

2009-2011 Budget Status and 2011-2013 Budget Development

Background

The department is preparing for the upcoming 2011 legislative session, which will include negotiations on the 2011-2013 budget. With the downturn in the economy, the general fund budget will be much smaller than the last biennium, and the Legislature will face difficult funding choices. The Department of Administrative Services expects cuts to General Fund at around 11 to 13 percent.

In June, the Governor directed the Departments of Administrative Services and state agencies to begin implementing a nine-percent cut for the last 12 months of the current biennium. To view the complete list of DMAP's submitted reductions go to www.oregon.gov/DAS/BAM/Allot_Reductions_DHS.shtml.

Update

Excerpt from Dr. Bruce Goldberg, DHS Director's *Message to Employees*, July 9, 2010

Last week at DHS we began a very difficult task -- notifying clients and providers that services that had been paid for by the state are being cut. For those of us in the health and human services field, breaking this news to people is frankly one of the hardest parts of our job.

Also under way is the necessary workforce reduction to meet a 9 percent budget cut. The workforce reduction is serious -- about 5 percent -- and I know that it will have an effect on how we are able to do all that is expected of us every day. We have worked very hard to keep the number of layoffs low and do nearly all of the reduction through attrition and holding positions open. There will be more information next week about the number of layoffs and where they will occur.

Recent news from Washington, D.C., is that there will not be an extension of federal stimulus dollars at this time. If it does come later in the year, I believe the amount will be less than we had originally hoped.

DHS cannot wait until fall or winter to reduce services, there would be less time to make up the \$158 million shortfall, which would mean deeper and more drastic cuts to services for seniors, people with disabilities, and others.

The statewide budget shortfall is due to a deep drop in Oregon revenue -- the taxes Oregonians pay. It is caused by the global recession but the effect is felt here at home. Much of the DHS budget is federal dollars and we are limited under the law about how those dollars are used. We also fund programs and services through other non-General fund means such as tobacco tax, Lottery funds, the provider tax and other sources - all of which have their own requirements as to how the dollars can be used. To make the \$158 million state

General Fund cut, we had to reduce those services that are paid for entirely or partly by state dollars.

We have reduced our workforce and in every division of DHS and will continue to do so. We are looking at all expenditures and eliminating everything that isn't vital to providing our core services.

Expansion of OHP Standard

Background

In 2009, HB 2116 created a new tax on hospitals to fund OHP Standard, allowing the department to expand enrollment to a monthly average of 60,000 by the end of the biennium, June 30, 2011. OHP Standard covers low-income adults who do not qualify for traditional Medicaid under the OHP Plus program. Because there are many more Oregonians who would qualify than there are spots available, DHS chose to open a new reservation list from which names are randomly drawn by a computer.

Under- and uninsured Oregonians can place their names on the reservation list online at www.oregon.gov/DHS/open, calling the toll-free number at 800-699-9075, visiting a local DHS office, or by mail.

Update

The next drawing is scheduled for July 21, when the department will pull 20,000 names. The department plans to draw 20,000 per month through August. Quick facts, as of July 12:

OHP Standard Reservation List	
Total names on the reservation list	136,850
Active names (not yet pulled)	43,425
Names pulled so far	68,000
Next drawing date	July 21
Number to be pulled	20,000
Total applications received	13,870
Enrollments	6,997
Denials	4,825
Pending	2,048
Total OHP Standard enrollment	31,339 (as of June 15)

Oregon Medicaid Director Selected for Medicaid Leadership Institute

Judy Mohr Peterson, Administrator for the Division of Medical Assistance Programs was one of six Medicaid directors chosen by the Center for Health Care Strategies to participate as Fellow in the 2011 class of the Medicaid Leadership Institute. The Robert Wood Johnson Foundation supports this initiative to enhance the leadership capacity of Medicaid directors so their programs can serve as national models for high-quality, cost-effective care. The five other directors selected were from Arizona, Illinois, New York, Tennessee and Pennsylvania.

By 2014, Medicaid will become the largest health care purchaser in the nation, with the addition of 16-20 million new beneficiaries. As the leaders of the program responsible for

covering more than one quarter of the nation's population, Medicaid directors will have tremendous opportunities to leverage their purchasing power to influence improvements in health care quality, delivery and value. "At a time when national health care reform implementation will greatly affect their programs and responsibilities, these six remarkable leaders form an exceptionally talented class for the Medicaid Leadership Institute," said Tommy Thompson, Former Governor of Wisconsin, who chairs the program's national advisory committee.

The curriculum will focus on broad macroeconomic and political issues, data and analytical topics, and leadership and organizational development.

Oregon Health Plan Care Coordination

Since 2002, care coordination for approximately 55,000 fee-for-service OHP clients not in a medical managed care plan has been legislatively mandated. DMAP's goals for this population include identify/enroll/engage at-risk clients with chronic conditions, reduce unnecessary utilization of emergency departments and hospitalization, reduce barriers to access, work with providers to coordinate quality care, increase self-management skills, promote medical homes, and coordinate health care needs with other existing community resources.

APS manages Oregon's Medicaid disease and medical care management. The integrated program supports the 55,000 fee-for-service clients.

The program, called Oregon Health Plan Care Coordination (OHPCC), emphasizes care coordination and early intervention with clients at high-risk for health issues. Other services include access to a 24-hours-a-day telephonic nurse advice line, referrals to essential community providers, and medical homes facilitation. Locally based nurse health coaches monitor and evaluate client's progress, help eliminate barriers to care and encourage behavior changes.

Update

For the quarter ending March 2010, OHPCC coordinated over 7,200 Disease Management clients, 350 Case Management clients and triaged over 1,000 calls.

Quarterly reports and metrics are available electronically by contacting Susan Good, DMAP's Disease Management/Prevention Coordinator at 503-945-6921 or Susan.E.Good@state.or.us.

For More Information

- **Oregon Health Authority Transition** — To track the progress of the Oregon Health Authority transition process, visit the Transition Web site at www.oregon.gov/oha/transition. 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.
- **Medicaid Management Information System Implementation (MMIS)** — Stay up to date with the latest news regarding claim processing and other transactions in the Medicaid Management Information System by reading [Provider Matters](#).

- **Federal health care reform** — With its own health care reform efforts already underway, Oregon is well positioned to implement the federal legislative changes. For more information about how Oregon will be affected, visit the Oregon Health Authority Web site at www.oregon.gov/OHA.
- **Transformation Initiative** — Enabling DHS 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. www.oregon.gov/DHS/transformation.

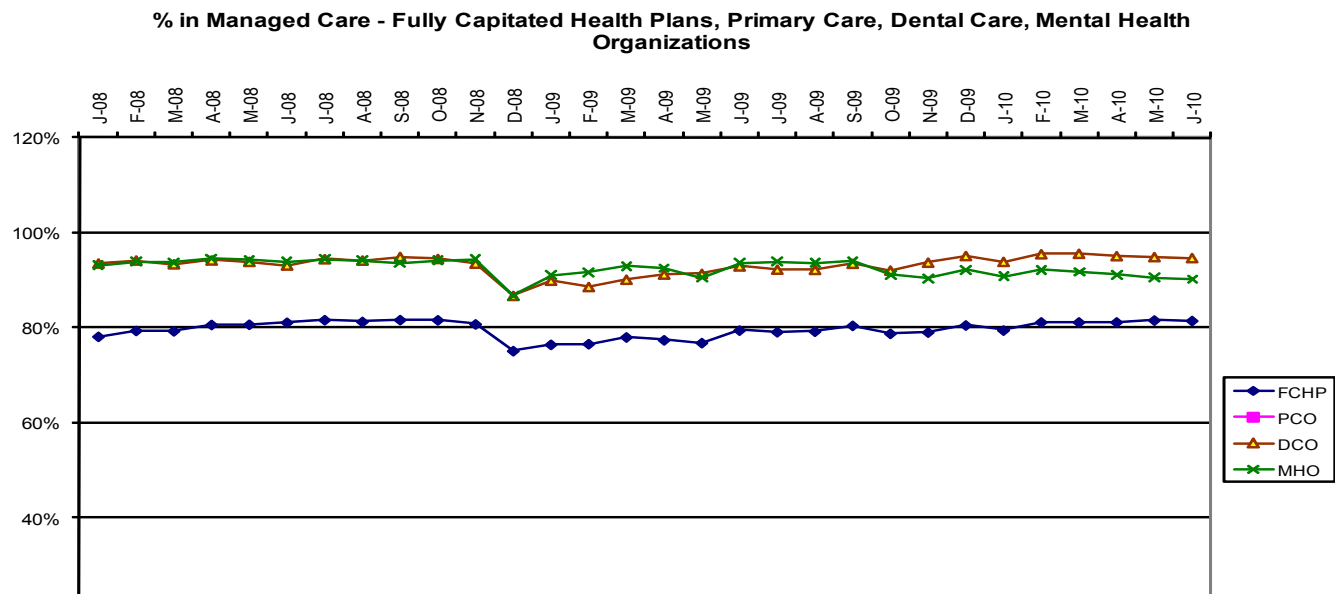
Demonstration and State Plan Amendment Status

The following table outlines the status of Demonstration and State Plan amendments (SPAs) under review by the Centers for Medicare and Medicaid Services (CMS). To view the entire notices of rule making, go to www.dhs.state.or.us/policy/healthplan/rules/notices.html.

Description	Status	Rule change?
Demonstration Amendments		
<i>No demonstration amendments are currently under review.</i>		
Medicaid SPAs		
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	Pending <i>Resubmitted</i> 04/30/10	Yes
MIPPA provision — Complies with the Medicare Improvements for Patients and Providers Act of 2008 by exempting from estate recovery the Medicare cost sharing benefits paid under the Medicare Savings Program	Approved 5/18/10	Yes
Targeted case management — These amendments make technical adjustments to existing programs and will neither affect benefits to clients nor DMAP operational procedures. Note: A CMS moratorium on rules for targeted case management has delayed the process.		
• Tribal members	Submitted 6/27/08	Yes
• Children who are the responsibility of child welfare	Submitted 6/27/08	No
• Self sufficiency program	Submitted 3/17/10	No
Targeted case management — For children with poorly controlled asthma. This is a new program targeted by population and geographic area in collaboration with local public agency..	Submitted 04/22/10	Yes
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	Submitted 12/29/09	Yes
Oregon Administrative Rules (no SPA)		
<i>For the July 1, 2010 OAR update summary, please see the attached Provider Announcement.</i>		

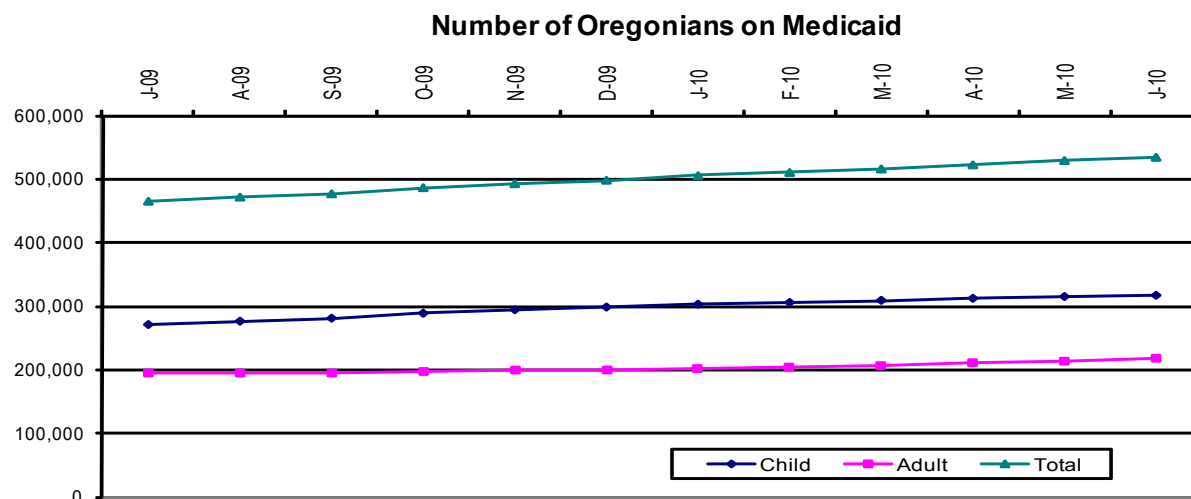
Enrollment Snapshot - May

Number of Oregonians on Medicaid: Total, Adults and Children



Medicaid enrollment	June 2010	June 2009	Percent difference
Children (18 and under),	316,891	267,845	15%
Adults	217,711	193,226	11%
Total	534,602	461,071	14%

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



Managed Care Enrollment	June 2010	June 2009	Percent difference
Fully Capitated Health Plans/ Physician Care Organization	403,979	339,102	16%
Primary Care Managers	4,051	5,719	-41%
Dental Care Organizations	469,663	396,494	16%
Mental Health Organizations	447,100	399,545	11%

Highlights of the Administrative Rule revisions

We are providing the following information as a quick reference tool. It does not represent all rule revisions, and it is not intended to replace policy. This information highlights selected policy changes and does not include every change. To see program rules in their entirety, link to the program area at www.dhs.state.or.us/policy/healthplan/rules/notices.html.

Dental

- Orthodontia coverage added for clients with the diagnosis of cleft palate
- Fixed partial denture sectioning coverage added in limited circumstances
- Fabrication for dentures extended to six months from the date of the most recent extraction for non-pregnant adults

Durable Medical Equipment Prosthetics, Orthotics & Supplies (DMEPOS)

- Signature stamp removed as acceptable signature with DMEPOS orders
- Portable liquid oxygen system and monthly rental coverage added
- Cough stimulating device may be covered for a client residing in a nursing facility

Federally Qualified Health Centers and Rural Health Clinics (FQHC/RHC)

- Replace the alternative payment methodology for RHC obstetric delivery with the physician fee schedule

General Rules

- Outreach (date stamp) site contracts are replaced by rule and eliminates the annual contract process for providers

Medical Surgical

- Children meeting elevated lead blood criteria are eligible for a one-time dwelling investigation and related case management services

Medical Transportation

- Eliminate requirement for an additional adult attendant for nonemergency or secured transportation when provided by a Division employee or Department of Human Services volunteer

OHP Managed Care

- Exceptional Needs Care Coordinator (ENCC) definitions, pharmacy and quality assurance criteria updated

Pharmacy

- Preferred Drug List (PDL) updated
- New drug coverage and associated Prior Authorization (PA) criteria clarified
- Permanently adopted 34-day supply rule
- Revised Drug Use Research (DUR) Board Confidentiality Requirements
- Removed requirement for prescribers to indicate the client's diagnosis on a prescription
- Added coverage for select oral nutritionals, supplements and vaccinations

Targeted Case Management

- Added a new program, Asthma Healthy Homes

Questions?

Contact DMAP's Provider Service Unit at 1-800-336-6016.



DMAP CAPE
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