

**OREGON HEALTH PLAN
MEDICAID
DEMONSTRATION
PROJECT**

**2004-2005
ANNUAL REPORT**

Oregon

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OMAP Administrative Operations

This report of the Oregon Health Plan Medicaid Demonstration Project covers the time period from October 1, 2004, through September 30, 2005.

Program and Policy Activities

Medicaid Modernization Act (MMA) Implementation

Staff worked on the following changes to prepare for implementing Part D Medicare coverage for dual-eligible OHP clients:

- ◆ Updated Coordination of Benefits processing for Pharmacy Point of Sale claims
- ◆ Integration of MMA requirements into program policy
- ◆ Participation in regional “MMA 101” trainings for DHS case workers
- ◆ Communications to dual-eligible clients regarding their upcoming enrollment into a Medicare Advantage Plan
 - OMAP mailed announcements to dual eligible clients who are enrolled in Medical Plans that have contracted with Medicare as Medicare Advantage Plans. The announcement also explained the benefits of enrolling in a Medicare Advantage Plan and included an enrollment form and return envelope.

Cost Reduction Strategies

In late 2004, a Governor-appointed workgroup made recommendations to improve the sustainability of the Oregon Health Plan. This reporting period saw a strong focus on cost reduction strategies in various arenas.

- ◆ The Oregon Health Policy Commission recommended that DHS create workgroups to examine three specific issues: administrative efficiencies, cost drivers and long-term care. Meetings were held in February and March 2005.
- ◆ The Legislatively Adopted Budget (LAB) for 2005-07 was approved August 2005. OMAP held various stakeholder meetings in August and September 2005 to discuss proposed and alternative cost-saving strategies to work within the budget for the next biennium.
 - Each meeting focused on a specific legislative action including: hospital days limit for fee-for-service clients, vision cuts, dental cuts, and elimination of premiums for OHP Standard clients under 10% of the federal poverty level.

- Meetings were held throughout the months of August and September. OMAP also solicited stakeholder input through a designated e-mail address.
- ◆ OMAP worked with the Drug Utilization Review (DUR) Board to promote increased use of the OHP Plan Drug List as a way to contain pharmaceutical costs.

Transportation Brokerage

Finalizing negotiations for OMAP's final brokerage operation that will encompass Lane County. Staff is moving ahead with the final expansion of three brokerages to include those counties not currently in the brokerage system. The target date for complete brokerage coverage is December 31, 2006.

HIPAA

Policy staff worked on integration of HIPAA code sets and National Provider Identification (NPI) requirements into program policy, provider enrollment, and operations.

State Plan Amendments

Policy staff worked on submission and monitoring of several State Plan amendments in the following areas:

- ◆ Additional disproportionate share to public teaching hospitals
- ◆ Possible alternate methodology for frontier Rural Health Clinics, to offset higher obstetric care costs that threaten access to care
- ◆ Inpatient and outpatient proportionate share revisions
- ◆ Change to hospital reimbursement methodologies for radiology, X-ray, and nuclear medicine
- ◆ Primary care management
- ◆ Increased payment for physician services at public teaching institutions
- ◆ Changed transfer of assets & consideration of annuities in eligibility determinations
- ◆ Low-income subsidy under MMA
- ◆ Treatment of resource transfers (annuities)
- ◆ Excluding a drug benefit for fully dual eligible clients receiving the Medicare Part D drug benefit.

Hearings

OMAP Hearings Unit totals for this reporting period reflect 704 hearing requests received during the period October 2004 through September 2005, with 193 hearings actually held. This was an average of 176 hearings requested and 48 hearings held per quarter.

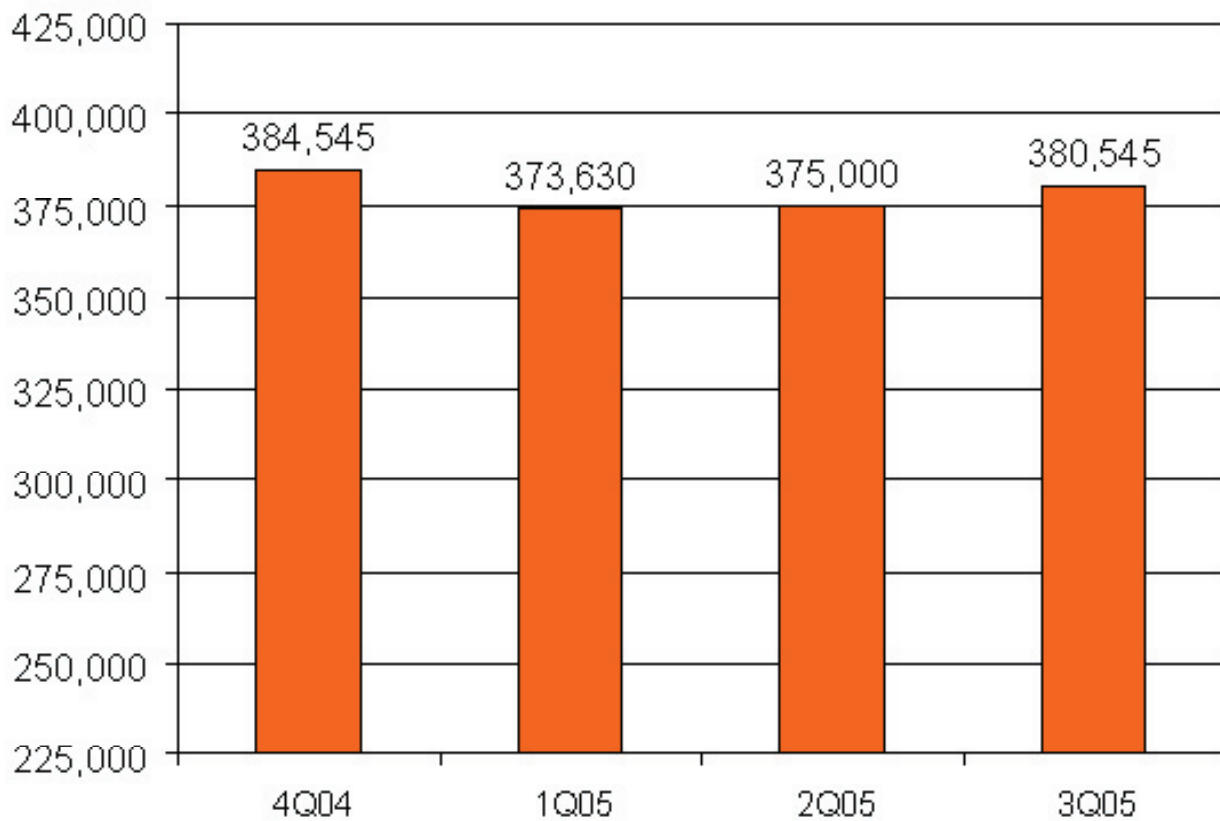
OHP Benefit RN Hotline

The OHP Benefit RN Hotline received an average of 1,087 calls per month during the period October 2004 through September 2005. This is a decrease from the previous fiscal reporting period. Virtually all calls received were from practitioners and the majority were related to placement of conditions and treatments on the Health Services Commission (HSC) Prioritized List of Health Services.

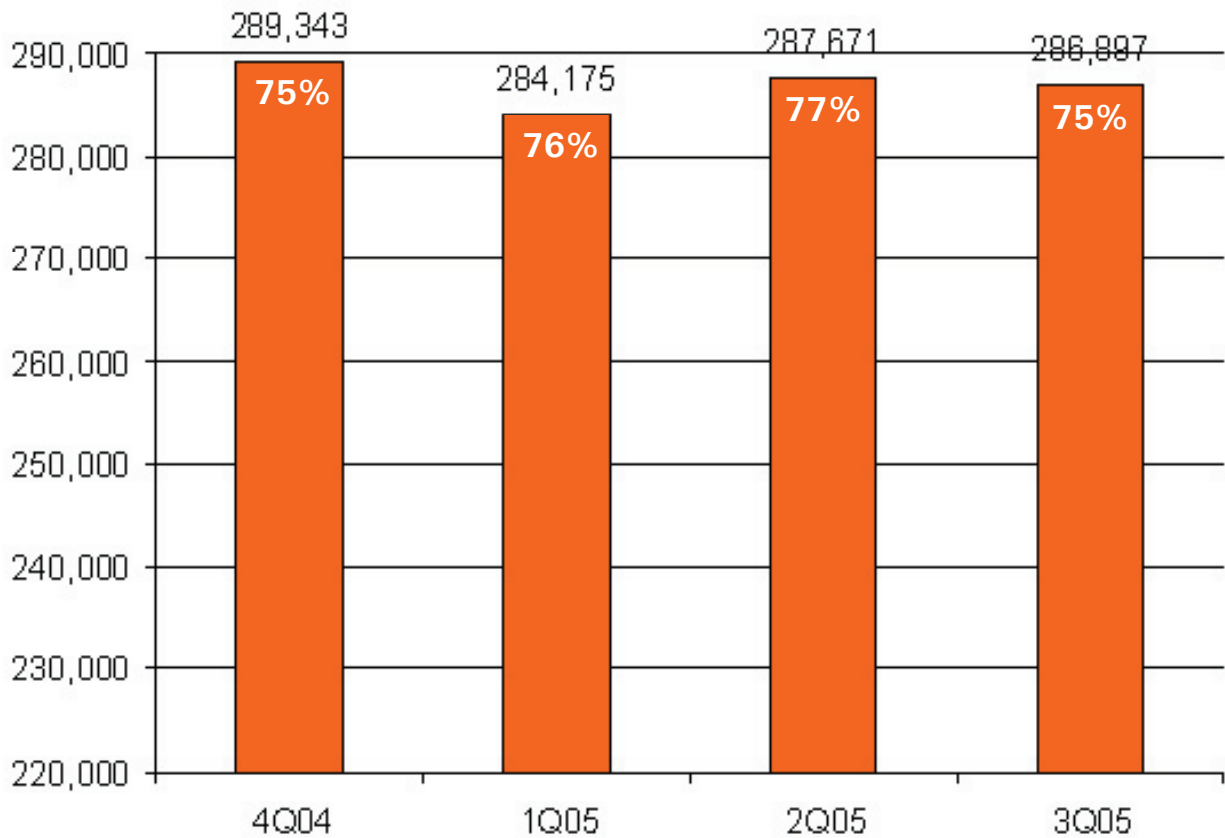
Eligibles and Enrollment

The following graphs show monthly averages of eligible persons on the Oregon Health Plan each quarter, as well as managed care enrollment percentages, during the period October 2004 through September 2005 (fourth quarter 2004 through third quarter 2005).

**Average Oregon Health Plan Eligibles Per Quarter,
September 2004 - October 2005**



Average Managed Care Enrollment Per Quarter* September 2004 - October 2005



*Enrollees as percent of total eligibles. Some eligibles cannot be enrolled in managed care.

Delivery Systems

Delivery Systems Unit (DSU) staff continue to work towards assuring access to health care for clients as managed care plans change or depart from coverage areas. Highlights of managed care activity during this reporting period are shown below.

Fourth Quarter 2004

- ◆ PricewaterhouseCoopers (PwC) requested encounter and claims data covering July 2003 to June 2004 from the FCHPs in order to evaluate the Chronic Disease Payment System (CDPS) impact on OHP clients.
- ◆ OMAP provided MCOs interim instructions for reporting the MCO tax on their quarterly financial reports.

- ◆ OMAP sent MCOs an explanation of changes to the OHP application and related materials.
- ◆ OMAP notified the FCHPs of the April 1, 2005, implementation date for the CDPS-adjusted capitation rate reimbursement.
- ◆ In October, held 12 OHP Regional Meetings for Douglas, Josephine, Jackson, Klamath, Lake, Hood River, Wasco, Gilliam, Sherman, Umatilla, Morrow, Union, Wallowa, Baker and Malheur Counties.

First Quarter 2005

- ◆ CMS met with OMAP and identified their priorities as the Medicare Modernization Act (MMA) Part D, the upcoming CMS review of the Oregon Health Plan Medicaid program and cooperation between CMS and OMAP for managed care contract review improvements.
- ◆ OMAP worked on the April 1, 2005 contract amendment for the OHP Standard Chronic Illness and Disability Payment System (CDPS) risk adjustments.
- ◆ The Physician Care Organization (PCO) RFA closed on March 7, 2005. OMAP received and accepted Kaiser Permanente Oregon Plus, LLC's application. This PCO contract is scheduled to be effective May 1, 2005.
- ◆ OMAP notified approximately 3,475 households with clients living in mandatory managed care areas that they would be automatically enrolled into a medical and/or dental plan by April 1, 2005.
- ◆ 2 Regional Meetings in Curry and Coos Counties.

Second Quarter 2005

- ◆ OMAP is seeking final approval to change contract timeframe to January 1. OMAP plans to amend the contract 10/1/05 and move forward with a 1/1/06 contract.
- ◆ OMAP notified the MCOs, Clients and Providers of their plans to implement a Physician Care Organization (PCO) contract on May 1, with Kaiser Permanente Oregon Plus (KPOP).
- ◆ OMAP shared PwC's summary of the encounter data being used to develop adjustment factors for the OHP 2006 Fiscal Year capitation rates. The data covers services incurred during the period 10-1-03 through 9-30-04. Plans were given the opportunity to review their plan-specific data.

- ◆ OMAP notified the MCOs of the deadline to submit encounter data claims for the period 10-31-03 through 12-31-04 to be considered in the January 1, 2006 rate development by PwC.
- ◆ In April, 10 Regional Meetings for Grant, Harney, Wheeler, Crook, Jefferson, Upper Deschutes, Lower Deschutes, Washington, Lane, Multnomah, Columbia, Clatsop, Tillamook and Lincoln Counties.
- ◆ In May, 12 Regional Meetings for Clackamas, Marion, Polk, Yamhill, Douglas, Josephine, Jackson, Klamath, Lake, Linn, Benton, Malheur, Baker, Wallowa, Umatilla, Morrow, Union, Hood River, Wasco, Gilliam and Sherman Counties.

Third Quarter 2005

- ◆ PricewaterhouseCoopers LLP (PwC) began the development of adjustment factors for the Oregon Health Plan for the January 2006 capitation rates.
- ◆ Plans were given the opportunity to review their plan specific data. OMAP sent the MCOs their plan specific rate sheets and corresponding memo from PwC for the period beginning October 1, 2005 and ending December 31, 2005.
- ◆ OMAP sent the MCOs a draft of the Delivery System Strategic Plan 2005-2007, and asked them to provide comments.
- ◆ OMAP reminded MCOs that the drug Lamictal would be carved out of capitation with the amended FCHP contract effective 10/1/05.
- ◆ OMAP sent MCOs a plan-by-plan comparison of the October 1, 2005 rate adjustments as requested. The comparison was a precursor to the capitation rate development methodology report that will be finalized by PwC for the January 1, 2006 contract renewal.
- ◆ CMS conducted an onsite review of OHP/OMAP Managed Care during the week of August 22-September 1, 2005. CMS evaluated contract compliance and all relevant regulatory requirements during the calendar years 2003, 2004 and 2005.
- ◆ OMAP solicited comments from MCOs regarding a possible change to Medical Care Identification Cards. OMAP is considering the removal of third party health insurance numbers from the Cards due to client concern of possible identity theft.
- ◆ OMAP sent MCOs the web link to the Federal EQR protocols notifying them that these protocols will serve as the basis for upcoming reviews.

- ◆ OMAP sent FCHP and DCO Contractors an invitation to the Oral Health Conference to be held on October 21, 2005.
- ◆ OMAP sent FCHPs and the PCO a letter clarifying their roles and responsibilities for the Ambulance Services benefit.
- ◆ OMAP notified FCHPs and the Hospital Workgroup regarding a revision in the FCHP Non-Contracted DRG Hospital reimbursement table. The revision reflects the contract period of October 2005 to December 2005.
- ◆ OMAP notified the FCHPs that the plans that are becoming Special Needs Plans (SNP) January 1, 2006, need to develop a comprehensive Evidence of Coverage (EOC) and send it to DHS for review per the Medicare requirement in the Marketing Guidelines.
- ◆ In September, OMAP held 15 meetings for the following counties: Coos, Curry, Malheur, Baker, Union, Wallowa, Hood River, Wasco, Gilliam, Sherman, Douglas, Jackson, Josephine, Klamath, Lake, Umatilla, Morrow, Lane, Linn, Benton, Marion, Polk, and Yamhill.

Premiums and Waivers

The following graphs show total premium payments billed to and received from eligible households on the Oregon Health Plan each quarter, as well as the total number of premium payments waived, during the period October 2004 through September 2005 (fourth quarter 2004 through third quarter 2005).

OHP Monthly Premium Billing and Payments				
October 2004 – September 2005				
Quarter	Households	Total Billed	Total Receipts	% of Total Billed
4Q04	115,466	\$1,364,813	\$1,305,998	96%
1Q05	88,021	\$1,066,143	\$1,067,223	100%
2Q05	78,058	\$951,672	\$910,198	96%
3Q05	69,534	\$845,222	\$820,046	97%

Premium Waivers				
(Past Premiums – Billed Prior to Feb 2003)				
October 2004 – September 2005				
Waiver Type	4Q04	1Q05	2Q05	3Q05
Zero Income	68	64	54	12
Crime Victim	0	0	1	0
Domestic Violence	20	21	14	5
Homeless	25	16	13	8
Natural Disaster	5	3	1	2
Death in Family	0	0	0	2
Totals	118	104	83	29

Service and Information

Client Advisory Services

From October 1, 2004 to September 30, 2005, the Client Advisory Services Unit (CASU) received a total of 44,780 calls from clients or their representatives about medical assistance issues. The following chart details the types of calls CASU received each quarter.

CASU Call Center Activity by Type of Call				
October 2004 - September 2005				
Type of Call	4Q04	1Q05	2Q05	3Q05
Medical Services	2,564	2,180	3,384	3,430
Pharmacy Services	1,411	1,168	1,780	1,906
Dental Services	1,071	850	831	892
Mental Health / Addiction Services	213	151	202	182
Client Medical Bills	1,577	1,396	1,574	1,368
Copayments	106	81	59	44
Premiums	158	101	116	120
Certificate of Creditable Coverage	296	317	471	395
Pharmacy Lock-In Change	419	445	705	788
Certificate of Non-Eligibility	151	211	249	221
Client Materials Request	168	157	232	269
Adoption Plan Case Change	56	47	40	41
Eligibility	1,483	1,252	1,245	1,365
General Questions or Concerns	1,280	938	1,478	1,146
Totals	10,953	9,294	12,366	12,167

Telecommunications Call Centers

The Telecommunications Call Centers, operated by OMAP at Inside Oregon Enterprises at the Oregon State Correctional Institution, answered over 215,000 calls from medical providers, OHP members and potential members, and the public during this reporting period. They also mailed almost 90,000 new applications for the Oregon Health Plan).

The following chart shows totals per quarter.

OMAP Telecommunications Call Centers				
October 2004 – September 2005				
	4Q04	1Q05	2Q05	3Q05
OMAP Telecommunications				
Calls received	30,573	26,181	29,159	25,369
Transferred*	33.2%	30%	30.7%	30.9%
Avg # agents available	4.00	3.3	4.0	4.33
OHP Application Center				
Calls received	28,792	27,478	24,040	23,713
Transferred*	16.2%	15%	17.7%	15.2%
Avg # agents available	3.67	4.3	5.0	4.33
OCE Industries Mailroom				
Applications mailed	23,157	24,538	21,656	20,545

*Some calls are transferred to OMAP Provider Relations or to OHP Central.

OHP Outreach

Outreach staff conducted outreach trainings and quarterly outreach meetings throughout this reporting period. A number of presentations were about the current OHP and possible changes coming to the OHP.

Communications

Through a variety of communications, staff helped implement OMAP's First Pass Initiative, which focused on educating OHP providers on how to correctly submit claims so that they are processed correctly the first time.

- ◆ The communications plan for the First Pass Initiative included notices and newsletters to providers about required billing form fields, coding, and other useful information, as well as updates to the OMAP Web site in a dedicated "OMAP First Pass" web site. The initiative lasted from October 1, 2004 to September 30, 2005.

Communications staff also worked on a variety of communications focused on HIPAA outreach and compliance.

In February 2005, DHS implemented eSubscribe, a subscription service that enables users to be notified by e-mail whenever the content changes on one of the DHS web pages.

- ◆ eSubscribe content includes OMAP's administrative rules, proposed rule changes, provider notices, client notices, OHP eligibility reports, managed care enrollment reports, FFS fee schedule, and quarterly reports.
- ◆ An effort to reduce OMAP's paper mailings due to budget concerns led to increased marketing of the Department's eSubscribe service for providers to receive notices via the OMAP Web site.

Throughout the reporting period, Communications staff continued work on numerous revisions to administrative rules and related materials to reflect OMAP program changes. As changes occur, staff post revisions to both administrative rules and supplemental information materials on the OMAP Web site at:

<http://www.oregon.gov/DHS/healthplan>

Communications staff also coordinated OMAP's legislative process for the 2005-2007 session. Staff continued work on the agency budget narrative, developing legislative concepts, statutory language, policy packages, and reduction packages.

System and Encounter Data

HIPAA

Transactions and Code Sets

The primary focus for 2005 was replacing the Department's eligibility screens with the 270/271 eligibility inquiry/response transactions and the 276/277 claims inquiry/response transactions.

- ◆ On June 1, 2005, the new 270/271 client eligibility inquiry and response transactions became operable.
- ◆ On July 1, 2005, the new 276/277 health care claims status inquiry and response transactions became operable.
- ◆ These transactions obsolete the non-compliant Host On Demand screens, which will become inoperable December 31, 2005.

EDI Outreach

- ◆ Outreach with the FCHPs, healthcare providers, and other Trading Partners continued throughout the reporting period.
- ◆ Various meetings, e-mail and web-based communications, and responses to the HIPAA phone line and e-mail account all contributed to outreach efforts.

EDI Registration and Testing

- ◆ DHS has 100% of the electronic billing providers registered through the Trading Partner Agreement as 837 transaction submitters.
- ◆ As of September 2005, HIPAA compliance for primary payers is:
 - 96% for 837 P transaction submitters
 - 100% for 837 I transaction submitters
 - Slow for managed care entities. Of the 36 managed care entities that must convert, 4 dental and 2 medical entities are compliant. DHS is reviewing remediation options for entities who are out of compliance by the December 31, 2005 deadline.

Systems Activity

During this reporting period, system staff work included:

- ◆ Implementing electronic funds transfer (EFT) service for direct deposit of payments to any provider submitting claims in the compliant HIPAA 837 formats. DHS EDI Outreach and Training Team are marketing the availability of this payment process at each provider contact.
- ◆ CMS announced that by May 23, 2005, every health care provider should be able to get his or her 10-digit National Provider Identifier (NPI) Code. DHS began analyzing the impact the NPI will have on its systems.

Encounter Activity

- ◆ The quarterly reports for the prepaid health plans now compare previous quarter submissions with current quarter by claim type and dollar amount.
- ◆ Staff produced a weekly fee-for-service claims payment report for DRG hospitals for Provider Tax analysis.
- ◆ Staff have completed initial development for a quarterly data validation process between the data DHS receives from the prepaid health plans (PHP) and what the PHPs show as being sent that will be considered for rate/risk rate setting. This process will be released as a pilot project for a few previously identified PHPs.

Monitoring and Research

Quality and Performance Improvement (QPI) Workgroup

During the reporting period, the QPI Workgroup met every month except August 2005. Each meeting included 30-35 participants. Participants included quality improvement coordinators and medical directors from five FCHPs and five DCOs; partners from the Tobacco Free Coalition of Oregon; the DHS/HS offices of Disease Prevention & Epidemiology, Family Health; the External Quality Review Contractor - OMPRO; and OMAP staff. These participants serve as resources and experts on given quality improvement and chronic disease topics.

The major focuses of the workgroup were the Early Childhood Cavities Prevention (ECCP), Plan Profile reports/updates, EQRO report review, Performance Improvement Projects. The workgroup also worked on External Quality Review (EQR) activities.

External Quality Review

OMPRO completed various EQR projects during this reporting year. A copy of all final reports was submitted to OMAP in August 2005. OMAP is now developing an RFP for 2006's EQR contract. No "onsite reviews" are anticipated until a new RFP is awarded.

Rapid Cycle Improvement Process:

The rapid cycle improvement process extracts and validates administrative data and then evaluates the quality of care that OHP members receive. Each of the 5 areas for review resulted in a written Comparative Assessment Report (CAR).

- ◆ Comparative Assessment #1: ED Utilization. Completed March 18, 2005. The report measured OHP members use of Emergency Departments (EDs) in 2002-2003.
- ◆ Comparative Assessment #2: Access to Care. Completed March 16, 2005. Analysis identified one outlier, DCIPA. As a result of the review, DCIPA is taking action to improve access to care and address the high ED utilization. DCIPA is also implementing electronic health records that will improve communication between the plan and providers about patient utilization of services. OMAP and OMPRO are satisfied that these interventions will improve access to care for DCIPA.

- ◆ Comparative Assessment #3: Diabetes. Completed submitted May 23, 2005. The report assessed quality of diabetes care for OHP members using 5 measures, including HbA1c and LDL lab tests. Plans whose total number of HbA1c and LDL lab tests done during the study year were lower than the state averages were identified as outliers. OMPRO and OMAP agreed that no follow-up action would be required with outliers, but recommended that plans review their processes for monitoring lab tests for enrollees with diabetes.
- ◆ Comparative Assessments #4 & #5: Cardiovascular and Asthma Care. Completed June 28, 2005. Both studies compare to AHRQ national data, for each plan, the number of cardiovascular- and asthma- related admissions per 100,000 members. Low numbers of admissions limited OMPRO's ability to analyze the data comparatively. The CAR focused on explaining the limitations of the study and did not identify outliers.

QI Program Assessment

OMPRO completed an assessment of statewide QI activities and programs on July 23, 2005. The assessment consists of an inventory of QI activities in the state, and recommendations to improve the QI program.

OMPRO also completed an evaluation of chronic disease management on August 19, 2005. Based on review of OHP providers' treatment of asthma and diabetes patients, the evaluation found that in general, OHP providers are consistently using evidence-based guidelines in chronic disease management.

Survey Activities

The following surveys were completed:

- ◆ 2004 Oregon Physician Workforce Survey: Completed March 7, 2005. The survey reviewed responses from over 3,000 physicians and summarized how their practice decisions affect OHP members' access to care.
- ◆ 2004 Health Risk Health Status Survey: Completed August 12, 2005. The report assessed the health risks and health status of OHP adult enrollees (ages 19-64), with a focus on chronic diseases and the identification of opportunities for improvement in patient awareness and knowledge.

Quality Improvement/Evaluations

Evaluations of the Managed Care Organizations (MCOs) are being completed sequentially for the annual reviews.

Medicaid Audit

During this reporting period, October 2004 through September 2005, the Audit Team:

- ◆ Worked on numerous types of audits during this reporting period. Specific areas of focus include pharmacy, durable medical equipment, and transportation. Audit staff are also working on a large project to examine long-term care payment issues across the Department.
- ◆ Increased and improved use of the DSSURS (Decision Support/ Surveillance and Utilization Review System) and OmniAlert helped identify possible areas of fraud and abuse. and develop most of the 43 CMS-required audit studies.
- ◆ Contracted with Health Watch Technologies (HWT) to recover inappropriate Medicaid payments.
- ◆ Moved to the DHS Office of Payment Accuracy and Recovery, which brings a dedicated focus to ensuring program integrity in all DHS programs.

A toll-free hotline for reporting fraud and abuse went live on June 1, 2005, with 151 calls to the hotline in its first month of operation. DHS also contracted with a vendor to develop an anonymous, online reporting system for public use by September 2005.

Health Services Commission

The Health Services Commission (HSC) met 5 times between October 2004 and September 2005. Key issues addressed during this period were:

- ◆ In November 2004, the HSC finalized changes to reports on the establishment of benchmark rates for the OHP.
- ◆ In March 2005, the HSC released their biennial report to the Governor and 73rd Oregon Legislative Assembly. This report documents all interim modifications made to the Prioritized List of Health Services during the 2003-05 biennium and includes the new list for implementation during the 2005-07 biennium.
- ◆ In July 2005, the HSC heard a proposal to reprioritize the Prioritized List of Health Services so that preventive care and chronic disease management services are at the top of the List. The HSC convened a workgroup to examine the issue of possible reprioritization.
- ◆ HSC approved the following guidelines:
 - Limit coverage of post-mastectomy breast reconstruction to 5 years after receiving mastectomy for breast cancer.
 - Cover the use of erythropoietin to include treatment for those with chronic renal failure, whether on dialysis or not.
 - Exempt limits for speech therapy in the case of swallowing disorders, and increased the number of speech therapy visits allowable for children under 3 years of age from 4 to 24.
 - Exempt limits for all therapies in the settings of inpatient hospital care, inpatient rehabilitation units, and skilled nursing facilities whose primary purpose is rehabilitation.
 - Appropriate placement of cochlear implants.

Health Outcomes Subcommittee

The Health Outcomes Subcommittee held 5 meetings during the reporting period. They made recommendations on the following issues:

- ◆ Guidelines on erythropoietin and disorders of the spine
- ◆ Guidelines requiring trials of CPAP and oral appliance before approving surgery for sleep apnea
- ◆ Moving the retreatment of bicuspid and molar root canals to a lower line on the List, based on input from OHP dental care organizations

- ◆ Placement of new CPT codes for 2005 and other coding changes for April 1, 2005 interim modifications. These included:
 - Adding brachytherapy to the breast cancer line;
 - Adding flexible sigmoidoscopy with endoscopic ultrasound to the colon/rectum cancer line;
 - Moving tinnitus from the hearing loss line to the line for sensory organ conditions with no effective treatment;
 - Adding osteoplastic reconstruction of the dorsal spine to the clinically significant spinal deformity line;
 - Moving chronic hepatitis and hepatitis with coma to the higher hepatitis lines on the list.
- ◆ Removing a requirement from the erythropoietin (EPO) guideline. It is no longer necessary to measure the blood EPO level of cancer patients.
- ◆ Clarified treatment options for age-related macular degeneration, to include adding codes for the use of photodynamic therapy and creating a guideline to indicate the appropriate use of Macugen.
- ◆ Guideline indicating that ventricular assist devices are only considered on the List when used as a bridge to transplant, not as destination therapy.

Prioritization Principles Workgroup

The group discussed the concept of prioritizing preventive care and chronic disease management first (see above) and how this fit within the principles which the Oregon Health Plan was built upon. The workgroup recommended that the Commission re-examine the Prioritized List to see if priorities that emphasize prevention and chronic disease management would result in a greater benefit to the population being served by OHP Standard, given the allocations currently allotted by the legislature.

Subcommittee on Mental Health Care and Chemical Dependency

The Subcommittee on Mental Health Care and Chemical Dependency (MHCD) held 4 meetings during the reporting period. This year, the Subcommittee concluded the HIPAA code conversion process by recommending additions of several HCPCS codes to the Prioritized List.

Mental Health Services

Policy and Planning

Housing / Placement Initiatives

- ◆ **Oregon State Hospital Wait List.** During this reporting period, OMHAS implemented strategies to reduce the wait list for admissions to Oregon State Hospital by contracting with Community Mental Health Programs to develop alternate placements in the community.
 - Developed 75 beds during 4th Quarter 2004.
 - Implemented the Secure Adolescent Inpatient Program (SAIP) at the Children's Farm Home Campus in Corvallis, Oregon during 1st Quarter 2005.
 - Developed 70 community beds for those under the supervision of the Psychiatric Security Review Board (PSRB) during 2nd Quarter 2005.
- ◆ Identified alternatives for acute psychiatric inpatient services due to the phase-out of the Institute for Mental Diseases (IMD) Waiver for Eastern Oregon Psychiatric Center (EOPC).
- ◆ Community Mental Health Housing Fund and Villebois Community Housing Fund: In 2003-05, a total of \$620,000 was awarded to 8 projects, creating new capacity for 110 people in 8 counties. The first two projects at Villebois, a small group home and a 20-unit apartment complex, are currently under development.
- ◆ Federal PATH Grant: Funds totaling \$495,000 allows the creation of services in 6 counties directed at alleviating homelessness and funds training on evidence-based practices for achieving residential stability. Implementation of the state interagency plan to address homelessness continues.
- ◆ Mental Health Services (MHS) Housing Fund: Grant awards continue to expand and preserve housing for persons with serious mental illness. Awards support development of new housing and renovation of existing housing to address health and safety issues.
- ◆ Real Choice System Change Grants: OMHAS is completing and evaluating 2001 grant initiatives. 2004 grant service finance reforms progress.

Cultural Competency

Based on the DHS Standards and Guidelines for Cultural Competency and Gender-Specific Services, and recommendations from stakeholders, OMHAS focused on cultural competency assessment. Activities included:

- ◆ Hiring a contractor to analyze pertinent data, review MHO staff qualifications, interview key stakeholders, and develop an assessment of the Oregon mental health care system. OMHAS will hear the results in November 2005.
- ◆ Developing an OMHAS Cultural Competency Plan to establish standards, values and policy requirements for cultural competency in the state mental health care system.

Evidence-Based Practices (EBP)

OMHAS established definition and criteria for Evidence-Based Practices (EBP), and published a revised EBP definition on the OMHAS Web site during 2nd Quarter 2005. Work toward this goal included:

- ◆ Rule revisions, contract changes, and technical assistance to providers.
- ◆ Surveys of counties and providers to measure the extent and progress of EBP.
- ◆ Selection and Verification Workgroup – Identification of a process to select practices qualifying as Evidence Based Practices.
- ◆ Outcomes Workgroup – Outlined process for collecting and identifying key information for minimum reporting, adoption and implementation.
- ◆ Implementation Workgroup – Reviewing rules and developing technical assistance guidelines. Discussion of fidelity.

The first cycle of the EBP System Improvement Project (SIP) concluded. This project gave mental health and addiction treatment services providers organizational tools and methods to help maintain EBP in their programs.

Children's System Change Initiative (CSCI)

The CSCI initiative's goal is to increase the availability and quality of intensive community-based treatment programs (ITCPs) for children and adolescents. Work toward this goal included:

- ◆ Convening the Children's System Advisory Committee (CSAC). Comprised of more than 50% family members of children with mental health needs, CSAC advises OMHAS on issues affecting the children's mental health system.
 - It is a standing subcommittee of the State Planning and Management Advisory Council and will, through the Council, represent children and families in the system of care.
 - The goal is to keep CSAC members involved, share timely information with different communities, and allow for comments from the larger family community.
- ◆ Identifying criteria for ITCPs.
- ◆ Finalizing administrative rules that set the standards for Children's Intensive Community-Based Treatment and Support Services.
- ◆ Determine CSCI policies, roles and procedures with participating state agencies and managed care plans.
- ◆ Proposed new procedure codes for the Prioritized List to better track use of CSCI services.

Behavioral Health Work Force Development

OMHAS convened this workgroup to improve preparatory training in undergraduate, professional school, and employment-based training programs. A forum held in August 2005 identified essential core competencies and curricula for behavioral health professionals.

Benefit Package

OMHAS participated in the following activities relating to Mental Health Organization (MHO) mental health and chemical dependency benefits:

- ◆ The MHO Coding Workgroup developed guidelines for the consistent use of procedure codes used for encounter billing, which included the new codes added to the List.
- ◆ Discussed with PricewaterhouseCoopers the rate methodology for inclusion of child and adolescent treatment services under managed care.

- ◆ New MHO Agreement took effect October 1, 2004. It included changes to reflect Child Welfare regulation language and HIPAA Transaction and Code Set requirements. Additionally, new contract language adding Psychiatric Day Treatment and Psychiatric Residential Treatment Services will also be implemented.
- ◆ MHO Rates and Finance Workgroup – Provider Tax to be added as a line item to the C4-MHO Contractor’s Quarterly Statement of Revenue and Expenses report for the January, 2006 MHO Contract. Continued discussions of CSCI financial glide path. MHOs validated encounter data for the ’05-’06 risk adjustment, effective October 1st.
- ◆ Code Conversion Workgroup - Completed updates to “tip sheet” document generated by MHOs for mental health procedure codes. Discussed how to best provide services and capture utilization for parents of children in the intensive treatment services. Group will next review Prevention, Education and Outreach activities in encounter data.
- ◆ Medicare Modernization Act (MMA) - OMHAS representatives are a part of a DHS/MMA steering committee. A specific workgroup will review institutional pharmacy issues at state operated institutions. Information materials are being prepared for MHOs and community mental health programs. DHS is convening local and regional meetings between behavioral health and parts of DHS involved in enrollment of dual eligibles through Medicare Advantage or prescription drug plan (PDP).
- ◆ MHOs and Hospitals - The Oregon Hospital Association came to OMHAS with concerns regarding disparities in reimbursement of services to out of area OHP clients. OMHAS is currently doing analysis and has planned meetings with the Hospital Association. Additionally, meetings have been planned with the MHOs to develop a means of resolution.

The following changes took place for the MHOs:

- ◆ On March 31, 2005, Umatilla County Mental Health stopped providing mental health services. OMHAS certified Lifeways-Umatilla, Inc. to provide mental health services to clients in Umatilla County.

Training and Activities

During this reporting year, Mental Health Services was involved in a variety of training and related activities. These included:

- ◆ Partnership in Policymaking Trainings - OMHAS contracted with the Oregon Family Support Network (OFSN) for these trainings, meant to improve how mental health professionals and client families work together to improve outcomes for children in the state mental health system. The contract was extended to 2005-06.
- ◆ Children's System of Care Initiative (CSCI) Summit - This was held on October 19-20, 2004.
 - Children's System Advisory Committee (CSAC) developed by-laws to govern CSAC's scope of focus.
- ◆ CASII Trainings - Continued training on this standardized tool for determining child/family level of mental health need.
 - Many of the sixty MHO and CMHP practitioners that OMHAS certified to administer the Child and Adolescent Service Intensity Instrument (CASII), are now training additional people. OMHAS plans to facilitate an additional training in April 2005 that will be open to a wider audience.
- ◆ The Quality Assurance and Certification Team provided various trainings for Civil Commitment Investigators and Examiners, as well as a training for medical staff regarding civil commitment issues.
- ◆ Behavioral Health Preparedness and Response to Disaster/ Terrorism Trainings - OMHAS held a series of local trainings for "Immediate Phase" and "Recovery Phase" response. These trainings are funded by a SAMHSA grant for Expanded Emergency Response Capacity. As a result of the training series, between August 2004 and June 2005:
 - 232 persons were trained on Immediate Phase Behavioral Health Response;
 - 161 persons were trained on Recovery Phase Behavioral Health Response.
- ◆ Outreach and Case Management for Hard-to-House People with Co-occurring Mental Health and Substance Use Disorders - Part of the Best Practices Training Series.
- ◆ OMHAS EBP Technical Assistance and Training - OMHAS recently completed a pilot training and technical assistance project using a system wide approach to implementation of evidence-based

practices in addiction and mental health prevention and treatment services.

Monitoring and Evaluation

During the reporting year, OMHAS developed and worked on the following Monitoring and Evaluation activities:

- ◆ OMPRO completed the final site review report for Mid-Valley Behavioral Care Network, March 22, 2005.
- ◆ MHO Agreement, Exhibits M and N – New reports required of MHOs in the MHO Amendment, October 1, 2005.
 - Exhibit M, Summary Report of Youth Services Survey is a monitoring tool used to solicit feedback from families with children served under the Intensive Services Array.
 - Exhibit N, Level of Need Determination Data is a mechanism to collect and analyze data using the Child and Adolescent Service Intensity Instrument (CASII) administered to children referred for intensive services.
- ◆ MHO Capitation – In the MMIS contract system for one of the MHOs, OMHAS identified a discrepancy in the MHO's client rate group information. This resulted in improper payment of capitation to that MHO for a set period. OMHAS contacted the plan, corrected MMIS system information and collected recoupment from the MHO during the following capitation cycle. OMHAS also sent the MHO documentation in their remittance advice for that capitation period.
- ◆ Evidence Based Practice Survey – OMHAS recently surveyed Community Mental Health Programs (CMHP) regarding use of provisionally approved Evidence Based Practices (EBP). CMHPs were to indicate dollar amount spent monthly on each EBP. Information about the survey and other OMHAS work related to the implementation of EBP is available on the DHS Mental Health Web site: <http://www.oregon.gov/DHS/mentalhealth/ebp/main.shtml>
- ◆ Performance Measure Report - OMHAS created the Performance Measures Report to monitor and to improve Oregon Health Plan (OHP) MHO performance in delivery of OHP services to OHP clients.

Family Health Insurance Assistance Program (FHIAP)

Highlights of administrative operations and program activity for the reporting period are summarized below:

Fourth Quarter 2004

- ◆ Continued collaboration with DHS to coordinate program policies where applicable and to transfer OHP Standard clients with employer-sponsored insurance available to the Family Health Insurance Assistance Program (FHIAP).
- ◆ Began extensive marketing efforts that included:
 - FHIAP flyers in OHP application packets
 - Postcards to targeted communities
 - Take-home flyers for schoolchildren
 - Providing representation at Oregon business trade shows and conventions
 - Attending multiple enrollment events to start signing up families who qualified for FHIAP.
 - Developing and airing commercials for TV and radio
- ◆ Phone call volume for the quarter averaged approximately 1,969 calls per week.

First Quarter 2005

- ◆ Called all approved members who had not yet enrolled in coverage to assist them with the process. Staff assisted members with their insurance applications and helped members understand the next steps they needed to take to obtain health insurance.
- ◆ Continued to streamline and simplify all correspondence sent to members and formatted the letters for ease of use and understanding.
- ◆ Continued to work closely with individual members who have payment issues. Staff also changed the language on the final notices and subsidy cancellation letters so that members will more easily understand the consequences of non-payment.

- ◆ Implemented several policies and rule interpretations in an effort to streamline the eligibility determination process for staff.
- ◆ Took a leadership role in the Committee on Enrollment and Retention (COER) subcommittees on more closely aligning eligibility requirements for FHIAP and OHP programs as well as aligning the applications and required materials.
- ◆ As part of continued marketing and outreach efforts:
 - From January-March 2005, staff trained more than 1,000 health insurance producers (agents) throughout Oregon in the state programs that can help insure Oregonians, including FHIAP.
 - Conducted 2 regional enrollment events where residents could begin FHIAP applications and insurance agents could explain private insurance. Extensive marketing of FHIAP in the community preceded both events.
 - TV and radio ads announcing FHIAP openings continued in January and concluded in February.
 - Outreach activities included continued joint enrollment sessions with Kaiser Permanente and FHIAP presentations to various groups such as the Oregon Commission on Disabilities and Oregon Child Development Coalition (pre-school program for migrant children).
 - FHIAP appeared or distributed literature at several trade shows.
- ◆ Phone call volume for the quarter averaged approximately 2,531 per week.

Second Quarter 2005

- ◆ In April, FHIAP began reviewing and streamlining processes in the quality assurance unit and communications between the quality assurance unit and other work units.
- ◆ In June, FHIAP took steps to streamline operations and make the application process simpler for both applicants and staff. Most changes did not require a rule or statutory change.
- ◆ In June, two of the Insurance Pool Governing Board's legislative bills were signed into law:
 - House Bill 2063 deletes obsolete reference to medical savings accounts.

- House Bill 2064 allows FHIAP to count dependent elderly relatives and dependent adult disabled children as part of an applicant's family. This change will take effect on January 1, 2006.
- ◆ Marketing staff continued outreach efforts across the state. Efforts included:
 - In late May and early June, sending approximately 100,000 FHIAP flyers to schools in various parts of the state.
 - Training approximately 25 newly licensed health insurance producers about state programs that help Oregonians obtain health insurance, including FHIAP.
- ◆ Phone call volume for the quarter averaged approximately 2,414 calls per week.

Third Quarter 2005

- ◆ In July 2005, staff implemented new administrative rules to streamline the application process.
- ◆ As part of FHIAP's efforts to focus on openings in the group market:
 - FHIAP completed an updated Employer Guide.
 - The Governor's Web site ran an article explaining FHIAP.
 - FHIAP continued to submit news items about openings to various business-chamber newsletters and health-related publications.
- ◆ FHIAP had booths at various conferences, including the annual Employer Council Conference. FHIAP materials were included in packets at other gatherings, including the Latino Conference and the Oregon Restaurant Association annual conference.
- ◆ In 11 workdays, marketing staff offered 55 classes at 39 locations throughout Oregon, and trained nearly 1,000 community partners, producers, employers, carrier representatives and legislators on FHIAP.
- ◆ Marketing staff trained 33 newly licensed health insurance producers in Salem, Medford and Pendleton about state programs that help Oregonians obtain health insurance, including FHIAP.
- ◆ Phone call volume for the quarter averaged approximately 2,550 calls per week.

FHIAP Enrollment

FHIAP Enrollment				
October 2004 – September 2005				
Enrollment	4Q04	1Q05	2Q05	3Q05
New group enrollments	464	675	537	551
New individual enrollments	1,430	1,571	2,646	2,698
Total new enrollments	1,894	2,246	3,183	3,249
Total FHIAP enrollment	7,908	9,540	11,621	13,669

FHIAP Disenrollment due to Non-Payment of Premium				
October 2004 – September 2005				
	4Q04	1Q05	2Q05	3Q05
Disenrollments	182	86	205	575