

Department of Human Services 2009-11 Policy Option Package

Division Name: Public Health Division

Program Name: Office of Family Health, Reproductive Health Program

Policy Option Package Initiative: Vulnerable Oregonians Have Access to Health Care

Policy Option Package Title: Administrative Cost Adjustment for FPEP Providers

Policy Option Package Number: 341

Related Legislation: Not applicable.

Summary Statement:

Since 2006, Family Planning Expansion Project (FPEP) providers have been bearing the administrative costs associated with implementing Medicaid citizenship documentation regulations, namely: educating applicants about the requirements; reviewing, copying, and storing citizenship documents; verifying and/or updating client eligibility information in a centralized database at every visit; and assisting clients to obtain documentation. This policy option package would apply to FPEP funding an additional 1.6 percent in the medical services and supplies COLA to compensate providers for their additional administrative work.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would enable the Public Health Division to increase reimbursement rates for Family Planning Expansion Project (FPEP) providers slightly beyond the level of usual cost-of-living adjustments (COLA) for medical programs. For the 2009-11 biennial budget development, the standard COLA is 2.8 percent and medical services and supply programs will see an additional 1.6 percent to account for higher inflation in the medical sector. This POP proposes a second 1.6 percent increase for FPEP providers, for a total adjustment of 6 percent. If approved, implementation of the POP would be a simple matter of increasing the per-visit payment within the FPEP claims processing system.

2. WHY DOES DHS PROPOSE THIS POP?

External partners proposed the rate adjustment in response to the additional administrative workload borne by FPEP providers since late 2006. Medicaid citizenship documentation regulations implemented at that time created several new administrative responsibilities for FPEP providers: educating applicants about the requirements; reviewing, copying, and storing citizenship documents; verifying and/or updating client eligibility information in a centralized database at every visit; and assisting clients to obtain documentation. The additional 1.6 percent COLA proposed in this POP would compensate FPEP providers for these new administrative functions.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

Ensuring access to birth control helps low-income families in Oregon be healthy and independent. As a result of citizenship documentation and other Medicaid regulations, FPEP visits have declined by almost 30 percent and uncompensated care at family planning clinics has almost doubled. Many clinics are unable to bear the financial pressure of this situation and the program has lost fifteen FPEP providers since 2006. An additional COLA would reduce the likelihood of more FPEP providers leaving the program and help maintain access to birth control services for all Oregonians.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP is not directly tied to a DHS performance measure. However, the Reproductive Health program tracks its performance annually by measuring the proportion of Women in Need (WIN) who were served by DHS-supported family planning clinics. (WIN are fertile, sexually active women between 13 & 44 years old and below 250 percent of poverty who are neither pregnant nor trying to become pregnant.) This POP should encourage clinics to stay in the FPEP provider network and should therefore help moderate the current annual decline in the proportion of WIN served.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

No alternatives were considered. If the POP is not approved, the program will continue to operate and FPEP providers will not receive a COLA in compensation for their additional administrative work.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Not funding this POP would maintain the status quo of significant financial pressure on FPEP providers. If this pressure compels more clinics to leave the FPEP provider network, the adverse effect would be reduced access to birth control services for low-income individuals in Oregon.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

As FPEP providers, county health departments would benefit from the COLA along with the rest of the FPEP provider network. No other state, tribal, or local entities would be affected.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 7.1.09

End Date (if applicable): Not applicable.

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|--|---|
| <input type="checkbox"/> Administrative Services | <input type="checkbox"/> Addictions and Mental Health |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input type="checkbox"/> Seniors and People With Disabilities |

b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) and describe how it will be affected.

- Human Resources
- Information Security/Privacy
- Document Management
- Audit and Consulting
- Information Services (computers)
- Financial Services (accounting)

- Payment Accuracy and Recovery
- Investigations and Training
- Facilities
- Contracts and Procurement
- Budget, Planning and Analysis
- DHS Office of Communications

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

No.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

None.

f. What are the ongoing costs?

None.

g. What are the potential savings?

None.

h. Based on these answers, is there a fiscal impact?

Yes. The additional 1.6 percent COLA will increase FPEP state general funds by \$126,261.

i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.”

FPEP general funds are matched at 9:1 with federal Medicaid dollars, which will result in a total increase of \$1,262,970 for potential provider reimbursement.