

Transformation Initiative

Background

DHS launched the Transformation Initiative in December 2007 in order to improve efficiency and effectiveness throughout the department. The initiative is designed to enable DHS to continue providing quality services in a time when demand is outpacing revenue. For more information on the DHS Transformation Initiative, visit www.oregon.gov/DHS/transformation.

DMAP has initiated several transformation initiatives that are resulting in cost savings and/or increased efficiency. Although pending validation, DMAP estimates \$20.9 million in savings since December 2008, and this amount continues to increase. Some of the other benefits realized so far include: reduced processing time in several areas (e.g. identification and validation of TPL), reduced processing errors (e.g. electronic billing of claims), and improved provider and staff satisfaction.

Update

- We are nearing completion of our original initiatives. After full implementation of each initiative, we will continue to track and report on benefits achieved for at least twelve months to ensure sustainability and improvement.
- As completion of some of the original initiatives draws near, we will shift our focus and begin pursuing process improvements recommended by staff – the people doing the work. This will provide more opportunities for staff who have not yet participated in a Lean event to become involved and help Transformation become more meaningful at the staff level.
- We are currently in the process of prioritizing staff suggestions for improvement with the remaining original initiatives. This will allow the division to allocate resources first to initiatives that have the greatest potential impact and feasibility of achievement. After prioritization, We will decide on the sequencing and scheduling of all new initiatives.

Oregon Health Authority Transition

Background

In 2009, the state legislature created the Oregon Health Authority and called for the new agency to be fully operating by July 2011. Most health care related functions in the state will move into OHA, including four divisions currently housed in DHS: DMAP, Addictions and Mental Health and Public Health. They will be joined by the Family Health Insurance Assistance Program, the Office for Oregon Health Policy and Research, the Oregon Medical Insurance Pool (the state's high-risk insurance pool), the Oregon Prescription Drug Program, the Public Employees' Benefit Board and the Oregon Educators Benefit Board.

In the public sector, OHA will consolidate all the state's health care programs, whether through OHP, employee benefits or public-private partnerships. This will give the state greater purchasing and market power to begin tackling issues with costs, quality, preventive care and health care access.

In both the public and the private sector, OHA will work to fundamentally improve how health care is delivered and paid for and, among other things, develop recommendations for the next legislative session on a new Oregon Health Insurance Exchange, which will allow businesses and individuals to compare and purchase health insurance plans.

Ultimately, OHA is charged with delivering a plan to the Legislature to ensure that all Oregonians have access to affordable health care.

For more information about the transition, go to www.oregon.gov/OHA/transition.

Update

Transition planning is well underway and is being done by employees in all parts of both DHS and what will be OHA.

- Transition leaders are developing an organizational structure for the two agencies. The proposed structure will be ready by the end of June to show where programs and services will "live" coupled with a governance strategy to define how the agencies will work together and share accountability.
- Dozens of teams involving DHS and OHA staff are working on Transition. Oversight of the teams is provided by a Transition Executive Steering Committee that consults Cabinet in its decision-making. Work is being done on everything from establishing strategic goals for the new agencies to the nuts and bolts of how administrative services will be shared.
- Ideas and feedback are being sought from employees and stakeholders. The Director continues to host informational meetings with employees at our branches and in central offices, and has formed a Transition Stakeholders Group involving our partners, advocates, tribes, employee unions, and others we work with consistently.
- More information and input opportunities are available. You can track progress through our Transition Web site listed above. Click on the "submit your suggestions" link to share ideas for a smooth transition. Suggestions and comments also can be sent by e-mail to HB2009.transition@state.or.us.

Expansion of OHP Standard

Background

In 2009, HB 2116 created a new tax on hospitals to fund OHP Standard, including an expansion of the number of individuals who can be covered by the program. OHP Standard covers low-income adults who do not qualify for traditional Medicaid under the OHP Plus program. With the additional funding, enrollment in OHP Standard will increase to a monthly average of 60,000 by the end of the biennium, June 30, 2011.

There are approximately 517,000 uninsured adults in Oregon between the ages of 18 and 64, of whom approximately 141,000 have incomes below 100 percent of the federal poverty level (FPL). Because there are many more Oregonians who would qualify than there are spots available, DHS chose to open a new reservation list. Individuals whose names had not been drawn from the 2008 reservation list had the first opportunity to get their names placed on the new list.

People can sign up for the reservation list online at www.oregon.gov/DHS/open, by calling the toll-free number at 800-699-9075, by going to their local DHS office or by mail.

Update

- Currently, about 78,000 individuals are signed up for the current reservation list, including nearly 20,000 from the 2008 list who chose to put their names on the 2009 list.
- DHS has completed four random drawings: 2000 names in November, 2000 names in both January and February, and 6000 names in March. The department will pull the next 8000 names in April, with plans to draw progressively more names as additional staff are hired and trained to handle the increased work load.
- As a result of the November drawing, DHS received a total of 1,235 applications. From these, there have been 613 enrollments, 352 denials and 249 applications are still pending.
- In collaboration with the DHS Office of Communications, DMAP is in the process of conducting a statewide media campaign to encourage and assist more uninsured adults in Oregon to sign up, with the help of community partner organizations throughout the state and a grant from the federal Health Services and Resources Administration (HRSA).
 - There have been two press releases.
 - Large size postcards are going out this month to all DHS clients who do not have medical assistance and to households in zip codes with average household incomes under \$45,000.
 - Letters have gone out to providers and schools to help reach out to low income families.
 - A billboard will be going up in North Salem this week and in other locations around the state later.
 - Flyers and brochures have gone out to more than 2,500 community organizations and groups who have agreed to help reach out to low income families.
 - OHP Standard and Healthy Kids have a joint radio advertisement that will be aired on a number of stations this month.

- DMAP, the Office of Health Policy Research and the Addictions and Mental Health division are collaborating under the HRSA grant to establish a program to provide enhanced outreach to hard-to-reach populations and to provide those selected from the list with help completing and submitting their applications.

Oregon Legislation

Background

While the Oregon Legislature is in session, we monitor any bills that may affect the division. The 2010 special session adjourned last month. The Legislature passed five bills that may affect DMAP. Except where noted, all await the governor's signature.

Update

- **House Bill 3664** adds a new Medicaid group to the definition of “categorically needy,” effectively extending OHP Plus to 18-to-21-year-old youth who have aged out of foster care. Money to pay for this coverage will come from the health insurer assessment and matching federal funds. Full implementation is expected by May 1, 2010.
- **House Bill 3669** repeals legislation from the 2007 session (SB 163). The intent of SB 163 was to allow disclosure of a patient's protected health information between certain providers of behavioral or physical health care services without obtaining prior authorization from the patient. The original legislation never accomplished what it was intended to do and created barriers that have hindered some important and innovative community efforts to integrate mental health care with physical health care. *Signed by the Governor.*
- **SB 1047** fixes a technical error in the health insurer assessment that unintentionally applied the tax to out-of-state health insurance carriers covering Oregon residents who work out of state. The bill has no fiscal impact as the revenue projections for the assessment did not include this population. *Signed by the Governor.*
- **SB 1046** authorizes Oregon Medical Board (OMB) to issue certificate of prescriptive authority to certain licensed psychologists and mandates that a task force designed to study the issue report its findings to the Legislature several months before the OMB can issue its first certificate in July 2011.
- In addition to passing these bills, the Legislature issued a **budget note (HB 5100A)** on hospital reimbursement, directing DMAP to work with appropriate stakeholders, including hospitals and OHP managed care plans, to study hospital reimbursement methods. The study will assess how the current reimbursement method could be modified to create a common reimbursement mechanism among a variety of payers while better containing hospital costs. By September 30, 2010, DMAP will report study results either to the interim Joint Committee on Ways and Means or to the Emergency board, as well as the Oregon Health Policy board and appropriate legislative policy committees.

Preparation for the 2011 Legislative Session

- In February, the division held its third meeting with stakeholders to discuss priorities for DMAP's legislative agenda. Division leaders also met with representatives from Oregon's Tribes and communities of color to ensure everyone had a voice in the process.
- The division added ideas from stakeholders and staff to those from previous sessions to create a list of 46 possible changes to programs, covered populations and funding. Executive staff is working with the Legislative Coordinator to prioritize those possibilities based on criteria including whether the proposals:
 - Supports the Oregon Health Authority's mission, vision and values while improving population health, patient experience of care, and per capita cost,
 - Has a high impact and feasibility,
 - Is sustainable;
 - Is the next best step / fit in with the strategic direction, and
 - Addresses health inequities / allow for implementation.
- DHS and OHA will follow up with community forums in April and May where providers and stakeholders will learn about and have a chance to share their ideas about local needs and priorities for the 2011-2013 budget and beyond.

Quality Demonstration Grant

Background

President Obama signed the Children's Health Insurance Program Reauthorization Act (CHIPRA) into law in February 2009. In order to comply with mandates included in the act, the Centers of Medicare and Medicaid Services (CMS) published an "initial set of core measures" on which all states are required to report regarding children's health care. CMS issued the Quality Demonstrations Grants as an invitation to states to join the conversation on children's health care metrics. The DMAP Analysis & Research Unit worked with OHPR (Office of Health Policy Research) to reach out to other states with whom to partner. Alaska and West Virginia joined Oregon in applying for a grant.

Update

In February, CMS notified Oregon, Alaska and West Virginia they had won a CHIPRA Quality Demonstration Grant.

- The grant totals \$11.2 million over five years over the three states. Oregon, the lead state, will get \$1.2 million per year.
- The purpose of the grant is to assess the quality of measures used to evaluate health care for children. The grant will allow Oregon to influence how we measure health care for children in this state as well as the nation.
- DMAP Analysis & Research and OHPR will examine how difficult it will be to acquire meaningful and accurate health care data for children in Oregon.

- Some of the grant funding will be specifically dedicated to piloting different models of pediatric medical homes to determine which methods work best for delivering coordinated, team-based care to children.
- The grant runs for five years. At the end, recommendations will be made to the national evaluators on how the country should change or improve reporting methods for health care data for children.
- By shaping the data we collect and how we collect it, this grant will affect the agencies that provide health-related care to children, providers, health systems, parents, child advocates and ultimately all Oregon children.

Medicaid Management Information System implementation

Background

The Medicaid Management Information System (MMIS) is the computerized claims processing and information retrieval system for the Oregon Health Plan (OHP). All states operate an MMIS to support Medicaid business functions and maintain information in such areas as provider enrollment; client eligibility, including third party liability; benefit package maintenance; managed care enrollment; claims processing; and prior authorization.

DHS contracted with Electronic Data Systems (EDS) to replace the old, out-of-date system with a new MMIS certified by the Centers for Medicare and Medicaid Services (CMS). The new system, activated on December 9, 2008, uses current technology allowing DHS staff to easily access, update, and analyze data. DHS now is able to keep pace with changes in claims volume, program/policy, technology and more.

All the basic, core functions of the new MMIS are operational; however, as with the implementation of any large, new computer system, the new MMIS has defects and is experiencing some difficulties. DHS is expending considerable resources and working closely with Hewlett Packard (HP), which acquired EDS, to resolve the remaining defects.

For more information on the new MMIS, visit www.oregon.gov/DHS/mmis.

Update

- In February, the department launched the Business Implementation Initiative, a 12-month project which will incorporate the overall stabilization of MMIS and the managed care reconciliation process. Focusing on communication and user-driven processes, the initiative will facilitate collaboration between all users of MMIS, including the divisions of Children, Adults and Families and Seniors and People with Disabilities, as well as managed care plans and other partners outside the department. We have created a new MMIS Business Planning Section to lead the Business Implementation efforts.
- Work continues towards the creation of a new benefit package for pregnant women covered by OHP Plus. Expected to be in place by early April, the new benefit package will identify which adults are not affected by the January 1 reductions in dental and vision benefits.

- The system began automatically updating eligibility information regarding age in August 2009. A client's age affects managed care plan capitation rates. In February, the department completed the second of three retroactive corrections to client age information in order to reconcile payments made to the plans during the first months following implementation of the new system.
- On March 1, managed care plans began submitting paid amounts for their encounter claims through MMIS. This information tells the department what the plans are paying providers for services to OHP clients. The department will be able to track the plans' expenditures and compare them to their capitation rates. The second phase of this project will allow plans to submit information on payments made by private insurers and other third parties, such as Medicare.
- In February, MMIS began accepting skilled nursing facility claims. The department had been issuing interim payments to the nursing facilities for these claims since implementation of the MMIS.
- Provider Training is now offering weekly Webinar training for the Provider Web Portal. Providers can attend from the comfort and convenience of their own desks. The schedule is available at http://www.oregon.gov/DHS/healthplan/tools_prov/training.shtml.

Medical Management Committee

Background

Of the approximately 510,000 Oregonians covered by OHP, almost 20 percent are fee-for-service, also known as open-card. Fee for service clients rely on Primary Care Managers and DMAP staff to assist with the coordination and management of their care.

Update

DMAP's new Medical Management Committee met for the first time in February. The committee's goal is to establish processes to ensure that all fee-for-service OHP clients get quality, cost-effective, medically appropriate care.

- The group is comprised of the Medical Director and representatives from the Policy and Planning Section, the Hearings Unit and the Medical Unit, as well as other health professionals to represent the scope of services reviewed.
- The group will address access and quality of care concerns as they relate to client referrals, provider referrals, DMAP business processes, service denials, establishing fee-for-service Quality Improvement and Utilization Management action plans, and more.
- The group will provide consultation and recommendations on various medical appropriateness reviews (*e.g.*, for prior authorization, exception services, reconsiderations, comorbidity reviews, Prioritized List placement, and review of new services).

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).

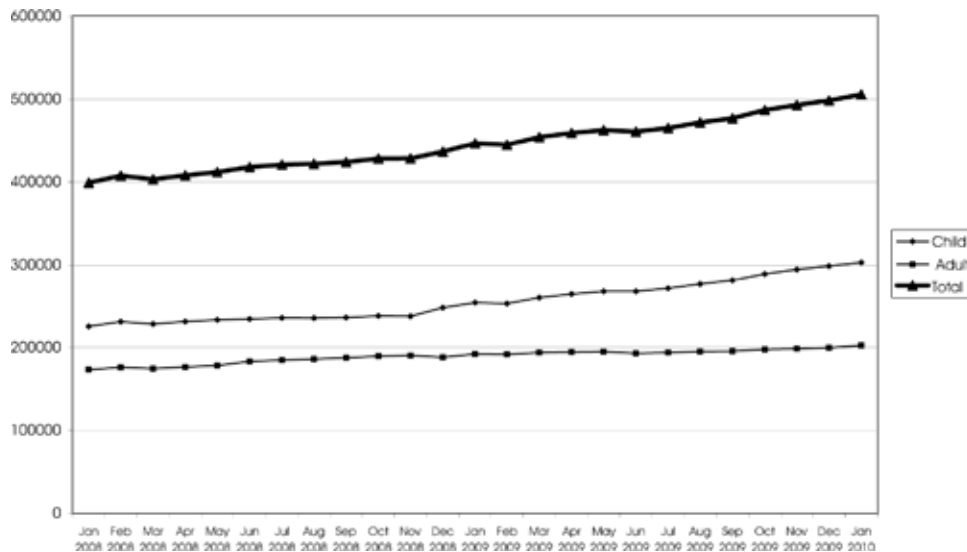
Description	Status	Rule change?
Demonstration Amendments		
<p>Triennial renewal of the Oregon Health Plan demonstration waiver Allows the state to operate under the Prioritized List and expand health care coverage to non-traditional Medicaid clients, such as low-income adults younger than 65</p>	Approved 3/17/2010	No
<p>Request to provide retroactive eligibility for the AI/AN population and to provide the AI/AN population with OHP Plus benefits subject to 100 percent FMAP not otherwise covered in the OHP Standard benefit package The DHS Director's Office received a letter from CMS on Jan. 6, 2010 indicating that since Oregon has not supplied sufficient information that documents how these demonstration amendment requests comply with Title VI of the Civil Rights Act of 1964, CMS has discontinued its review of these amendment requests and they remain unapproved.</p>	Submitted 3/21/03. No longer under CMS review.	No
Medicaid SPAs		
<p>Hospital Reimbursement Change - 100 Percent of Current Medicare Value Changes the method used to calculate the Medicaid reimbursement rate for inpatient hospitals to match the current Medicare reimbursement</p>	Pending Submitted 11/24/09	No
<p>Rural Health Clinic (RHCs) Alternate Payment for Obstetric Care To ensure services are available in remote areas of the state, uses an alternate method to determine the reimbursement rate for obstetric care for RHCs, instead of the system prescribed by Federal regulation</p>	Pending Submitted 12/29/09	No
Children's Health Insurance Plan (CHIP) SPAs		
Expands the Citizen-Alien/Waved Emergency Medical (CAWEM) prenatal services pilot project to provide prenatal coverage to immigrant women in five additional counties	Pending Submitted 12/29/09	No
Brings state plan into compliance with the new federal law eliminating the requirement for documented, immigrant children to be in the country five years prior to being eligible for CHIP	Pending Submitted 12/29/09	No



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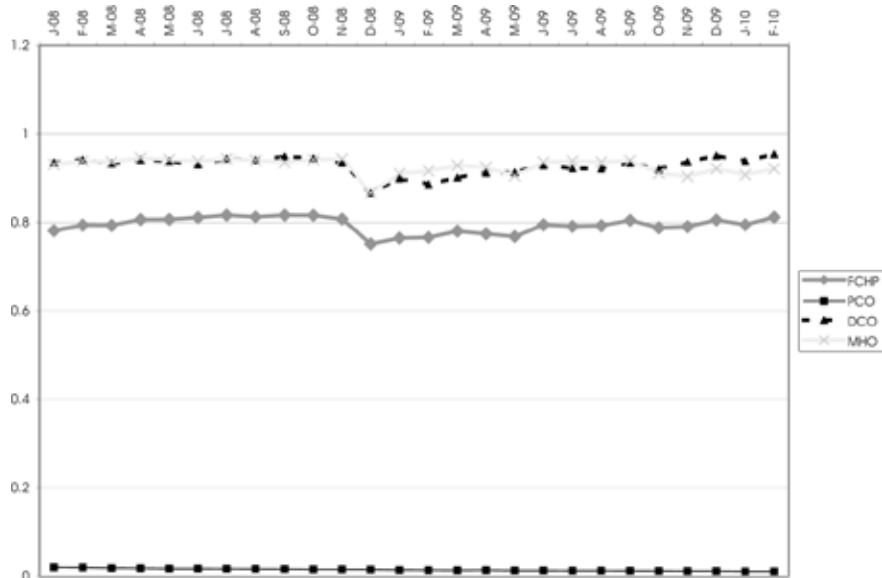
Enrollment Snapshot - February

Number of Oregonians on Medicaid: Total, Adults and Children



OHP Enrollment	February 2010	February 2009	Percent difference
Children (18 and under),	305,785	253,066	21%
Adults	204,911	191,832	7%
Total	510,696	444,898	15%

Percent in Managed Care - FCHP, PCO, DCO, MHO



Managed Care Enrollment	February 2010	February 2009	Percent difference
Fully Capitated Health Plans	384,033	309,355	24%
Primary Care Organization	5,051	5,712	12%
Dental Care Organizations	451,836	364,269	24%
Mental Health Organizations	436,394	376,840	16%