



# Oregon Health Plan

Medicaid and State Children's Health Insurance Program  
section 1115(a) Medicaid demonstration extension

**Quarterly Progress Report  
July – September 2006**



# Letter from the Director

Allen Douma, M.D., State Medicaid Director



This report covers information from the Department of Human Services (DHS) and the Family Health Insurance Assistance Program (FHIAP) on administration of the Oregon Health Plan (OHP) Medicaid demonstration for the July - September 2006 reporting period.

## New names, renewed focus

On September 1st, DHS Director Bruce Goldberg changed the name of the Office of Mental Health and Addiction Services (OMHAS) to the Addictions and Mental Health Division (AMH). The Office of Medical Assistance Programs (OMAP) is now the Division of Medical Assistance Programs (DMAP).

These changes do not change the services we provide, but reiterate AMH and DMAP's alignment as divisions of DHS. As DHS divisions, we are devoted to keeping the clients we serve independent, healthy, and safe. As the main forces driving DHS' administration of the OHP, we continually strive to meet DHS goals and set new goals to ensure continued quality and access to care for OHP clients.

## Policy highlights

Throughout this quarter, DMAP focused on maintaining the integrity and sustainability of the OHP. In September, CMS approved the benefit reductions for vision, dental, pharmacy, and hospital services mandated by the Oregon Legislative Assembly. Over the past year, DMAP worked to streamline services in a way that could both achieve the savings required by the Legislature and still maintain meaningful health care coverage for OHP clients. DMAP's work to encourage appropriate Emergency Department (ED) use echoes this focus on the balance between controlling health care costs and ensuring quality of care.

## Operational highlights

DHS respects the need to balance increased access to managed care services while ensuring that all enrolled OHP clients receive quality care. OHP rate development, improved enrollment of OHP clients, and planning Performance Improvement Projects that integrate physical and mental health services, are among the many activities that DHS collaborated on during this quarter to maintain that balance. Throughout DHS, customer service for OHP providers continued to help inform and achieve cooperation in such areas as HIPAA compliance, NPI implementation, and overpayment recovery. FHIAP remains an important partner as it continues to provide health care coverage options for all eligible Oregonians.

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## Attachments

1. DMAP Disenrollment Reports (FCHPs, DCOs, CDO, and PCO) -- 1st Quarter 2006
2. DMAP Managed Care Plans Complaints and Grievances Report -- 1st Quarter 2006
3. AMH MHO Grievance Log -- 2nd Quarter 2006
4. AMH Performance Improvement Project (PIP) Validation for Verity Integrated Behavioral Health Services
5. AMH PIP Validation for Clackamas County Mental Health Organization

# OHP Program and Policy



## OHP Program Development

### Benefit Coverage Changes

In September, the Centers for Medicare and Medicaid Services (CMS) approved DMAP's proposed changes to the OHP Standard and Plus benefit packages. DMAP plans to implement the changes February 2007, and is currently developing client and provider communication plans to support the changes.

The overall savings from all four reductions is \$5,141,585 total funds (\$1,988,251 General Funds) savings for the 2005-2007 biennium.

These are temporary changes that will sunset with the Legislative Bill that required the change, on June 30, 2007.

### Plus and Standard changes

- Limit over-the-counter drugs prescribed primarily for conditions not covered by OHP for persons enrolled in the Plus and Standard benefit packages
- Limit inpatient hospital coverage at DRG hospitals (those with 50 or more beds) to 18 days per person per year. This applies to persons age 21 and over who are enrolled in the OHP Plus and Standard benefit packages.

### Plus changes

- Eliminate routine vision examinations and glasses for non-pregnant adults enrolled in the OHP Plus benefit package.
- Eliminate advanced dental restoration services and limit basic restoration procedures for adults enrolled in the Plus package

In the next 4 months, DMAP will update the managed care organization (MCO) capitation rates to reflect these changes. DHS and the contracted MCOs will also devote time to changing data processing systems, and notifying providers and clients of the change. Clients will also have time to make arrangements to complete services they already may have begun.

## Medicaid Citizenship Verification

During this reporting period, DHS divisions worked together to implement the new requirement in the federal Deficit Reduction Act that requires most people who are applying or recertifying for medical benefits to show proof of U.S. citizenship and proof of identity. This requirement does not apply to people who are:

- Not U.S. citizens (current requirements still apply).
- Receiving Medicare or Supplemental Security Income (SSI).
- Not applying for medical benefits (*e.g.*, a family asking for benefits for the children would only need to provide the children's proof of citizenship and identity).
- Only applying for food benefits or cash benefits (Temporary Assistance to Needy Families – TANF).

DHS implemented this requirement effective September 1, 2006. DMAP updated the OHP application material to include information and resources about citizenship verification, and notified all OHP clients of this new requirement.

## ED Triage and Screening

DMAP also focused on developing rules, processes, and draft communications to implement the Emergency Department (ED) screening and triage fee. In July, DMAP:

- Met with OHP stakeholders and MCOs to discuss issues surrounding implementation of the ED screening and triage fee.
- Issued a Notice of Proposed Rulemaking for rule changes to implement ED screening and triage. DMAP posted meeting recaps and proposed rule changes relating to ED triage and screening for stakeholder review on the OHP Stakeholder page <[www.oregon.gov/DHS/healthplan/stakeholders/main.shtml](http://www.oregon.gov/DHS/healthplan/stakeholders/main.shtml)>.

Although DMAP no longer plans to implement a screening and triage fee, DMAP continues to look for ways to manage ED costs in keeping with the practices of other health insurance payers throughout the industry. The CareEnhance nurse advice line, implemented last year, continues to help manage ED costs by giving fee-for-service clients the resources to find the most appropriate avenues of care, with the ED as the last resort.



## Administrative Rule Development

The following matrix summarizes DHS administrative rule activities for the 3rd quarter of 2006.

| Program                               | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Administrative Examination and Report | Updated provider guidelines with new procedure codes for medical and ancillary services providers effective 7/1/06.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Dental Services                       | <p>In September, CMS approved reduction of dental benefits, which:</p> <ul style="list-style-type: none"> <li>■ Eliminates advanced restorative services, such as crowns on molars and replacement dentures.</li> <li>■ Places limits on basic restoration procedures. Limits generally are based on the number of procedures in a specific time period, while some are based on the effectiveness of a procedure for a specific age group. Limited procedures include: <ul style="list-style-type: none"> <li>✓ Fillings for cavities.</li> <li>✓ Crowns and root canals for anterior and bicuspid teeth.</li> <li>✓ Endodontics.</li> <li>✓ Periodontics.</li> <li>✓ Reline and repair for clients with existing removable dentures.</li> </ul> </li> </ul> |
| Dental Services                       | <ul style="list-style-type: none"> <li>■ Continues coverage for: <ul style="list-style-type: none"> <li>✓ Diagnoses.</li> <li>✓ Prevention services.</li> <li>✓ Fillings necessary to preserve a tooth.</li> <li>✓ Urgent and emergency dental services.</li> </ul> </li> </ul> <p>This impacts 128,019 adults receiving the OHP Plus benefit package. This does not impact children less than 21 years of age.</p>                                                                                                                                                                                                                                                                                                                                           |
| Durable Medical Equipment (DME)       | <p>Continued quarterly DMEPOS policy advisory committee meetings with medical equipment providers, managed care representatives, client advocates, consumers and other interested parties to assist DMAP in drafting rules.</p> <p>Updated OARs effective 10/1/06 to:</p> <ul style="list-style-type: none"> <li>■ Add K0462 (temporary replacement for client-owned equipment being repaired, any type) to the list of equipment covered for clients on the OHP Standard benefit package.</li> </ul>                                                                                                                                                                                                                                                         |

| Program                         | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Durable Medical Equipment (DME) | <ul style="list-style-type: none"> <li>■ Reflect current evidence-based clinical practice guidelines and coverage criteria for pulse oximeters, glucose monitors and diabetic supplies;</li> <li>■ Clarify that prior authorization is required for CPAP and accessories beginning the third date of service;</li> <li>■ Change respiratory assist devices (E0471 and E0472) to capped rental items;</li> <li>■ Update codes for ostomy, surgical dressing, and miscellaneous supplies;</li> <li>■ Delete Category II incontinent supplies, since these codes are already included in Category I.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Hospice Services                | <p>Updated OARs effective 10/1/06 to:</p> <ul style="list-style-type: none"> <li>■ Update eligibility and certification requirements.</li> <li>■ Remove specific billing information and payment rates from rule and indicate that this information is published in the Supplemental Information handbook for Hospice Services.</li> <li>■ Indicate that DMAP updates hospice payment rates in compliance with federal regulations. Medicaid hospice payment rates are calculated based on the annual hospice rates established by CMS and authorized by section 1814 of the Social Security Act.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Hospital Services               | <p>Updated OARs effective 9/1/06 to:</p> <ul style="list-style-type: none"> <li>■ Establish supplemental reimbursement methodology for public academic teaching University medical practitioners. Implementation for reimbursement in rule is November 1, 2005, as stipulated by CMS.</li> </ul> <p>In July 2006, sent Notice of Proposed Rulemaking for the following revisions relating to ED triage and screening (currently postponed to 1/1/07):</p> <ul style="list-style-type: none"> <li>■ Include emergency room triage screening fee methodology for non-emergent services.</li> <li>■ Establish the policy behind the reimbursement revisions for ED triage. DMAP clients will have no change in their ability to access hospital emergency departments for emergency medical conditions, but the emergency department is not the appropriate setting for obtaining treatment for non-emergency conditions. The screening fee reimburses hospitals for OHP clients to receive medical screening examinations in emergency departments to determine whether emergency medical services are needed.</li> </ul> |

| Program                              | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hospital Services                    | <ul style="list-style-type: none"> <li>■ Add Emergency Triage Screening Examination to the program's definitions.</li> </ul> <p>In September, CMS approved the OHP Limited Hospital Benefit, which:</p> <ul style="list-style-type: none"> <li>■ Limits inpatient hospital coverage at hospitals with 50 or more beds to 18 days per person per year.</li> <li>■ Covers an entire hospital stay if the client has available hospital days at the time of admission, even if the stay exceeds the available days.</li> <li>■ This impacts 43,246 adults receiving the OHP Plus and Standard benefit packages who receive services on a fee-for-service basis.               <ul style="list-style-type: none"> <li>✓ Adults enrolled in managed care are not affected.</li> <li>✓ Adults who are enrolled in both Medicare and Medicaid are not affected, because Medicare is the primary payer.</li> <li>✓ Children under 21 years of age are not limited to a specific number of days per person per year.</li> <li>✓ This does not apply to stays in hospitals with less than 50 beds.</li> </ul> </li> </ul>                                                                                                                                                             |
| Mental Health and Addiction Services | <p>In August, filed a temporary OAR to amend a rule pertaining to children involved in DHS Child Welfare (CW), Children, Adults and Families Division (CAF).</p> <p>In September, sent Notice of Proposed Rulemaking for a new OAR that addresses the following areas:</p> <ul style="list-style-type: none"> <li>■ Children receiving CAF, Child Welfare, services are to be enrolled into an MHO at the first opportunity following application, at the time of redetermination or upon review.               <ul style="list-style-type: none"> <li>✓ The weekly MHO auto enrollment process shortened the MHO enrollment wait. Previously AMH had only a monthly auto enrollment process.</li> </ul> </li> <li>■ Children in the custody of CAF, CW are no longer exempt from MHO enrollment due to the presence of a Third Party Resource insurance.</li> <li>■ Children going out of the MHO service area to receive Psychiatric Residential Treatment Services (PRTS) are no longer considered having a change of permanent residence, necessitating a change of MHO enrollment.               <ul style="list-style-type: none"> <li>✓ This address change will now be considered temporary, allowing the MHO enrollment to remain the same.</li> </ul> </li> </ul> |

| Program                              | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mental Health and Addiction Services | <ul style="list-style-type: none"> <li>✓ This provides better continuity of care for the child, most particularly when the child returns to the service area post discharge to receive community based services.</li> <li>■ For a child entering a psychiatric residential facility on the same day as the date of MHO enrollment- this child will continue to be enrolled in that MHO and the MHO shall be responsible for the entire length of stay.</li> </ul>                                                                                                                                                                                                                  |
| Pharmaceutical Services              | <p>Updated OARs effective 9/1/06 to:</p> <ul style="list-style-type: none"> <li>■ Update the Plan Drug List (Practitioner-Managed Prescription Drug Plan).</li> <li>■ Prior authorize psoriasis drugs for conditions that are covered under the OHP as determined by the Prioritized List of Covered Services.</li> <li>■ Add Actiq to the list for patient safety and ensure that it is prescribed for covered conditions.</li> </ul> <p>In August and September 2006, sent Notice of Proposed Rulemaking that :</p> <ul style="list-style-type: none"> <li>■ DMAP will amend rules to reference updates to the CMS Medicaid Rebate List and Federal Upper Limit list.</li> </ul> |
| Pharmaceutical Services              | <p>In September, CMS approved limiting coverage for certain over-the-counter (OTC) drugs by:</p> <ul style="list-style-type: none"> <li>■ Requiring a prescription for drugs used primarily for conditions not covered by OHP or Medicare Part D, in order to reduce cost shifting from Medicare Drug Plans to the state.</li> <li>■ Requiring prior authorization of brand-name OTC drugs and higher cost generic cough and cold medicines.</li> </ul> <p>This impacts 397,761 adults and children receiving the OHP Plus and Standard benefit packages.</p>                                                                                                                      |

## Legislative Activities

In August, DMAP invited OHP stakeholders and MCOs to review and submit comment on the DHS policy option packages (POPs) for the 2007- 2009 biennium. OHP-related policy option packages included:

- **Healthy Kids Initiative:** The Governor's initiative to provide health care to all children in Oregon. This will have the DHS component to the program; the other component is through the office of Private Health Partnership.
- **Increase Managed Care Enrollment in FCHP:** This would increase the enrollment up to 85% of the population. We currently are at 74% enrolled.
- **Increasing the RVS Conversion Factor:** For fee-for-service procedures that DMAP reimburses on the relative value scale (RVS).
- **Plan Drug List (PDL) Compliance:** To create a mechanism, such as prior authorization, to ensure compliance with this list. Another component of this POP is the movement of mental health drugs to the evidence-based practice (EBP) process to determine what would be placed on the preferred drug list.
- **OHP Standard Funding:** To bring General Fund money into the OHP Standard program funding. This would give the Legislature a frame of reference on what it would cost to serve every 10,000 OHP Standard clients.
- **Chronic Disease Management Program Pilot:** To test the effectiveness of a chronic disease management program in the community setting.
- **Integrated Long-Term and Acute Care Services Pilot:** To test the effectiveness of bundling services and capitated rates for long-term care and acute care.

Approved POPs will be incorporated into the DHS agency requested budget and sent to the Governor for review September 1, 2006. From that review, the Governor will make recommendations for DHS and create the Governor's proposed budget.

Additional information about the 2007-09 budget process is available on the DHS Web site <[www.oregon.gov/DHS/aboutdhs/budget/07-09budget/index.shtml](http://www.oregon.gov/DHS/aboutdhs/budget/07-09budget/index.shtml)>.

## **Addictions and Mental Health (AMH) Policy and Planning Decisions**

During this quarter, AMH engaged in the revision of the Medicaid Mental Health and Chemical Dependency Service Criteria and the corresponding Oregon Health Plan Mental Health and Chemical Dependency Medicaid Procedure Codes and Reimbursement Rates for Services. AMH expects to complete the updating process within the next month.

In addition, AMH focused on the following activities to support and expand mental health and chemical dependency services for OHP clients:

### **Behavioral Health Workforce Development (BHWD) Project**

In August, AMH met with the BHWD committee to prioritize and develop a vision and strategic implementation plan.

- The team completed the matrix of core competencies in case management, cross training between mental health professionals and substance abuse professionals, supported employment and integrated behavioral health.
- The primary effort is to influence the curricula and outcomes at Oregon's institutions of higher education. Projects are being piloted as a result of the committee work. They include the planning of a behavioral health certificate program at Portland State University.

### **The Children's Mental Health Block Grant**

In September, a workgroup convened to write the Fiscal Year 2007 child and adolescent portion of the Mental Health Block Grant application. On behalf of AMH and DMAP, the Children's Team is also drafting an application for a CMS Demonstration Project Grant: Community-Based Alternatives to Psychiatric Residential Treatment Facilities.

### **AMH Housing Initiatives**

Since 1989, AMH has provided grants to support the development of housing accommodating people with severe and persistent mental illness. AMH works with local sponsors on the development and renovation of housing projects selected through an annual solicitation.

The new solicitation is to be released November 2006, for development in 2007-08. For the current reporting period, AMH helped support the following initiatives:

- **Community Mental Health Housing Fund.** In July, a review committee met and recommended funding five applications through proceeds from the sale of the former Dammasch State Hospital property. Working with sponsors in the development of their proposed housing project, activities will continue to support the development of community housing for people with serious mental illness.
- **Villebois Community Housing.** Eight acres (24 sites) of community housing will be built at Villebois, the "new urban village," at the Dammasch site. The second site, Renaissance Court, is currently under development. Two sites within the Village center have been released and AMH is currently negotiating with the sponsor on the third site. An additional two sites will be developed in 2007-08.
- **Oregon Recovery Homes.** Revolving loan fund and outreach coordinators will expand availability of recovery homes. AMH contracts for two outreach coordinators who support the establishment of new recovery homes, mostly Oxford Houses. In July 2006, one new Oxford House was opened in Oregon accommodating eight males in recovery. One Oxford Home closed in July due to the lease ending. There are now 136 of these homes in 16 Oregon counties accommodating 1,045 people recovering from alcoholism and drug addiction. These homes operate on a self-governed, peer support model.
- **Ending Homelessness Initiatives.** Federal PATH funds were decreased from \$495,000 to \$489,000. PATH funds provide services in six counties directed at alleviating homelessness and fund training on evidence-based practices for achieving residential stability.

## OHP Rate Development

DHS Actuarial Services conducted a series of discussions with MCOs and other OHP stakeholders regarding development of the OHP capitation rates for physical, mental health, and dental services for the 2008-09 contract year. In addition to meetings, DHS posted information and responded to questions about the rate development process on their Web site <[www.oregon.gov/DHS/healthplan/data\\_pubs/rates-costs/main.shtml](http://www.oregon.gov/DHS/healthplan/data_pubs/rates-costs/main.shtml)>.

In September, the OHP-contracted actuary, PricewaterhouseCoopers (PwC) submitted the draft 2007 statewide capitation rates and the final 2007-2009 Per Capita Cost Report, which DHS will use as the basis for annual capitation rates for the 2007 through 2009 contract years.

## Health Services Commission

### Commission Activities

The **Health Services Commission** (HSC) held two meetings during the quarter. On July 7<sup>th</sup> the HSC held a conference call to make some final adjustments to the new Prioritized List of Health Services for the 2007-09 biennium. After the June 29<sup>th</sup> meeting there were a few instances in which the composition or placement of some lines was not clear and clarification was provided by the Commission as to their intention.

The HSC held another conference call in August to approve the placement of new ICD-9-CM codes onto the Prioritized List. Most of the new codes represented a greater delineation of existing codes, which were placed on the lines where their older “parent” codes already resided. A new three-digit code for pain was discussed. It was decided to leave these codes off of the list as coverage for treatment can still be appropriately determined according to the priority ranking of the underlying condition using previously existing codes.

### Subcommittee Activities

The **Health Outcomes Subcommittee** held no meetings during the quarter.



The **Subcommittee on Mental Health Care and Chemical Dependency** held no meetings during the quarter.

The **Line Zero Task Force** held two meetings during the quarter. This task force, which last met in 2003, was reformed to further discuss potential ways of controlling the escalating costs associated with diagnostic services and certain ancillary services that are not associated with lines on the Prioritized List.

- These services are often reimbursed without limitations, particularly under the fee-for-service delivery system. The Task Force continues to find the issue a difficult one to handle, as such measures as strict caps on services will very likely reduce appropriate as well as inappropriate utilization.
- The two areas in which costs are the highest involve imaging services and emergency department (ED) visits. The Task Force revisited recommendations that it made 3 years ago in these areas.
  - ✓ **Imaging Services:** The Task Force reiterated its recommendation to DMAP to contract with a third party to manage imaging services through prior authorization. When this approach was first suggested, it was felt that this requirement might drive some providers from serving Medicaid clients. Now that nearly all other payers require prior authorization of imaging services, this would no longer be the additional burden that it would have been in the past.
  - ✓ **ED Visits:** The Task Force recognized DMAP's efforts to implement the recommendation of reimbursing at a "triage" rate when an ED visit is for a non-emergent condition. This will encourage EDs to route these patients to be seen in a more appropriate setting. The Task Force looks forward to following the hopefully positive impact of this approach upon implementation.

The Task Force further requested that staff continue to work with the data to find other areas in which cost can be obtained or where services can more appropriately be associated with specific line items on the Prioritized List.

# OHP Program Operations



## Managed Care

During this reporting period, DMAP and AMH continued to work closely with their respective MCOs and workgroups in the following areas.

### OHP Contract Amendments

DMAP and AMH finalized the needed changes to the FCHP, PCO, DCO, CDO and MHO Agreements for Contract Year 2007 (January 1-December 31, 2007). Changes included:

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>FCHP, PCO, DCO, CDO Contract Changes for 2007</b></p> | <ul style="list-style-type: none"> <li>■ Revised Exhibit A (Solvency Plan and Financial Reporting)</li> <li>■ Revised Exhibit J (Performance Improvement Projects)</li> <li>■ Revised Exhibit K (Pharmacy Expense Reports) to include the correct mailing address</li> <li>■ Revised Exhibit E (Provider Capacity Report)</li> <li>■ Revised Exhibit D (Encounter Data Minimum Data Set Requirements and Corrective Action)</li> <li>■ Revised Exhibit M (Pharmacy Data Requirements and Corrective Action)</li> <li>■ Revised Exhibit P (Third Party Resources and Personal Injury Liens)</li> <li>■ Revised Exhibit C (Asthma Care Measure) to update dates</li> <li>■ Created a new Exhibit Q (MCO Enrollment of dual eligible clients)</li> <li>■ Revised Section 9(B)(2)(b) to clarify policy on direct threat disenrollment requests</li> <li>■ Revised Fraud and Abuse language</li> <li>■ Added Section 4(D) and revised Section 6 (Consideration) to implement the benefit reductions for dental, vision and OTC.</li> <li>■ Name change throughout the contract and exhibits to replace OMAP with DMAP</li> <li>■ Updated various deadline and submission dates to reflect new contract year and changes in business process</li> </ul> |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>MHO Agreement Changes for 2007</b></p> | <ul style="list-style-type: none"> <li>■ Revised MHO Grievance Log</li> <li>■ Name change reference for External Quality Review Organization</li> <li>■ Name change throughout document to <i>Addiction and Mental Health Division, AMH</i>.</li> <li>■ Clarification language of age groups for children receiving the Child and Adolescent Service Intensity Instrument (CASII).</li> <li>■ Intent to Amend re: Medical Management Information System (MMIS)</li> <li>■ Intent to Amend re: National Provider Identifier (NPI)</li> <li>■ Contract language re: collaborative (AMH/DMAP) Process Improvement Project</li> <li>■ Fraud and Abuse language</li> </ul> |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Dental Delivery System Request for Information (RFI)

DMAP continued to gather information on the feasibility of implementing the managed care delivery system changes proposed in the previous quarter.

In September, DMAP issued a Request for Information to gather responses, research and industry information from a variety of sources, including MCOs, commercial dental plans, and dental providers in the following areas:

- Improving the efficiency of the dental delivery system
- Potential expansion or modification of the dental delivery system
- Improving dental health outcomes for OHP clients

DMAP’s RFI requested information on 7 distinct topics: Dental outcomes, customer service, prevention, access, delivery system models, system management, and value-based purchasing (or Pay for Performance).

After analyzing the dental RFI submissions, DMAP will re-evaluate all proposed actions from the previous draft Delivery System Plan.

## Performance Improvement Project (PIP) Development

DMAP and AMH have been working extensively with the MCOs to provide guidance and establish reasonable expectations in the development of Performance Improvement Projects (PIPs).

By federal law, contracted plans are expected to conduct a PIP that shows sustained improvement over time. The process for validating the PIPs includes deciding that the subject matter:

- Is significant.
- Either addresses a high prevalence issue or high risk population.
- Shows some evidence that an intervention would result in improved outcomes for clients.
- Shows consideration is given to individuals with special health care needs.

In September, the Quality and Performance Improvement Workgroup met to have the DHS and MCO representatives specifically identify PIP barriers and solutions in the following 5 areas:

- PIP Scoring
- Understanding PIP Protocols
- Developing Potential Interventions
- Potential Pitfalls and Obstacles
- Practical Implementation Logistics

Feedback from this meeting was overwhelmingly positive. DMAP and AMH will use the feedback from these PIP breakout sessions to help craft the PIP requirements and operational guidelines for the MCOs.

### **PIP Collaborative**

Earlier this year, DHS and MCO representatives formed a PIP Collaborative to function as a technical advisory group that will discuss options, suggestions and logistics related to PIP implementation for Physical/Mental Health Integration. Plans that choose to opt out of the Collaborative will need to do another DMAP-approved PIP instead.

The current focus for DHS and the plans remains on selecting topics and planning PIP implementation.

## Managed Care Enrollment

To ensure and expand OHP clients' access to health care, AMH and DMAP monitor client enrollment and disenrollment into managed care plans, and explore avenues of improving the managed care enrollment process, as detailed below.

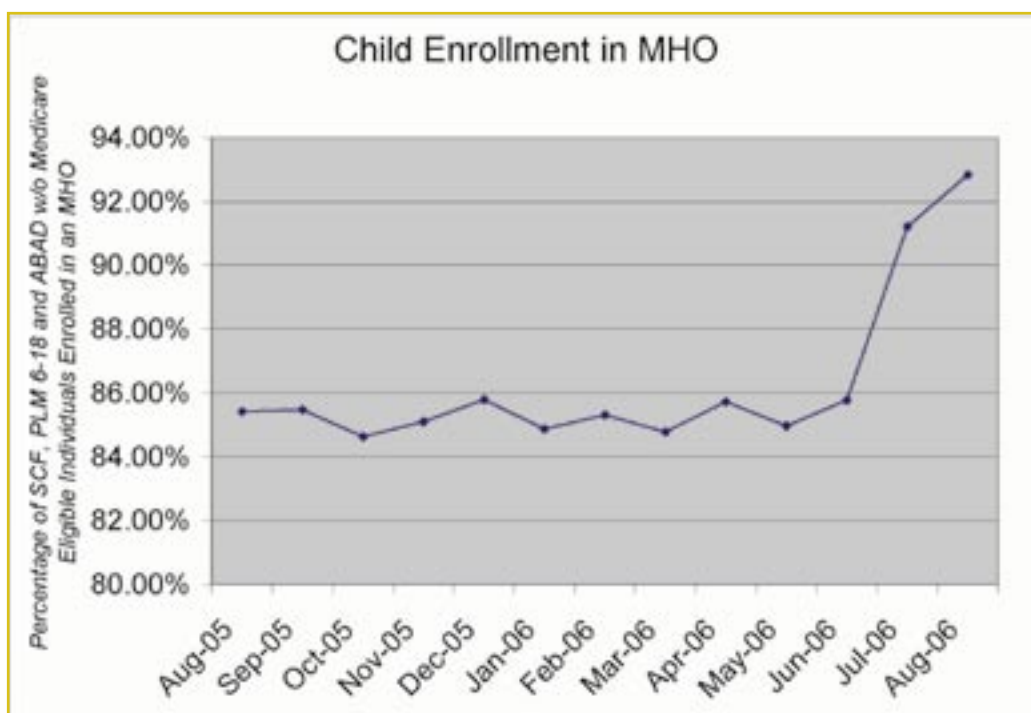
Information on enrollment, disenrollment, and complaint reports for the reporting period can be found in the Appendix of this report.

### Weekly MHO Member Enrollment

On July 1, 2006, AMH implemented a weekly automated MHO enrollment protocol for eligible Medicaid recipients. This mechanism acts in addition to the existing monthly MHO auto enrollment process.

- This change, in tandem with the implementation of the new CAF-Child Welfare enrollment rule, allows for a more expedited MHO enrollment of children receiving DHS Child Welfare services.
- In turn, this expedited enrollment enhances access to, and utilization of, the intensive array of mental health services made available to children beginning October 2005.

The following table clearly illustrates the increase in MHO enrollment of CAF-Child Welfare children as a result of this new weekly auto-enrollment process and the new enrollment rules for children receiving Child Welfare services.



## Service Area Changes

With a goal of having as many households enrolled in managed care as possible, DMAP monitors and encourages managed care enrollment and MCO contract compliance by:

- Communicating closely with MCOs and DHS branch offices to ensure program integrity, awareness of MCO contract requirements and correct interpretation of state and federal requirements.
- Soliciting and responding to feedback from DHS branch offices regarding the services, obstacles and quality of care clients receive from MCOs. This information enables DMAP to monitor client care and program operations to identify issues and resolutions.
- Works with the MCOs to determine where enrollment needs to be increased or limited to balance access to care and quality of care, as illustrated in the following list of service area changes for the reporting period.

| Month          | Fully Capitated Health Plans                                              | Dental Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 2006      | No changes.                                                               | <ul style="list-style-type: none"> <li>■ Northwest Dental Services closed to new enrollment in Malheur County with a 90-day re-enrollment period.</li> </ul>                                                                                                                                                                                                                                                                                                                                                 |
| August 2006    | No changes.                                                               | <ul style="list-style-type: none"> <li>■ Hayden Family Dentistry Group opened to new enrollment in:                             <ul style="list-style-type: none"> <li>✓ Jackson County and contiguous Josephine County ZIP codes 97526, 97527 and 97497;</li> <li>✓ Douglas County ZIP code 97410.</li> </ul> </li> </ul>                                                                                                                                                                                   |
| September 2006 | Providence Health Assurance opened to new enrollment in Clackamas County. | <ul style="list-style-type: none"> <li>■ ODS Dental opened to new enrollment in Crook, Deschutes, Jefferson, Lane, Linn, Benton, Marion, Polk, Tillamook and Yamhill Counties.</li> <li>■ ODS Dental closed to new enrollment in Malheur and Baker Counties with a 60-day re-enrollment period.</li> <li>■ Capitol Dental Care opened to new enrollment in Klamath, Lane, Hood River and Wasco Counties.</li> <li>■ Willamette Dental Group opened to new enrollment in Marion and Polk Counties.</li> </ul> |

## Evaluation and Monitoring

During this reporting period, AMH continued its annual external quality review activities with the MHO Performance Improvement Project (PIP) Validations. In September, AMH completed final PIP validation reports for two MHOs (Attachments 4 and 5).

- To address questions that MHOs have asked during this year's PIP validation process, AMH's Quality Improvement and Certification Unit is planning a November training for the MHOs. Included in the training will be the incorporation of PIPs into the annual Quality Improvement Work Plans and Reports.

DMAP's evaluations of the MCOs for 2005 have been completed sequentially for the annual reviews. Submissions for 2006 are being reviewed.

### **Encounter Data Validation**

DHS Actuarial Services continues to work with DMAP to develop, distribute, and monitor data validation reports. MCOs are briefed on how to review and utilize these reports during the monthly Rates and Encounter Data meetings. The DHS units involved continue to review ways to enhance and simplify the process of data comparison for the Plans.

Managed Care Contractors Quarterly Reports continue to address areas of compliance for HIPAA Transactions and Code Sets (TCS) and contractual requirements for encounter data submissions (medical, dental, mental health and pharmacy).

Encounter Data staff continue to participate in the Managed Care Contractors Collaboration Group that meets monthly. Any areas of concern are detailed in a spreadsheet and shared for team member input and understanding.

### **HIPAA Compliance**

During this reporting period, the remaining 2 MCOs successfully completed business-to-business testing with DHS. All 32 managed care entities now submit encounter data in the HIPAA compliant formats.



## Meetings and Workgroups

### MHO Workgroups

Addictions and Mental Health Division coordinates the monthly MHO Contractors meeting and the workgroups that report to this meeting. Areas of focus for the reporting period were as follows:

| Body                              | Areas of Focus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MHO Contractors                   | <ul style="list-style-type: none"> <li>■ Wrap Around Services and a per-plan comparison of methods</li> <li>■ With the Intensive Service Array (ISA – MHO Coordinators), Workgroup, worked to define the MHO Coordinators role/scope in relation to the MHO Executives. Identification of future workgroup projects.</li> <li>■ Behavioral Rehabilitative Service MHO enrollment criteria</li> <li>■ Best method of tracking MHO goals and action items from MHO Contractor meetings</li> <li>■ Weekly Enrollment protocol</li> <li>■ National Provider Identifier</li> <li>■ Plan level discussion of MHO 2007 Agreement</li> </ul> |
| MHO QI Coordinator Workgroup      | <ul style="list-style-type: none"> <li>■ Collaborative Performance Improvement Projects (see page 15).</li> <li>■ Ongoing MHO QI Issues.</li> <li>■ Performance Improvement Projects and the external quality review for 2006 and 2007 contract years.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    |
| MHO Rates and Finance Workgroup   | <p>Worked with the DHS Actuarial Services Unit (ASU) and PricewaterhouseCoopers (PWC) to provide additional data for use in rate setting (see page 11). New data included information on the Children’s System Change Initiative.</p> <p>Collaborated with AMH, ASU and PWC on the per capita cost development for the 07-09 biennium (see page 11).</p>                                                                                                                                                                                                                                                                             |
| MHO Contracts and Rules Workgroup | <p>Finalization process of the 2007 MHO Agreement to prepare for submission to DHS, Department of Justice and CMS for final review and approval.</p> <p>Group worked with AMH and DMAP in the development of the temporary and permanent Children, Adults and Families Enrollment Rule, 410-141-0050 (see page 6).</p>                                                                                                                                                                                                                                                                                                               |

## MCO Workgroups

DMAP's Policy and Planning Section coordinates the monthly meetings of the CEOs and plan contacts for OHP Fully Capitated Health Plans (FCHPs), Dental Care Organizations (DCOs), Physician Care Organization (PCO), and Chemical Dependency Organization (CDO).

More detailed information about these meetings can be found on the OHP Web site <[www.oregon.gov/DHS/healthplan/meetings/aboutcontractors.shtml](http://www.oregon.gov/DHS/healthplan/meetings/aboutcontractors.shtml)>. Areas of focus for the reporting period were as follows:

| Body                                  | Areas of Focus                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OHP Contractors                       | <ul style="list-style-type: none"> <li>■ Integrated PIP (see page 15)</li> <li>■ DMAP communications with plans</li> <li>■ HSC List update (see page 11)</li> <li>■ Policy option packages (see page 8)</li> <li>■ Per capita cost report (see page 11)</li> <li>■ Medicaid citizenship verification (see page 2)</li> <li>■ Dental Delivery System RFI (see page 15)</li> <li>■ DHS Office of Payment Accuracy and Recovery (OPAR) overview</li> </ul> |
| DCO Contractors                       | <ul style="list-style-type: none"> <li>■ Proposed study of dental benefits and utilization for pregnant women who are recipients of Medicaid</li> <li>■ Dental Delivery System RFI (see page 15)</li> <li>■ PIP Collaborative (see page 15)</li> </ul>                                                                                                                                                                                                  |
| Medical Directors                     | <ul style="list-style-type: none"> <li>■ HSC updates (see page 11)</li> <li>■ Governor's Healthy Kids plan (see page 24)</li> <li>■ Pain management issues</li> </ul>                                                                                                                                                                                                                                                                                   |
| Encounter Data Workgroup              | <ul style="list-style-type: none"> <li>■ National Provider Identifier (NPI)</li> <li>■ MMIS Replacement Project</li> <li>■ Quarterly Encounter Data Validation Documentation</li> </ul>                                                                                                                                                                                                                                                                 |
| MMA - Delivery Systems Unit Workgroup | <ul style="list-style-type: none"> <li>■ Prospective files and information sharing</li> <li>■ Dual eligible enrollment issues</li> <li>■ MMA project update</li> </ul>                                                                                                                                                                                                                                                                                  |
| Financial Solvency Workgroup          | <ul style="list-style-type: none"> <li>■ Annual Total Administrative Costs Report</li> <li>■ Analysis of 2005 Financial Data</li> </ul>                                                                                                                                                                                                                                                                                                                 |
| MMIS - MCO Workgroup                  | <ul style="list-style-type: none"> <li>■ MMIS Replacement Project schedule</li> <li>■ Workgroup charter and expectations</li> <li>■ New functionality with replacement MMIS</li> </ul>                                                                                                                                                                                                                                                                  |

| Body                          | Areas of Focus                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| QPI Workgroup                 | <ul style="list-style-type: none"> <li>■ FCHP Asthma PIP Update</li> <li>■ Performance Measures</li> <li>■ Oregon Asthma Surveillance Summary Report</li> <li>■ Emergency Preparedness</li> <li>■ Proposed Contract QI Changes for 2007</li> <li>■ DHS Oregon Diabetes Program</li> <li>■ PIP Collaborative breakout discussions (see page 15)</li> </ul> |
| Rules and Contracts Workgroup | <ul style="list-style-type: none"> <li>■ MHO weekly auto-enrollment for CAF Child Welfare clients (see page 17).</li> <li>■ Draft changes for contract year 2007 (see page 14)</li> </ul>                                                                                                                                                                 |

## OHP Regional Meetings

DMAP also coordinates Spring and Fall regional meetings to bring DHS staff together with MCO and DMAP representatives, in order to discuss common issues and program updates related to the OHP.

- In August, DMAP began notifying DHS staff and the MCOs of the Fall 2006 meeting schedule.
- In September, DMAP held regional meetings in Columbia, Clatsop, Tillamook, Lincoln, Curry, Coos, Grant, Harney, Wheeler, Deschutes, and Douglas Counties.
  - ✓ AMH participated in the Deschutes County meeting. Additional meetings allowed AMH to meet with the county's CDO and participate in an introduction to representatives of the county's OHP medical plan, Central Oregon Individual Health Solutions, Inc. (COIHS).
  - ✓ For the spring of 2007, AMH plans to attend additional meetings to meet with community partners.

# OHP Customer Service

## Communications

DMAP Communications staff worked on a variety of projects designed to improve access to, and understanding of, OHP information for applicants, clients, and providers, including:

- Client communications for the reporting period are posted on the OHP Web site at <[www.oregon.gov/DHS/healthplan/clients/notices.shtml](http://www.oregon.gov/DHS/healthplan/clients/notices.shtml)>. Highlights included:
  - ✓ Client letter about the new Medicaid citizenship verification requirements (see page 2).
  - ✓ Educational information for DHS branch offices and updated OHP application material about the new requirements
- Provider communications for the reporting period are posted on the OHP Web site at <[www.oregon.gov/DHS/healthplan/notices\\_providers/main.shtml](http://www.oregon.gov/DHS/healthplan/notices_providers/main.shtml)>. Highlights included:
  - ✓ HIPAA outreach and compliance.
  - ✓ National Provider Identifier.
  - ✓ Replacement MMIS.
- Continued to update administrative rules and related materials to reflect DMAP program changes, available on the OHP Web site at <[www.dhs.state.or.us/policy/healthplan/guides/main.html](http://www.dhs.state.or.us/policy/healthplan/guides/main.html)>.
- Continued work on analysis of legislative concepts, policy packages, and reduction packages for the 2007-2009 legislative session. Communications staff will coordinate the legislative process for DMAP for this session.

## Applicant Services

DMAP develops and implements orientation materials and programs for the outreach facilities that make the OHP application process available to the public at the point of care. OHP outreach sites include migrant health centers, Federally Qualified Health Centers, hospitals and county health departments. During this reporting period:

- Outreach staff made various presentations on the current OHP and possible changes coming to the OHP, including presentations to DHS field staff.
- DMAP staff also continued to work with the Medicaid Advisory Committee and the Governor’s Office in support of the Governor’s Healthy Kids plan, which aims to improve and expand access to Oregon’s Medicaid and SCHIP programs.

DMAP staff also help supervise the OHP Application call center, one of two call centers located at Oregon Correctional Enterprises (OCE). OCE sends out application material upon request and helps walk applicants through their application as needed. OCE reported the following information for the current reporting period:

| <b>OHP Application Call Center and Mailroom Activity</b> |             |               |                  |              |
|----------------------------------------------------------|-------------|---------------|------------------|--------------|
| <b>July - September 2006</b>                             |             |               |                  |              |
| <b>Application Call Center</b>                           | <b>July</b> | <b>August</b> | <b>September</b> | <b>Total</b> |
| Calls Received:                                          | 5,683       | 6,629         | 6,618            | 18,930       |
| Calls Answered:                                          | 5,655       | 6,598         | 6,565            | 18,818       |
| Calls Abandoned:                                         | 28          | 31            | 53               | 112          |
| Calls Transferred:                                       | 776         | 831           | 988              | 2595         |
| % Transferred Calls:                                     | 13.7%       | 12.6%         | 15.1%            | 13.8%        |
| Average # of Agents Per Month:                           | 5           | 5             | 5                | 5.00         |
| Average # of Calls Per Agent Per Month:                  | 1131        | 1319.6        | 1313             | 1254.53      |
| Avg. Level of Service Per Month:                         | 99.5%       | 99.5%         | 99.2%            | 99.4%        |
| <b>OCE Industries Mailroom</b>                           | <b>July</b> | <b>August</b> | <b>September</b> | <b>Total</b> |
| Application Requests Mailed:                             | 6,147       | 7,182         | 6,548            | 19,877       |
| Redeterminations:                                        | 0           | 0             | 0                | 0            |

## Client Services

### OHP Premium Billing and Payment

The OHP Billing Office performs billing and collection activities related to the monthly premium payments required of most clients on the OHP Standard benefit package. It reported the following information for the current reporting period:

| <b>OHP Monthly Premium Billing and Payment</b> |             |               |                  |              |
|------------------------------------------------|-------------|---------------|------------------|--------------|
| <b>July - September 2006</b>                   |             |               |                  |              |
|                                                | <b>July</b> | <b>August</b> | <b>September</b> | <b>Total</b> |
| <b>Households</b>                              | 10,813      | 10,957        | 11,239           | 33,009       |
| <b>Current Month Billed</b>                    | \$160,288   | \$162,105     | \$164,266        | \$486,659    |
| <b>Total Billed</b>                            | \$186,921   | \$186,377     | \$191,070        | \$564,368    |
| <b>Current Month Receipts</b>                  | \$113,049   | \$109,745     | \$112,183        | \$334,977    |
| <b>Total Receipts</b>                          | \$151,686   | \$154,084     | \$154,921        | \$460,691    |
| <b>Current % Receipts</b>                      | 71%         | 68%           | 68%              | 69%          |
| <b>Total % Receipts</b>                        | 81%         | 83%           | 81%              | 82%          |

### Client Advisory Services

DMAP's Client Advisory Services Unit (CASU) received 12,823 calls from clients or their representatives about their medical assistance or related issues. This represents a 10.6% decrease from the 14,343 calls taken the previous quarter.

The June 1, 2006, premium payment rule changes, and extended good weather, may have contributed to the decrease in calls. The following table shows the distribution of these calls by type of issue or concern.

| <b>CASU Call Center Activity by Type of Call</b> |       |
|--------------------------------------------------|-------|
| <b>July – Sept 2006</b>                          |       |
| Medical Services                                 | 3,258 |
| Pharmacy Services                                | 937   |
| Dental Services                                  | 823   |

| <b>CASU Call Center Activity by Type of Call<br/>July – Sept 2006</b> |               |
|-----------------------------------------------------------------------|---------------|
| Mental Health/Addiction Services                                      | 186           |
| Client Medical Bills                                                  | 1,529         |
| Co-payments/Premiums                                                  | 188           |
| Certificate of Creditable Coverage                                    | 321           |
| Pharmacy Lock-in Change                                               | 753           |
| Certificate of Non-Eligibility                                        | 207           |
| Client Materials Request                                              | 174           |
| Adoption Case Plan Change                                             | 75            |
| Eligibility Questions                                                 | 2,183         |
| General Questions or Concerns                                         | 2,189         |
| <b>TOTAL</b>                                                          | <b>12,823</b> |

## Client Hearings

| <b>OHP Hearings Statistics<br/>July - September 2006</b> |                     |                        |
|----------------------------------------------------------|---------------------|------------------------|
|                                                          | <b>Managed Care</b> | <b>Fee-for-Service</b> |
| Requests Received                                        | 71                  | 52                     |
| Hearings Held                                            | 22                  | 10                     |
| Hearings Pending                                         | 63                  | 58                     |
| Claimant Withdrew                                        | 12                  | 9                      |
| Plan /Agency Withdrew                                    | 17                  | 10                     |
| No Shows                                                 | 7                   | 5                      |
| Affirmed                                                 | 28                  | 11                     |
| Reversed                                                 | 1                   | 0                      |
| Dismissed (Timeliness)                                   | 1                   | 2                      |
| Not Hearable                                             | 15                  | 11                     |
| Below the Line                                           | 20                  | 4                      |

## Provider Services

### **Benefit RN Hotline**

During this quarter, the OHP Benefit RN Hotline averaged 1,129 calls per month about diagnosis and treatment pairs covered or not covered by the Prioritized List. Greater than 96% of the calls continued to be from practitioners, with greater than 78% of the calls related to Line Placement and Payment for Services.

### **Electronic Data Interchange (EDI) Support Services**

- EDI Outreach and Training continues to inform providers on their Web site <[www.oregon.gov/DHS/admin/hipaa/index.shtml](http://www.oregon.gov/DHS/admin/hipaa/index.shtml)> of system status, updates to transaction-specific Companion Guides and EFT availability.
- EDI Registration continues to register, test, and move interested providers to implementation status.

### **National Provider Identifier (NPI) Implementation**

In July, CMS approved DHS' Implementation Advance Planning Document (APD) for the National Provider Identifier (NPI) at the enhanced match rate of 90/10. Much of the work needed for this effort has already been begun, but DHS continues to work through the remediation process to be able to accept and process NPI for standard transactions in May 2007.

- DHS continues developing informational materials to educate Oregon's Medicaid community of the requirements for NPI and taxonomy codes.
- DHS has added a link to the EDI Web site specifically for NPI information <[www.oregon.gov/DHS/admin/hipaa/npi/main.shtml](http://www.oregon.gov/DHS/admin/hipaa/npi/main.shtml)>.
- DMAP routinely receives registered NPIs to add to its database to crosswalk legacy provider numbers to the new NPIs for claims processing and payment.
- DHS has added several new staff to complete the NPI work.
- AMH has developed an information sheet about the NPI for Medicaid providers (see Appendix) that included the DHS guide to taxonomy codes (posted on the NPI Web page listed above).



## Provider Audit

The DHS Provider Audit group continues to remain busy with its large and diverse workload. During this quarter, it:

- Recovered over \$1.75 million in overpayments.
- Continued its focus on auditing mental health providers and addressing several large appeals that have been filed as a result.
- Continued to progress on the federal Office of the Inspector General (OIG) directive to perform audits of hospitals who may have incorrectly coded the discharge status on their claims. This project continues to proceed well, with several more hospitals reimbursing the State for incorrect coding.
- Invested significant time with its Medicaid claims recovery contractor, HealthWatch Technologies (HWT). HWT began sending recovery letters to hospitals that have unbundled their DRG billings. Nearly \$600,000 has been recovered thus far.

## Provider Enrollment

DMAP and AMH continue to find ways to enhance the verification process of prospective enrollees.

- To prepare for NPI, DMAP continued to review all enrolled billing providers to separate non-medical billing services from medical providers who also bill.
- DMAP continued to review provider enrollment forms to ensure all required information is captured on these forms to expedite enrollment.

## Provider Services Call Center

The following table shows the activity performed by customer service agents in the second of two call centers located at OCE.

| <b>Provider Services Call Center Activity</b> |             |               |                  |              |
|-----------------------------------------------|-------------|---------------|------------------|--------------|
| <b>July - September 2006</b>                  |             |               |                  |              |
| <b>Provider Call Center</b>                   | <b>July</b> | <b>August</b> | <b>September</b> | <b>Total</b> |
| Calls Received:                               | 7,444       | 9,036         | 8,368            | 24,848       |
| Calls Answered:                               | 7,298       | 8,881         | 8,230            | 24,409       |
| Calls Abandoned:                              | 146         | 155           | 138              | 439          |

| Provider Services Call Center Activity |       |        |           |       |
|----------------------------------------|-------|--------|-----------|-------|
| July - September 2006                  |       |        |           |       |
| Provider Call Center                   | July  | August | September | Total |
| Calls Transferred:                     | 2,066 | 2,562  | 2,475     | 7,103 |
| % of Transferred Calls:                | 28.3% | 28.8%  | 30.1%     | 29.1% |
| Avg. # of Agents Per Month:            | 4     | 5      | 5         | 4.67  |
| Avg. # of Calls Per Agent Per Month:   | 1,825 | 1,776  | 1,646     | 5,247 |
| Avg. Level of Service Per Month:       | 98.0% | 98.3%  | 98.4%     | 98.2% |

## **Provider Training**

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DMAP</b> | Billing training for OHSU Medical Group                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>AMH</b>  | <ul style="list-style-type: none"> <li>■ The Workforce Development Unit continues to focus on identification, implementation and sustainability of Evidence Based Practices (EBPs). During this quarter, the unit:               <ul style="list-style-type: none"> <li>✓ Using a systems change model developed by SAMHSA, continued work with selected provider agencies on fidelity reviews and onsite/ongoing technical assistance.</li> <li>✓ Recognizing the resource reallocation of changing clinical practices, focused efforts on the rural areas and programs that serve ethnic minorities.</li> <li>✓ Continued work to address provider training needs to improve service delivery to children, adolescents and their families that are in intensive treatment settings.</li> <li>✓ Continued work on additional projects such as implementation of Supported Employment, Integrated Dual Disorder Treatment (IDDT), Motivational Interviewing, Clinical Supervision, Seeking Safety, Functional Family Therapy and the Matrix Model.</li> </ul> </li> <li>■ Certification Team - Since July 1, 2006, AMH provided six Hold Room Reviews, one Investigator/Examiner Training, and eight Technical Assistance visits regarding Civil Commitment and Involuntary Commitment.</li> </ul> |

## Systems

### MMIS Replacement Project

All DHS divisions have participated in some level of the design and business process input decisions surrounding the replacement MMIS, the computer system that will help administer Oregon's Medicaid program. During this reporting period, DHS activities included:

- User acceptance testing for 2006 implementation of the new Electronic Document Management System (EDMS 2006), to streamline paper claim processing functions.
- Continued review and resolution of policy issues related to implementation of the replacement MMIS.
- Continued review and discussion of proposed activities to introduce providers to the replacement MMIS.
- Review of DHS business contracts that may be affected by implementation of the replacement MMIS.
- Forming a Medical ID Workgroup to address concerns regarding changes to the Medical Care Identification as a result of MMIS implementation.

Primary staff continue to work closely with DHS' contracted vendor, EDS, to ensure a complete, comprehensive MMIS is brought online to support the needs of OHP providers and clients.

### Service Requests

During this reporting period, DMAP submitted 55 new Service Requests to the DHS Office of Information Systems (OIS), and closed/withdrew 177 requests.

Most requests addressed the day-to-day maintenance and daily running of the MMIS system. To ensure focus on MMIS Replacement Project efforts, DHS put a freeze on all non-essential Service Requests earlier this year.

# Family Health Insurance Assistance Program



## Administrative Operations/ Policy Issues

- FHIAP has mailed 1722 surveys to members who have been in the program at least six months. The survey features six customer service-related questions to be answered with an Excellent, Good, Fair, Poor or a Don't Know rating. Over 96% of the 585 respondents rated FHIAP's overall service as Good or Excellent.
- FHIAP management and policy staff implemented database enhancements and new work processes to support the new federal law that requires US citizens applying for subsidies to show proof of their citizenship and identity.
- Program and policy staff updated the new streamlined application to include information needed for the Deficit Reduction Act (DRA) process. Questions like "State you were born in" and "Name at birth" were added to enable staff to identify Oregon-born applicants. Citizenship for most Oregon natives can be verified electronically, without requiring hardcopy proof documents.

## Information, Education and Outreach (IEO)

- In July, FHIAP mailed its producer newsletter *Connections* to producers.
- IEO staff trained representatives from various domestic carriers on the use of FHIAP in the group insurance market and discussed joint marketing ideas.
- Statewide Chambers of Commerce helped FHIAP mail *FHIAP Employer Guides* to area businesses.
- Staff geared up for the fall open enrollment season by working with carriers, producers and employers to get the word out about FHIAP. Some employers added FHIAP applications to enrollment packets that were mailed to employees eligible for benefits.

- Staff held nine classes, three in Salem, three in Wilsonville and three others in Bend, Pendleton, and Medford, to explain state health insurance programs to newly licensed producers. Producers received continuing education credit.
- Phone call volume averaged approximately 1,551 per week during this quarter.

## FHIAP Enrollment

The following quarterly comparison will show a lower net enrollment number due to the way enrollment occurs in the commercial health insurance market.

- Once a FHIAP member is approved for subsidy, they begin their search for a FHIAP-eligible plan, apply for coverage, and await the underwriting and approval process of the carrier. This can result in delays of 60 to 120 days before enrollment in the individual market plan and subsequently FHIAP.
- Employer open-enrollment periods can have the same affect on the group market. Members can be approved but not be able to enroll until some point in the future.

A cumulative comparison over multiple quarters will paint the most accurate picture of how many of FHIAP’s approved members actually enroll in the program. For this reason we are showing 3rd Quarter enrollments based on approved lives in the previous quarter. We have also reported 3rd Quarter enrollments based on approvals in the 3rd Quarter.

|                                            |            |
|--------------------------------------------|------------|
| <b>New Group enrollments</b>               | 543        |
| <b>New Individual enrollments</b>          | 202        |
| <b>Total new enrollments</b>               | <b>745</b> |
| <b>% change from 2Q06</b>                  | -45%       |
| <b>% change from 3Q05</b>                  | -436%      |
| <b>% approved to be enrolled from 3Q06</b> | 55%        |
| <b>% approved to be enrolled from 2Q06</b> | 43%        |

|                                                          |        |
|----------------------------------------------------------|--------|
| Total enrollment on September 29, 2006                   | 14,617 |
| Disenrollment due to non-payment of premium              | 425    |
| Total number of people ever enrolled during this quarter | 15,128 |

### Other Statistical Data

For the current reporting period:

- **Transfers from FHIAP to State coverage:** 27 lives transferred from FHIAP to OHP<sup>1</sup>
- **MOE Requirements:** As of September 2006, FHIAP has spent a total of \$25,635,570 toward our \$40.9M requirement. Projected expenditures are \$39.8M, with the remaining \$1.1M being expended by DHS for the expansion of the eligibility period from six to 12 months.
- **FHIAP Member Months:** This requires development of a new database script, so cannot be reported until 1st Quarter 2007.
- **OHP2 Disenrollment Requests in First 30 Days:** 5 requests<sup>2</sup>; 0 request denials.

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<sup>1</sup> This number reflects any account terminated with an “OHP” term code. This could include members terminated because they were enrolled in both programs and not just those who requested transfers. We have no way of differentiating at this time.

<sup>2</sup> This number reflects members who formally “declined coverage” (1), as well as members who were terminated for non-payment of the first month’s premium (4).

# Appendix





## OHP Eligibles

### Ever-enrolled Report

The following table shows, by category, how many people were enrolled in OHP at any time during the quarter, and total member months for the quarter; and the percent changes from the previous quarter and year.

| Ever-enrolled Persons on OHP |                           |                           |                |                  |                    |                    |
|------------------------------|---------------------------|---------------------------|----------------|------------------|--------------------|--------------------|
| July - September 2006        |                           |                           |                |                  |                    |                    |
| POPULATION                   |                           |                           | # Persons      | Member Months    | % change from 2Q06 | % change from 3Q05 |
| Expansion                    | Title 19;<br>OHP Standard | OHP Parents               | 8,693          | 24,429           | 8.36%              | -2.32%             |
|                              |                           | OHP Childless Adults      | 14,883         | 42,590           | -4.06%             | -35.88%            |
|                              | Title 19;<br>OHP Plus     | PLM Children FPL > 170%   | 645            | 1,624            | 5.12%              | 15.35%             |
|                              |                           | Pregnant Women FPL > 170% | 543            | 1,316            | -9.76%             | -7.37%             |
|                              | Title 21;<br>OHP Plus     | SCHIP FPL > 170           | 4,004          | 10,716           | 1.80%              | 2.42%              |
| Optional                     | Title 19;<br>OHP Plus     | PLM Women FPL 133-170%    | 10,583         | 26,059           | -3.15%             | -2.91%             |
|                              | Title 21;<br>OHP Plus     | SCHIP FPL < 170%          | 30,108         | 81,743           | 4.05%              | 6.92%              |
| Mandatory                    | Title 19;<br>OHP Plus     | Other OHP Plus            | 335,005        | 917,684          | -0.91%             | -3.94%             |
| <b>QUARTER TOTALS</b>        |                           |                           | <b>404,464</b> | <b>1,106,161</b> | <b>-0.05%</b>      | <b>1.9%</b>        |

\* Due to retroactive eligibility changes, the numbers should be considered preliminary.

## OHP Enrollment

Enrollees are indicated as a percent of total eligibles. Some eligibles cannot be enrolled in managed care. Detailed monthly reports broken out by participating MCOs are available on the OHP Web site <[www.oregon.gov/DHS/healthplan/data\\_pubs/enrollment/main.shtml](http://www.oregon.gov/DHS/healthplan/data_pubs/enrollment/main.shtml)>.

| OHP Eligibles and Managed Care Enrollment |                |                  |                  |                  |                  |
|-------------------------------------------|----------------|------------------|------------------|------------------|------------------|
| July - September 2006                     |                |                  |                  |                  |                  |
| Month                                     | OHP Eligibles* | FCHP             | PCM              | DCO              | MHO              |
| July                                      | 377,044        | 277,107          | 9,815            | 350,666          | 346,479          |
| August                                    | 374,447        | 277,168          | 9,510            | 350,512          | 352,991          |
| September                                 | 372,002        | 274,167          | 9,846            | 347,283          | 343,322          |
| <b>Qtr Average</b>                        | 374,498        | 276,147<br>(74%) | 9,724<br>(0.03%) | 349,487<br>(93%) | 347,597<br>(93%) |

\* Total OHP Eligibles include: TANF, GA, PLM-Adults, PLM-Children, Families, Adults & Couples, OAA, ABAD, FC and SAC. Due to retroactive eligibility changes, the numbers should be considered preliminary.

### Disenrollment Reports

Due to the large number of retro disenrollments, DMAP disenrollment reports are for 1st Quarter 2006. The following table lists the total number of disenrollments for the main disenrollment reason category. Detailed reports breaking out this information by more specific reasons and specific plans can be found in Attachment 1.

| OHP Disenrollment Reports |                |                 |              |
|---------------------------|----------------|-----------------|--------------|
| July - September 2006     |                |                 |              |
|                           | Access to Care | Quality of Care | Total        |
| <b>FCHP</b>               | 1714 (0.56%)   | 811 (0.27%)     | 2525 (0.83%) |
| <b>DCO</b>                | 2009 (0.52%)   | 1571 (0.40%)    | 3580 (0.92%) |
| <b>CDO</b>                | 0              | 0               | 0            |
| <b>PCO</b>                | 111 (1.72%)    | 60 (0.93%)      | 171 (2.65%)  |

## Complaint Reports

Because MCOs are allowed 60 days from the end of the quarter to submit their complaint information, this information is from 1st Quarter 2006.

The following tables list the total number of complaints by type. Reports breaking out this information by more specific reasons and specific plans can be found in Attachments 2 and 3.

| <b>OHP Self-Reported Managed Care Complaints</b> |               |                      |                                                   |                                                                 |              |
|--------------------------------------------------|---------------|----------------------|---------------------------------------------------|-----------------------------------------------------------------|--------------|
| <b>July - September 2006</b>                     |               |                      |                                                   |                                                                 |              |
|                                                  | <b>Access</b> | <b>Clinical Care</b> | <b>Interpersonal<br/>Care/Quality<br/>Service</b> | <b>Denial of<br/>Service,<br/>Authorization,<br/>or Payment</b> | <b>Other</b> |
| <b>FCHP</b>                                      | 149           | 105                  | 139                                               | 425                                                             | 220          |
| <b>DCO</b>                                       | 31            | 26                   | 47                                                | 23                                                              | 20           |
| <b>CDO</b>                                       | 0             | 0                    | 0                                                 | 0                                                               | 0            |
| <b>PCO</b>                                       | 8             | 10                   | 16                                                | 257                                                             | 8            |
| <b>MHO</b>                                       | 18            | 23                   | 24                                                | 15                                                              | 5            |
| <b>Total</b>                                     | 206           | 164                  | 226                                               | 720                                                             | 253          |

# Provider Services

## NPI Implementation Letter to AMH Providers

Department of Human Services  
Office of Mental Health and Addiction Services  
National Provider Identifier (NPI)  
August 28, 2006

Dear Provider:

You may have already received some information from the Department of Human Services on the National Provider Identifier (NPI). The Office of Mental Health and Addiction Services (OMHAS), in an effort to keep you informed, has developed this information sheet with our Medicaid providers in mind. Also included is a guide to choosing specialty codes.

### **Background:**

The NPI is required by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). It creates a national, standard set of unique health identifiers for health care providers. All providers of medical services are required to obtain an NPI for use beginning May 23, 2007. The NPI also allows for indicators of a providers specialty or focus in the treatment provided.

### **Taxonomy:**

Your application for an NPI has a section on taxonomy codes. Taxonomy is the practice of classification, and for the purposes of the NPI, taxonomies will classify the specialty services provided by an individual or group.

**Individuals (Type 1):** You may choose up to **fifteen** taxonomy, or specialty, codes to differentiate between the different types of services you provide. For example, a psychologist specializes in services to women (taxonomy code: 103TW0100X) and also child, youth and family therapy services (103TC2200X). NOTE: Taxonomy codes are constantly updated; for the most up to date taxonomies, refer to the websites listed under “How to Apply.”

**Organizations (Type 2):** As an organization, you may choose to have one NPI for the entire organization with fifteen taxonomies or multiple NPIs for your organization's subparts with up to fifteen taxonomies for each subpart. A subpart is a component or line of business and/or physical location of an organization that is not a separate legal entity. Your individual licensed practitioners have the option of obtaining an NPI, but are not required to.

Ultimately, individuals and organizations are going to indicate their own taxonomy(ies), but the Office of Mental Health and Addiction Services (OMHAS) has worked with the Office of Medical Assistance Programs (OMAP) to develop a cross walk of provider types to taxonomies. The enclosed "OMAP Guide to Taxonomy Codes" serves to provide you with options for the specialty services you provide. Taxonomies are being added all the time, so for the most current list of taxonomies, got to: [www.wpc-edi.com/codes/taxonomy](http://www.wpc-edi.com/codes/taxonomy)

### **How to Apply:**

- Visit the DHS website on the NPI to learn more: <http://www.oregon.gov/DHS/admin/hipaa/npi/main.shtml>
- Go to the Centers for Medicare and Medicaid website at: [http://www.cms.hhs.gov/NationalProvIdentStand/03\\_apply.asp#](http://www.cms.hhs.gov/NationalProvIdentStand/03_apply.asp#) where you may download a PDF application or find the link to apply online.

### **Register your NPI with OMAP:**

After you've applied for your NPI(s) and taxonomy codes, you need to register your NPI with OMAP. **This step is IMPORTANT and could affect your ability to get paid correctly.** OMAP needs to easily map your existing OMAP provider numbers (and rates, if you are paid in a method other than by procedure code) to the new NPI and taxonomies you've chosen. Please go to the following link, complete your form and return it by fax or mail. <http://dhsforms.hr.state.or.us/Forms/Served/OE1038.pdf>

If you would like to discuss the NPI today, please contact Alondra Rogers, Medicaid Policy Analyst, at (503) 947-5528 or [Alondra.B.Rogers@state.or.us](mailto:Alondra.B.Rogers@state.or.us)