacy standards as covered services?

Currently there are no network adequacy standards specific to ILOS. Availability of ILOS could support CCOs in meeting network capacity requirements for covered

services. One of the expectations for ILOS is that it is made available across a CCO's entire service area or provided with "reasonable accessibility".

Once an ILOS is approved by OHA, will it be made available for all CCOs?

Yes, once a service has been approved by CMS and OHA, it may be utilized by any CCO. CCOs would then need to propose their ILOS policy to OHA, amend member handbooks and provide proper notification to members. However, there is no obligation for CCOs to add approved services. CCOs are not required to offer ILOS.

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

There are varying time periods (dependent upon service type) in which members can retain services after transferring from one CCO to another. After that point, the member will not necessarily be able to receive the same ILOS after a transfer to a new CCO. Since CCOs are not required to offer ILOS, the member's new CCO might not offer the same service.

Do CCOs have the right to deny ILOS to members? Do members have the right to appeal?

CCOs have the right to deny services (e.g. ILOS in particular settings), so long as it aligns with how the benefit is defined in a CCO's policy. Members have the right to appeal.

Can ILOS be offered to Healthier Oregon Program (HOP) members?

Yes, HOP members can access and be offered ILOS. However, ILOS for HOP members cannot be paid through Medicaid dollars, per Section 1903(v) of the Social Security Act.

Specific Services

Is the Diabetes Prevention Program only offered through ILOS?

While CCOs may choose to offer Diabetes Prevention Program (DPP) through ILOS, DPP is not solely offered through ILOS and may choose to bill traditionally for DPP.

ILOS could be used to allow community-based organizations that cannot currently bill for DPP to do so or allow CCOs to offer online DPP to their members.

How does billing for Diabetes Prevention Program (DPP) through ILOS differ from regular DPP billing?

CCOs may bill for DPP through traditional processes or through ILOS. If a CCO selects a DPP vendor that is not able to bill traditionally, CCOs may use ILOS and develop a process to collect billing/cost data in an alternative manner. ILOS encounter data submissions would include the modifier “V4”. CCOs can bill for DPP traditionally should the CCO and vendor meet the [outlined OHP requirements for reimbursements](#).

Do online vendors of National Diabetes Prevention Program (DPP) require an in-state presence to provide ILOS?

No, only in-person DPP requires an in-state presence, such as an office space. Asynchronous or synchronous online DPP may be provided through an out-of-state provider.

Contact

For comments and questions regarding ILOS, please email the OHA ILOS team at ILOS.info@dhsosha.state.or.us.

Accessibility

You can get this document in other languages, large print, braille or a format you prefer. Contact the OHA ILOS team at ILOS.info@dhsosha.state.or.us.