

DMAP Update

May 2012

Health System Transformation

Last week, Governor John Kitzhaber and the Obama Administration announced an agreement to support Oregon's vision for a health system that will improve health at a more sustainable cost, saving a projected \$11 billion in state and federal Medicaid spending over the next decade.

The agreement is tied to a waiver request submitted in March by the Oregon Health Authority to the Centers for Medicare and Medicaid Services that gives the state both the flexibility and upfront investments to support the work that will be done through new Coordinated Care Organizations (CCO). Through the agreement, Oregon's Medicaid program will receive \$1.9 billion for health care transformation over five years.

You can read the [Governor's press release](#) to learn more.

As the Governor met with federal officials in Washington, D.C., health leaders from all over Oregon continued to make progress here at home. On April 30, fourteen Oregon-based entities submitted their technical applications to become a Coordinated Care Organization. The financial portion of their applications are due May 14. If all are approved, more than 90 percent of Oregon Health Plan clients will have access to care through a CCO. The names of the CCO applicants are listed on cco.health.oregon.gov.

The votes of confidence from federal and local partners show that Oregon is on the right path to truly remake our health care system to be more patient-focused, and geared toward health outcomes and sustainability.

Patient-Centered Primary Care Home

As we continue to see momentum in the implementation of CCOs, so too can we see movement toward the adoption of patient-centered care in clinics statewide. As of early May, more than 140 health clinics have been recognized as official Patient-Centered Primary Care Homes.

Primary care homes are at the heart of Oregon's health system transformation efforts. Coordinated Care Organizations are required to include recognized primary care homes in their networks of care to the extent possible and expanding the availability of primary care homes will provide better access to care now and strengthen the primary care networks as CCOs emerge.

New information for patients and providers can now be found on the Patient-Centered Primary Care Home Program's website, www.primarycarehome.oregon.gov.

Recognized primary care homes offer a team-based approach to care focused on improving health. At its heart, this model of care fosters strong relationships with patients and their families to better treat the whole person. Health clinics reduce costs and improve care by catching problems through a commitment to prevention, wellness and community-based management of chronic conditions.

Oregon ContraceptiveCare

Oregon ContraceptiveCare (CCare) is Oregon's family planning Medicaid waiver. The program is managed through the Public Health Division. (Both Oregon Health Plan and Public Health are administered by the Oregon Health Authority.) CCare is separate from the Oregon Health Plan.

The current waiver expires on October 30, 2012, and the Centers for Medicare and Medicaid Services is currently reviewing approval for an additional three years. Our renewal request includes expanding participation to include Oregon Tribal clinics.

Services are available to people whose monthly household income is up to 250 percent of the federal poverty level. Last year, CCare provided services to over 70,000 eligible low-income men, women and teens. Services include:

- Enrollment through a centralized, web-accessible database at nearly 160 Oregon clinics.
- In-depth visits for clinical and preventive contraceptive management services.
- Free reproductive health services and contraception.
- Referrals for free or low-cost psychosocial services when necessary.
- On-site contraceptive dispensary.

Unintended pregnancy rates dropped significantly in the United States between 1994 and 2001. However, rates increased nearly 25 percent for women living at or below 200 percent of the federal poverty level. The CCare program *saved* Oregon \$330 million in Medicaid expenses between 1998 and 2008.

OHP Standard Reservation List

OHP Standard Reservation List drawings resumed on April 18, with a drawing of 1,000 names randomly selected. OHP applications will be mailed to the selected individuals on May 11. Applicants will have until June 25 to respond.

Random selections of 1,000 will occur monthly until further notice.

The returned application is first screened to determine if the applicant receives other state assistance, such as food stamps (Supplemental Nutrition Assistance Program) or Temporary Assistance for Needy Families (TANF). If an applicant does have a companion case, OHP eligibility is determined at one of the 160 Department of Human Services local branch offices. The Aging and People with Disabilities (formerly Seniors and People with Physical Disabilities) local offices determine OHP eligibility for individuals over age 60. The remaining applications are processed at the Statewide Processing Center.

OHP Standard drawing list

Non-pregnant, uninsured with very low income adults may request a reservation for themselves or for someone else in their household. Adding names to the list requires the name, mailing address and date of birth for all adult household members. Telephone numbers and online request forms are available in four languages at <http://oregon.gov/OHA/open/get-on-list.shtml>.

Anyone can complete an OHP Application at any time to see if they qualify for other programs, even if their name is on the OHP Standard Reservation list.

Settlement reflects states' authority over prescription drugs

Oregon Attorney General John Kroger announced a settlement with Pfizer on March 20, 2011. The settlement follows a two-year investigation by the Oregon Department of Justice into evidence that suggested Pfizer was using unreliable and unsubstantiated claims to promote Zyvox®, a relatively new and expensive antibiotic used for treating certain types of pneumonia and bacterial skin infections.

The two-year investigation indicated that Pfizer was relying on “unreliable and unsubstantiated claims” to promote Zyvox as being more effective than a competing product. Pfizer denied the allegations in a press release. Pfizer agreed to pay \$3.34 million to settle claims with the State of Oregon. The company also agreed to a number of other remedies.

The money will reimburse the **State Accident Insurance Fund** and the **Department of Corrections** for previous Zyvox purchases. It will also go to fund a new program for consumer education and “antimicrobial stewardship” to teach consumers about proper use of antibiotics. The remainder of the settlement money will be deposited into the **Protection and Education Account** to fund the state’s consumer protection activities.

The Oregon settlement builds on a \$2.3 billion 2009 multi-state settlement that involved Zyvox and other drugs. Oregon’s probe went further and found evidence indicating additional issues resulting in a subsequent agreement.

Accountable Care Act

Health and Human Services Secretary Kathleen Sebelius vowed to “look for new ways to prevent fraud before it happens. This settlement shows Oregon is willing and able to leverage federal actions and expand past federal investigations.”

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.
- **Continuous Improvement program** — Enabling DHS and OHA to continue providing quality services at 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.

Demonstration and State Plan Amendment status

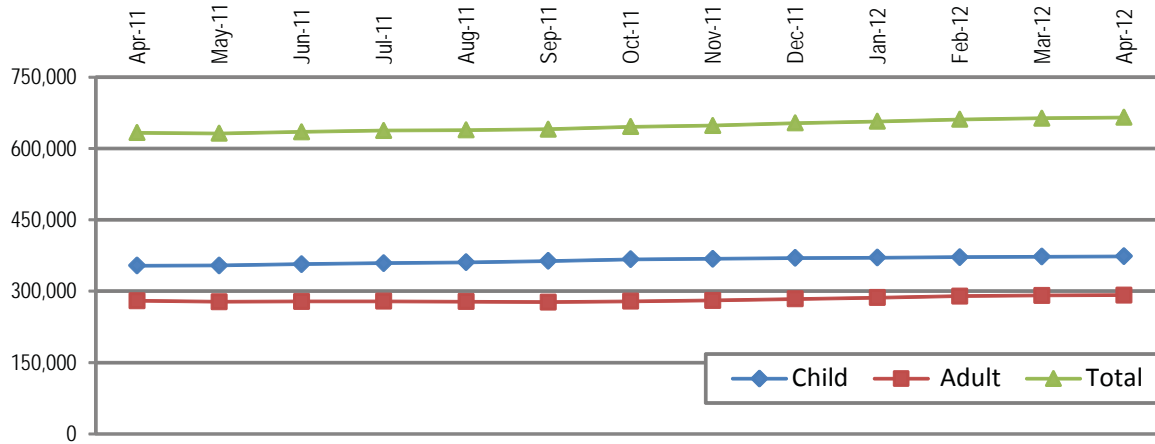
The following table outlines the status of Demonstration and State Plan Amendments (SPAs) under review by the Centers for Medicare and Medicaid Services (CMS).

	Description <i>(new information is highlighted)</i>	Status	Rule Change*
Demonstration Amendments			
	No demonstration amendments are currently under review.	n/a	n/a
#	Medicaid SPA		
10-01	Targeted Case Management — Services targeted for individuals who are Medicaid eligible age 14 and above who receive Temporary Assistance to Needy Families (TANF) benefits.	Submitted 3/17/10	No
08-16	Targeted Case Management — Case management of children currently in state custody residing in an in-home setting, a foster home, group home, residential care facility, or independent living situation.	Submitted 6/27/08	No
12-06	Mental Health Rehabilitation		
11-14	Hospital Disproportionate Share (DSH) process — Revise Upper Payment Limit and DSH Distribution method for DRG 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.	Approved 4/12/12	Yes
11-13	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.	Approved 4/13/12	Yes
11-16	Provider preventable conditions — Implement changes to federal law which mandates a prohibition of payments for Provider Preventable Conditions associated with health care acquired conditions.	Submitted 12/27/11	Yes
11-17	“Patient-Centered Primary Care Home” for non chronic conditions — A health home modeled after the Health Home SPA for chronic conditions.	Submitted 12/28/11	Yes
12-03	Outpatient APC Rates — CORRECTED LANGUAG Implement S.B 204 passed in the 2011 Legislative session. This bill requires the Oregon Health Authority to develop a uniform payment methodology for hospitals and ambulatory surgical centers. The SPA describes the Ambulatory Payment Classification (APC) methodology used by Medicare.		Yes

12-02	Transportation assurance — During the 1915(b) NEMT waiver review CMS suggested that this attachment be updated since the last revision was in 1974. This submission is updating this section to incorporate the use of brokerages as authorized by the 1915(b) waiver.	Submitted 3/28/12	No
12-04	Provider screening and enrollment — CMS requires the State to submit a State plan amendment (SPA) to require that all participating providers be screened according to their categorical risk level, upon initial enrollment and upon re-enrollment or revalidation of enrollment. In addition, section 455.410 requires that all ordering and referring physicians or other professional be enrolled as participating providers.	Submitted 4/6/12	Yes
12-05	Concurrent hospice care — CMS is requiring states to complete a new 'preprint" page in the state plan to assure compliance with Section 2302 of the Affordable Care Act. This new provision requires States to make hospice services available to children without forgoing any other service to which the child is entitled under Medicaid for treatment of the terminal condition.	Submitted 4/6/12	Yes
Children's Health Insurance Plan (CHIP) SPA			
17	CAWEM Prenatal Plus — Expand the Prenatal Care program into Umatilla County. It is also adding the option that allows for temporary adjustments to enrollment and redetermination policies during disaster events. This gives the state flexibility in event of natural disasters to temporary adjust policies and procedures for such provisions as: Implementing presumptive eligibility, waiving premiums or outstanding premium balances or extending the 12-month eligibility period to allow additional time for beneficiaries to complete the renewal process.	Approved 3/29/12	Yes
18	Oregon Poison Center (OPC) — Operated by Oregon Health Science University (OHSU) receives funding appropriations from the Oregon Legislature. OHSU reports that these funds are not sufficient to operate the OPC. OHA is requesting to utilize unused CHIP funds within the 10 percent federal administrative expenditure cap, to allow payments to the OPC through an Inter-governmental Transfer (IGT) between OHSU and OHA, with OHSU providing the state matching funds needed to leverage additional federal dollars to support the center.	Submitted 4/5/12	No

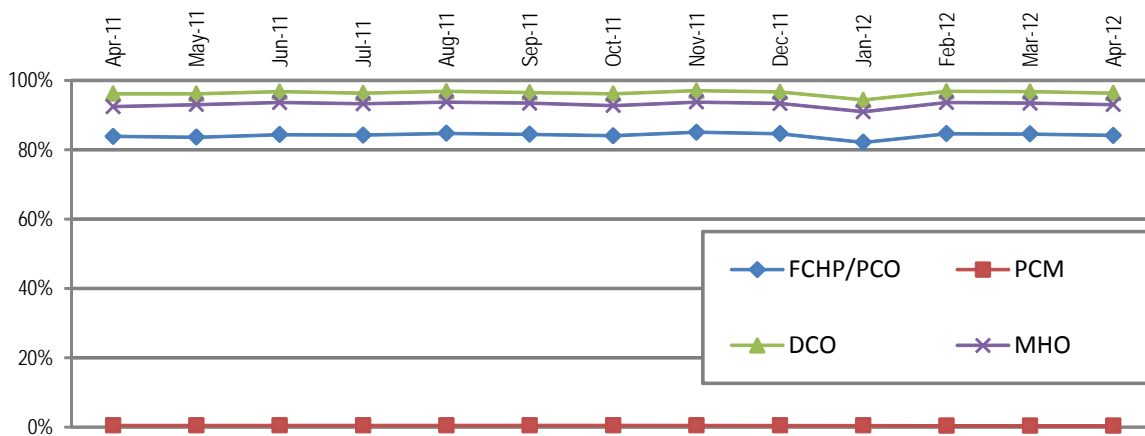
Enrollment Snapshot - April 2012

Number of Oregonians on Medicaid: Total, Adults and Children



Medicaid Enrollment	April 2011	April 2012	Percent Increase
Children (18 and under)	353,512	373,376	5.62%
Adults	279,693	291,832	4.34%
Total	633,205	665,208	5.05%

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



Managed Care Enrollment	April 2011	April 2012	Percent Increase
Fully Capitated Health Plans/ Physician Care Organizations	493,626	520,514	5.45%
Primary Care Managers	3,199	2,713	-15.19%
Dental Care Organizations	566,073	595,815	5.25%
Mental Health Organizations	543,790	575,418	5.82%