

## December 2011 DMAP Update

### *In memory of Lynn Read*

*On December 6, we lost a friend and colleague with the passing of Lynn Read. Through her many roles at DMAP, DHS and OHA for more than three decades, Lynn was a champion for the Oregon Health Plan.*

*Lynn brought warmth, humor and generosity in valuing the contributions of everyone she worked with, whether fellow state employee, provider, advocate, commissioner, or legislator. What she accomplished and her personal qualities will always be remembered.*

### **Pharmacy and Therapeutics Advisory Committee**

The Oregon Pharmacy and Therapeutics (P&T) Advisory Committee is an 11-member volunteer advisory group of five doctors, four pharmacists and two individuals who are neither a doctor nor a pharmacist. The committee is responsible for ensuring safe, effective and affordable medications for Oregonians, performing drug use review and drug policy recommendations for our OHP clients. The committee maintains OHP's Preferred Drug List and develops policy recommendations in relation to Drug Utilization Review (DUR). Visit the P&T Committee's home page for further information at <http://www.oregon.gov/OHA/pharmacy/therapeutics/>.

### **Drug Utilization Review newsletter**

The monthly newsletter published by the College of Pharmacy, on behalf of the P&T committee provides drug utilization, drug and therapeutic guideline reviews and cost-effective prescribing recommendations to Medicaid providers and pharmacies throughout Oregon. To subscribe to the free newsletter, go to [http://pharmacy.oregonstate.edu/drug\\_policy/newsletter](http://pharmacy.oregonstate.edu/drug_policy/newsletter).

### **Membership Information**

If you are interested in serving on the P&T Advisory Committee or with providing public testimony at committee meetings, contact Roger Citron at 503-947-5220 or [roger.a.citron@state.or.us](mailto:roger.a.citron@state.or.us).

### **Oregon's first recognized Patient-Centered Primary Care Home**

Many Oregon doctors and providers already offer, or are beginning to adopt, a patient-centered model of care in their clinics and practices. Patient-centered primary care is a team-based approach to care focused on keeping people healthy. By coordinating the needs of patients through a single team of health professionals, more focus can be on prevention and delivering needed care – saving time, money, and most importantly, lives.

“We saw the opportunity to become recognized for the way we already practice medicine,” said Dr. Richard Williams, a family physician at Mountainview Family Practice in Grants Pass. Mountainview is the first clinic in Oregon to be officially recognized as a Patient-Centered Primary Care Home, achieving tier three status, the highest tier a practice can achieve.

The goal is to have 75 percent of all Oregonians receive their care in a recognized Patient-Centered Primary Care Home by 2015. In the month since the program launched, over 25 clinics have applied for recognition.

Expanding the availability of recognized primary care homes will provide access to better care now, and strengthen the primary care networks as Coordinated Care Organizations emerge. CCOs will be required to include recognized primary care homes in their networks of care.

Any eligible health care practice can apply for recognition and there will be opportunities for technical assistance and support for practices interested in becoming recognized. Visit [health.oregon.gov](http://health.oregon.gov) to find out more.

### ***CMS offers providers and payers a non-enforcement period***

On November 17, the Centers for Medicare & Medicaid Services (CMS) announced that it would not enforce compliance with 5010 X12 Transaction and NCPDP Version D.0 until April 1, 2012. Based on this guidance, DMAP will offer a limited time for 4010/5010 dual processing beyond January 1, 2012 for some transactions. This period applies to fee-for-service and managed care trading partners who submit 837 claims transactions or receive the 835 remittance advice. Please contact [DHS.EDISupport](#) if you have any questions.

### ***Fee-for-service pharmacies compliance date: January 1***

January 1, 2012, is the effective date for fee-for-service pharmacy claims submitted via Point of Sale (POS) to comply with Version D.0 (1.2) standards. Pharmacies unable to submit compliant POS claims may use our Provider Web Portal.

### ***First payments for the Medicaid EHR Incentive Program***

Since the program launched in September, hundreds of eligible health care professionals have applied for incentives through the Medicaid Electronic Health Records (EHR) Incentive Program, with over 65 providers having received payments. As of December, over \$5.5 million in federal payments have been disbursed to Oregon Medicaid hospitals and eligible professionals.

Dr. Kenneth Carlson, a pediatrician at Childhood Health Associates of Salem was one of the first in the state, and the first in the Salem area, to receive an incentive payment. “Using electronic health records to help us better track a patient’s care can lead us towards improving health outcomes,” he said.

In the first weeks of the program, 22 providers from five clinics have received payments, including Childhood Health Associates of Salem; La Clinica del Valle in Medford; and physicians in Klamath Falls and Bend.

### ***Fiscal 2011 enrollment deadline for professionals***

The program's 2011 fiscal year application deadline is **February 29**. However, current professionals not enrolled individually with us, need to first enroll as an Oregon Medicaid provider no later than Friday, **January 13**.

Hospitals and professionals may apply for Medicaid EHR Incentive program anytime before 2015.

### ***Webinar training***

In January, we will host a series of free Webinars for various provider groups including:

- Federally Qualified Health Centers
- Rural Health Clinics
- Tribal Health Centers, and
- Medical professionals.

To register, go to [http://www.oregon.gov/OHA/healthplan/tools\\_prov/training.shtml](http://www.oregon.gov/OHA/healthplan/tools_prov/training.shtml). To request a Webinar tailored to your group, call 503-945-6549.

### ***CCO draft proposal set for review; public feedback opportunity***

The draft Coordinated Care Organization (CCO) Implementation Proposal is now available for review on [health.oregon.gov](http://health.oregon.gov).

The draft proposal is a working document from the Oregon Health Policy Board that will be worked on through January, with two periods for extensive public comment. After all public comment is reviewed, the policy board will finalize the proposal and submit it to lawmakers for the legislative session that begins on February 1, 2012. If approved by Oregon lawmakers, the CCO plan goes to the federal government for approval. The first CCO could potentially begin serving clients this summer.

There will be two public comment periods: **December 14 – January 3** and **January 11 – January 18**. You may also comment online at [health.oregon.gov](http://health.oregon.gov).

Coordinated Care Organizations are about changing health care to work better – for the clients, for the providers, for the community and for the state. The proposal is the result of work from the 133 Governor-appointed work group members, a series of eight community meetings around the state that brought input from more than 1,200 people, and public comment at the monthly Oregon Health Policy Board. Clients, nurses, doctors, mental health and addiction providers, home health care workers, and a wide variety of stakeholders have added their voices.

### ***Benefit changes effective January 1***

Due to reductions of the state's general fund budget, there have been reductions to some client benefits beginning January 1, 2012. We understand changes to benefits will be difficult for clients and their families as we navigate these difficult budget times. To provide a smooth

transition and answer OHP client and provider questions, our call centers are preparing for the expected increase in call volume.

A copy of client notice mailed to 360,000 OHP households will be posted online at <https://apps.state.or.us/cf1/OHP/index.cfm?fuseaction=controller.client&s=1>.

***Adult dental benefits reduced for OHP Plus, OHP with Limited Drug and CAWEM Plus***  
DCOs provide dental care to more than 90 percent of OHP clients. To keep DCO coverage as affordable as possible in light of the 11 percent reduction, DMAP and the DCOs agreed on limitation changes to OHP Plus dental coverage for adults age 21 and older. Coverage for those under age 21 will not change.

***Benefit reductions for all clients***

Benefits will be reduced for all clients by removing coverage for 13 lines of the Prioritized List of Health Services. Beginning January 1, 2012, OHP will only cover the first 498 lines on the Prioritized List of Health Services. Treatment for the following conditions will no longer be covered: Keratoconjunctivitis, mutism, hemorrhoids, chronic otitis media, rectal prolapse, otosclerosis, anal fistula, fractures of the vertebral column, conduct disorders for children, disorders of the breast, disorders of the vagina, and cysts of Bartholin's gland.

Note: The funding line for the newly organized January 2012 Prioritized List of Health Services was going to be 511. This reduction will eliminate coverage for lines 499 - 511, making the new funding line for January 1, 2012, Line 498.

***Hospital benefits expanded for OHP Standard clients***

Also effective January 1, 2012, non-emergency hospital services will be covered for OHP Standard clients. These *services are not funded by the state general fund* but through a one percent hospital tax increase, approved by the legislature earlier this year. This means that OHP Standard will cover scheduled, medically appropriate, inpatient and outpatient hospital care and surgeries, in addition to the current coverage of emergency hospital services. Like current coverage, new coverage is subject to benefit package limitations and prior authorization requirements. This change will make OHP Standard hospital benefits the same as hospital benefits for OHP Plus clients.

***General Fund Reduction request: OHA draft budget online***

As a result of the ongoing economic weakness facing the state with the potential for additional projected revenue declines in future forecasts, Oregon's Legislative Fiscal Office (LFO) requested the submission of reduction options from all state agencies. LFO requested a list of a total of 10.5 percent in reduction options below the 2011-13 legislatively adopted budget level in addition to the 3.5 percent supplemental ending balance adjustment amount.

The requested list of reduction options for the Oregon Health Authority can be viewed at <http://www.oregon.gov/OHA/budget/2011-2013/index.shtml>.

This reduction list includes a greater than 10.5 percent cut in administrative costs; however, as most of OHA's budget goes to direct client services, administrative savings alone are not enough to meet the reduction target. Therefore this list does identify client service reductions and local community program cuts.

With the proposed transformation of the Oregon Health Plan delivery system, we continue to look for ways to streamline processes to support the work being done by our partners in the private health care community. In addition, we are working closely with the Enterprise Leadership Team and the state's Chief Operating Officers to determine if there are statewide reduction options that should be considered within the context of our agency options.

For more information, see

[www.oregon.gov/OHA/budget/2011-2013/lfo/budget-reduction-options.pdf](http://www.oregon.gov/OHA/budget/2011-2013/lfo/budget-reduction-options.pdf).

### ***Hiring Freeze***

A statewide hiring freeze was declared and will last at least through the February legislative session and perhaps longer depending on Oregon's economy. While there is an exception process for this freeze through the Department of Administrative Services, as an agency, the Oregon Health Authority will be requesting exceptions infrequently and only for positions that are critical for our mission.

This hiring freeze is not markedly different than the one we have been operating under but it does call attention to the fact that now, more than ever, we have to be deft and strategic in how we allocate our human resources to meet top priorities.

### ***For updated information on other areas of interest***

- **Oregon Health System Transformation** — To track the transformation process, visit <http://www.health.oregon.gov/>.
- **Medicaid Management Information System (MMIS)** — Stay up-to-date with news on claim processing and other transaction updates and changes through eSubscribe and [Provider Matters](#).
- **Federal health care reform** — With our own health care reform already underway, Oregon is well positioned to implement the federal legislative changes. For more information, visit the Oregon Health Authority Web site at [www.oregon.gov/OHA](http://www.oregon.gov/OHA).
- **Continuous Improvement program** — Enabling DHS and OHA to continue providing quality services in a time when demand is outpacing revenue and create a culture of continuous improvement where change is driven by staff. For more information, please visit [www.oregon.gov/DHS/transformation](http://www.oregon.gov/DHS/transformation).



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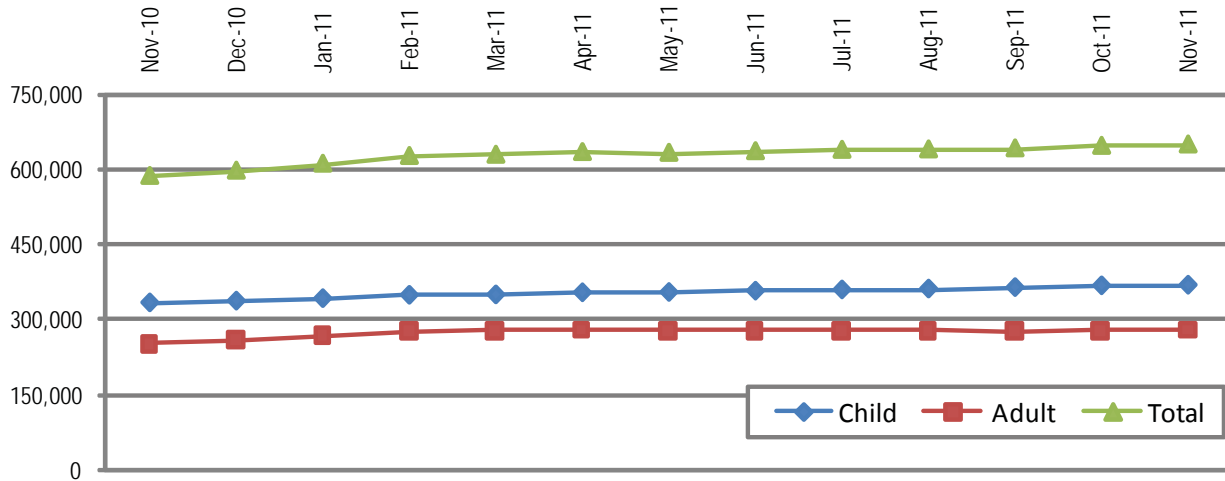
## Demonstration and State Plan Amendment status

The following table outlines the status of Demonstration and State Plan Amendments (SPAs) under review by the Centers for Medicare and Medicaid Services (CMS).

Description	Status	Rule Change*
<b>Demonstration Amendments</b>		
<i>No demonstration amendments are currently under review.</i>	n/a	n/a
<b>Medicaid SPA</b>		
<i>Targeted Case Management — Self sufficiency program</i>	Submitted 3/17/10	No
<i>Targeted Case Management — Children who are the responsibility of child welfare</i>	Submitted 6/27/08	No
<i>DSH redistribution — Beginning in Medicaid SPRY 2011, audit findings demonstrate that DSH payments exceed the documented hospital-specific limits. Payments will be treated as overpayments to providers that, pursuant to 42 CFR Part 433, Subpart F, trigger the return of the Federal share to the Federal government. However, if the excess DSH payments are redistributed by the State to other qualifying hospitals as an integral part of the audit process, the Federal share is not required to be returned. In order to redistribute DSH payments that exceed hospital-specific limits, a State plan must reflect that payment policy.</i>	Withdrawn	
<i>Provider rate change — 2011-13 budget item, rate changes for DME, Dental, Home Health, Clinical lab, Anesthetists and Ambulance. Other services using RVU method are revised for Physicians (non primary care), PT, OT, speech.</i>	Submitted 7/14/11	Yes
<i>Pharmacy dispensing — 2011-13 budget item change with dispensing fee tier claim volume.</i>	Submitted 7/20/11	Yes
<i>1915(i) state plan option for Home Based Habilitation, HCBS Behavioral Habilitation, HCBS Psychosocial Rehabilitation for persons with Chronic Mental Illness — Allows additional flexibility in designing a complete care system for persons with chronic mental illness.</i>	Submitted 7/29/10	Yes
<i>Health homes — A health home model of service delivery that encompasses all the medical, behavioral health, and social supports and services needed by a beneficiary with chronic conditions per the Affordable Care Act.</i>	Submitted 9/7/11	Yes
<i>Dental — Reduce some dental services to pregnant women as a further reduction based upon the 11% biennial budget reductions.</i>	Submitted 9/29/11	Yes
<i>Hospital Disproportionate Share (DSH) process — Revise Upper Payment Limit and DSH Distribution method for DSH hospitals in order to maximize the use of the DSH allocation. This SPA will also address the companion letter to SPA 10-17, which requires a narrative description of the process used to determine the UPL.</i>	Submitted 9/29/11	Yes
<i>Nursing facility — This proposed amendment implements a change in the nursing facility rate setting methodology as adopted by Oregon's 2011 Legislative Assembly. Due to decreased state revenues, the Legislative Assembly elected to maintain the nursing facility rates in effect as of June 30, 2011 instead of allowing the normal "rate rebasing" process to proceed.</i>	Submitted 9/29/11	Yes
<i>Pharmacy and Therapeutics Committee — Pursuant to the passage of HB 2100, the DUR Board which is the current recommending body of Prior Authorization Criteria and federally required retrospective and prospective drug utilization review programs will be abolished. It will be replaced by a Pharmacy and Therapeutics committee that will bear the same responsibilities and assume Preferred Drug List (PDL) development responsibilities that will be based on safety, efficacy, and cost.</i>	Submitted 10/18/11	Yes

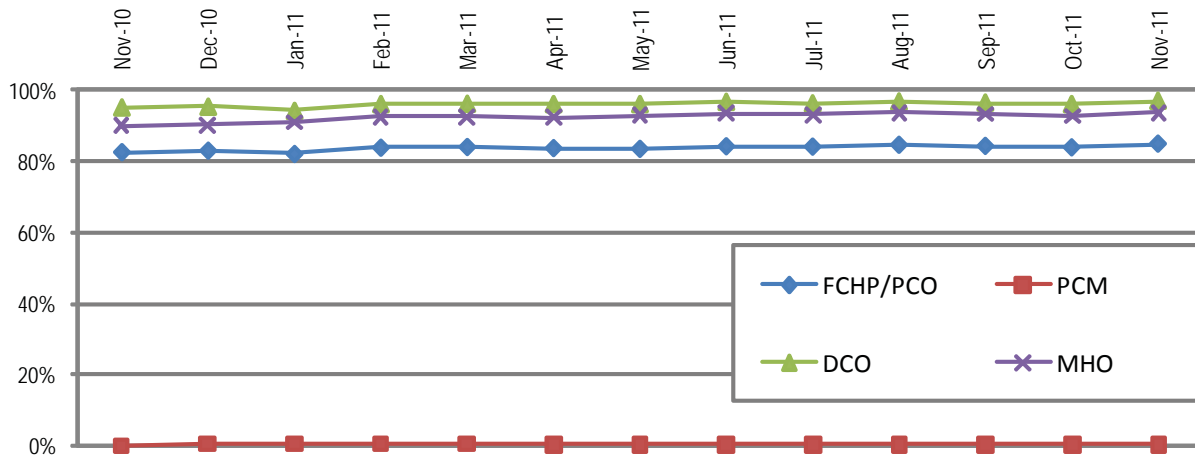
## Enrollment Snapshot - November

### Number of Oregonians on Medicaid: Total, Adults and Children



Medicaid Enrollment	November 2010	November 2011	Percent Increase
Children (18 and under)	334,120	367,952	10.13%
Adults	251,497	280,322	11.46%
<b>Total</b>	<b>585,617</b>	<b>648,274</b>	<b>10.70%</b>

### Percent Enrolled in Managed Care: FCHP/PCO, PCM, DCO, and MHO



Managed Care Enrollment	November 2010	November 2011	Percent Increase
Fully Capitated Health Plans/ Physician Care Organizations	450,571	512,531	13.75%
Primary Care Managers	3,551	2,774	-21.88%
Dental Care Organizations	518,887	584,867	12.72%
Mental Health Organizations	490,895	565,381	15.17%