

**SENATE SPECIAL COMMITTEE ON**  
**ACCESS TO THE OREGON HEALTH PLAN**

September 07, 2002 Hearing Room 50  
1:30 p.m. Tapes 9-10

**MEMBERS PRESENT:**        **Sen. John Minnis, Chair**  
                                 **Sen. Bev Clarno**  
                                 **Sen. Ted Ferrioli**  
                                 **Sen. Gary George**  
                                 **Sen. Avel Gordly**  
                                 **Sen. Rick Metsger**  
                                 **Sen. Frank Shields**  
                                 **Sen. Cliff Trow**

**MEMBER EXCUSED:**        **Sen. Bill Fisher**

**STAFF PRESENT:**         **Rick Berkobien, Administrator**  
                                 **Bill Taylor, Counsel**  
                                 **Patsy Wood, Committee Assistant**

**GUESTS:**                    **Jim Neely, Deputy Assistant Director, Dept. of Human Services (DHS)**  
                                 **Vicky Green, Program Manager, Oregon Health Plan, (DHS)**

**MEASURE/ISSUES HEARD:**        **Informational Meeting**  
   **OHP Eligibility**  
   **OHP Mental Health**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 1, A</b>		
005	Chair Minnis	Calls meeting to order at 1:31 p.m.
010	Rick Berkobien	Committee Administrator. Describes handouts given to the committee ( <b>EXHIBITS A-F</b> ).
035	Jim Neely	Deputy Assistant Director, Department of Human Services ( <b>DHS</b> ). Submits materials ( <b>EXHIBITS G &amp; H</b> ).
085	Vicky Green	Program Manager, Oregon Health Plan ( <b>OHP</b> ), Department of Human Services ( <b>DHS</b> ). Explains process of acquiring OHP services.
110	Chair Minnis	Asks if the screening process is done manually.
113	Green	Responds affirmatively, and summarizes the automated process that will eventually replace manual input.
135	Sen. George	Questions how assets of applicants are verified. Specifically addresses OHP applicants owning property in California.
145	Green	Responds negatively. States that workers are only mandated to screen:

- Social Security
- Wage match
- Child Support

170	Chair Minnis	Asks what the process is for suspected abuse of services (fraud).
175	Green	Explains any information received is an automatic referral to the investigation unit.
185	Chair Minnis	Asks if there are links to other states and state agencies.
190	Neely	Says the American Public Human Services prints a yearly guide to help verify names.
195	Chair Minnis	Asks if fraud/abuse reports are taken by telephone.
200	Green	Responds affirmatively.
203	Chair Minnis	Asks if notice is sent back to the complainant for follow up.
205	Green	Responds negatively and states it is confidential information.
210	Sen. George	Questions if complainant can be anonymous, for safety reasons.
215	Green	Confirms that investigations can be done anonymously, but a name is preferred in the event the case is taken to court.
222	Sen. George	Asks if applicants are notified of the serious penalties of false or omitted information.
225	Green	Confirms that applicants are notified on the application itself of the law and the penalties.
230	Chair Minnis	Asks how many persons have been prosecuted.
235	Neely	States that there have been a few.
240	Bill Taylor	Committee Counsel. Asks about income verification.
243	Green	Indicates that income is verified using pay stubs for the current month, and the two previous months of employment.
246	Taylor	Asks if the agency is allowed to check Oregon Dept. of Revenue.
247	Green	Answers, no.
248	Taylor	Asks if it is prohibited by state statute or federal statute to work with Revenue.
250	Neely	Answers that Revenue could address the prohibition rules. Says the information from Employment is timelier.
260	Taylor	Asks if employment records can be obtained without permission of enrollee.
265	Neely	Confirms and cites online access to information.
285	Sen. Trow	Asks what the agency does if fraud is verified, and asks if termination is immediate.
290	Green	Explains the recourse if fraud is proven, and explains that termination is issued with a ten-day notice to client. Overpayments are pursued for reimbursement, and fraud is determined by the investigation unit, which will report to the district attorney's office.
300	Sen. Shields	Asks what percentage of fraud cases go to trial.

305	Neely	Indicates it is a small percentage, but that information can be provided.
320	Sen. George	Asks if record of abuse stays on their permanent record.
328	Neely	Replies that is not procedure in the Medicaid program; once they are no longer in violation of eligibility criteria, they will qualify again.
337	Green	Points out that the information will show up in the narrative portion of their record, which will prompt screeners to check further than the three mandated screening options.
343	Sen. Shields	Asks why the client prime number does not show this information.
350	Neely	Says that information will be retained on that prime number.
365	Sen. Trow	Asks why so many people are turned down for enrollment.
369	Green	States reasons as: 1) too much income; and 2) not enough information provided.
380	Chair Minnis	Asks if there have been cases of employees enrolling someone who is not actually eligible.
390	Green	Says this has occurred and states that working environments are set up to allow peer reporting of violations.
405	Neely	Includes that the process for OHP is a mail-in system, so face-to-face conversations are very rare.
410	Chair Minnis	Asks if a database has ever shown a social security number occurring more than once.
415	Neely	Yes, social security numbers are checked once a month.
423	Sen. Shields	Requests the percentage of people who apply for OHP and turn out to be fraudulent.
448	Neely	Offers to obtain those numbers. Clarifies that while someone may be denied, it may not be because of fraud.
460	Sen. Gordly	Asks if the Secretary of State's Audit Recommendations <b>(Exhibit H)</b> are going to be discussed and asks for the source and what date it was prepared.
472	Neely	Answers that DHS produced this document March 26, 2002.
483	Sen. Ferrioli	Asks why the document is not identified as an agency document.
490	Neely	Acknowledges that the cover page is missing which identified the agency.

**TAPE 10, A**

035	Sen. Ferrioli	Discusses a document from Price Waterhouse that identifies health care fraud at 5%. Asks if the agency people have seen that report.
045	Neely	Responds he is not familiar with that report.
055	Sen. Ferrioli	States that the agency should know about this report and asks again if 5% fraud is reasonable.
075	Neely	Concurs there could be some level of fraud and abuse, and states 5% seems reasonable.
081	Sen. Ferrioli	Asks for recommendations from the agency how fraud can be handled better.

090	Chair Minnis	Suggests linking with banking institutions and law enforcement to utilize common mechanisms to reduce fraud.
099	Sen. Ferrioli	Suggests Price Waterhouse might be able to determine a mechanism to measure and combat fraud in the system.
132	Neely	States that it is possible to work with OMAP to work on a response to this. Suspects the 5% includes provider issues as well.
145	Sen. George	Requests data on the total quantity of drugs prescribed through OHP. Offers personal knowledge of Vicadin being prescribed and resold in very large quantities for \$10 a pill.
150	Neely	Responds affirmatively that drugs are tracked. Notes there is a utilization review team.
155	Sen. George	Asks if there are procedures to notify police of abuse.
165	Neely	States he is not certain of the procedure.
170	Sen. George	Asks the total amount expended this biennium for the drug program.
173	Chair Minnis	Responds it is \$900 million.
177	Sen. Gordly	Referring to the section of the Price Waterhouse report, Impact of litigation as an expense, asks if there are pending lawsuits relating to the OHP that could affect the cost of the plan.
187	Neely	Responds in terms of the eligibility, none that he is aware of.
192	Chair Minnis	Refers to a large case highlighted in the paper today ( <b>EXHIBIT D</b> ).
200	Sen. Shields	Discusses page 10 of Price Waterhouse report, which indicates the cost driver from fraud and abuse is 5%.
235	Taylor	Asks what the department has done and will be doing regarding the recommendations made by the Secretary of State.
245	Neely	Indicates handout which addresses the recommendations ( <b>EXHIBIT H</b> ).
250	Chair Minnis	Asks about the first question of the application, which is, "Are you an Oregon Resident...yes or no." Asks why we do not go into further detail, such as length of time in Oregon, or place of birth.
260	Neely	Replies that the Secretary of State audit tested addresses and did not find any persons fraudulent of residency.
265	Sen. Ferrioli	Asks if there is a law prohibiting the right to demand Oregon residency prior to applying for OHP.
275	Neely	States that the Supreme Court has upheld the notion that there cannot be a durational residency requirement for programs that are federally funded.
282	Sen. Ferrioli	Asks if there has been consideration for residency requirement based on actual residency versus durational residency.
292	Chair Minnis	Asks counsel to do some investigation regarding residency.
303	Taylor	Discusses the issue of residency v. domicile. Says Mr. Neely is correct.
330	Sen. George	Talks about the residency timeframe eligibility for the Oregon Trail card.

375	Neely	Says a resident had to have passed the eligibility requirements of Adult and Family Services if he has an Oregon Trail card. Discusses the Secretary of State Audit Recommendations <b>(EXHIBIT H)</b> . Indicates documentation standards have improved (leading to a higher denial rate) since the audit.
430	Sen. Gordly	Asks what documentation would verify that.
435	Neely	States the agency keeps an ongoing tally of the denial rate and it has gone up steadily over the last year.  Comments on requirement two <b>(EXHIBIT H)</b> , regarding requiring eligibility specialists to review on-line department wage information for re-applications. States that information is reported by employers typically 30 to 60 days after the quarter. The information is not available to specialists during the application time frame. The recommendation suggests that when processing a re-application to go back and re-do the first application and the estimated costs would be approximately \$2.6 million to re-review.

**TAPE 9, B**

012	Chair Minnis	Asks if this cost includes training and better screening process.
020	Neely	Claims that paying more attention to recent employment information has contributed to the increased denial rate.
025	Sen. Ferrioli	Asks if the \$2.6 million cost of going back would be re-captured in savings.
031	Neely	States that it is impossible to say exactly what would be recovered. Cites the difficulty of recouping money even if it is uncovered as most clients are low-income households and individuals.
040	Chair Minnis	Wonders if the process for re-application is tightened each six months (when renewal is due) the opportunity for fraud might be minimized.
050	Neely	Confirms the chairs observation.
055	Sen. George	Asks how the percentage of increase in total applications compares to the percentage of increase in denial rates.
060	Neely	Assures that the percentage of denials is rising quicker than applications – that information can be provided. Continues his discussion of the recommendations.
075	Green	Outlines the ‘Critical Thinking’ screening process being utilized by application screeners.
090	Sen. George	Asks how a person from Mexico could have an OHP card and get prescriptions.
100	Green	Answers that the application asks the applicant if it is their intent to stay in Oregon. If the applicant does have intent to stay, then policy does not allow denial.
107	Neely	Inquires if the person was a U.S. citizen.
109	Sen. George	Replies, no – client was a resident of Mexico, visiting her daughter.
120	Neely	Offers to investigate the case, as it appears to be a case of fraud.

125	Sen. George	Asks if there are any prohibitions to shipping drugs outside the country.
131	Neely	Defers this question to OMAP.
135	Sen. Ferrioli	Expresses frustration over trying to get money from fraud cases when the people have no money.
160	Neely	Discusses the cost for an OHP eligibility check.
180	Chair Minnis	Asks if the agency has questionnaires for employee satisfaction.
192	Green	Notes the high turnover rate because it is an entry-level position.
202	Chair Minnis	Adds that training and retention is important.
210	Green	States that the position is not a high paying job.
215	Chair Minnis	Asks what the pay is for the position.
218	Green	Replies \$1400 gross wage, but support staff is less.
220	Sen. Gordly	Points out there are staff classification rates on page 2 of <b>Exhibit H</b> .
235	Chair Minnis	Asks if there are state employees who qualify for assistance.
236	Green	Responds affirmatively.
237	Neely	States that food stamps go to people at 185% of the federal poverty level.
240	Sen. Clarno	Asks if the eligibility standards for OHP are the same as the old Medicaid system.
250	Neely	Replies, no, explaining there are 19 different categories of Medicaid programs.
265	Chair Minnis	Asks about the emergency eligibility.
270	Green	Describes the emergency eligibility requirements.
280	Chair Minnis	Clarifies and asks if a hospital fills out the form and faxes it to agency.
285	Green	Responds affirmatively.
287	Chair Minnis	Asks what is done upon receipt of an emergency eligibility fax.
290	Green	Describes the process after the information is received.
295	Chair Minnis	Asks how the agency follows up if information on the application turns out to be untrue. Cites an example of an unconscious patient coming to the hospital and is unable to provide accurate information.
300	Green	Replies that a relative or a family member would have to fill out the application if the person was unconscious. States the application would be held until the information is verified.
308	Chair Minnis	Asks if a hospital gets paid w/o information.
309	Green	Replies no.
315	Chair Minnis	Discusses regions in Oregon with higher unemployment. Asks if it is possible to apply the OHP to certain regions.
322	Neely	Advises that could be a problem with a court challenge.
327	Chair Minnis	States that as this is a program above & beyond the federal program, could it be utilized where the highest need is – in the areas of highest unemployment.

333	Neely	Responds that in terms of eligibility it could be done by adjusting the eligibility threshold.
344	Chair Minnis	Wonders why we cannot determine what counties would be accepted if we can cap enrollment.
347	Neely	Expresses doubt of whether the federal government would consider this a possibility.
350	Chair Minnis	Claims that Portland has a higher access to physicians and facilities.
355	Sen. Ferrioli	Asks if Oregon's assistance programs play a role in residency decisions. Wonders if a study should be done to measure demographic breakdowns with neighboring states.
417	Neely	Cites a public assistance study regarding cash assistance tracking where the majority of people coming on public assistance were from California, Washington and Arizona which had higher payment standards. States that he did not believe the OHP is a magnet for residents outside Oregon.
448	Sen. Ferrioli	Notes that the response to the Secretary of State audits is helpful.

**TAPE 10, B**

015	Sen. Gordly	Points out the information is six months old and asks when the next Secretary of State audit might occur.
023	Neely	States he is unaware of a follow-up audit.
030	Sen. Gordly	Notes the information in <b>Exhibit H</b> only deals with two areas of the audit, and other recommendations made in the report were not provided.
050	Neely	Says this document can be added to if inadequate.
055	Sen. Clarno	Asks whether a change in director will trigger an audit, as the director will be changing.
060	Neely	States it is possible, and will verify.
062	Chair Minnis	Requests an organizational chart of DHS outlining where the OHP fits.
068	Neely	Offers to provide.
070	Rick Berkobien	Asks if the Secretary of State will have follow up to the audit.
073	Neely	States that the next audit topics are being set, but is unaware of follow-up for this particular audit. If this topic is revisited, the committee will receive the information.
080	Chair Minnis	Suggests returning Monday for the OHP mental health piece.
101	Chair Minnis	Adjourns the meeting at 3:00 p.m.

Transcribed by,

Anna Suess  
Committee Assistant

Submitted by,

Reviewed By,

Patsy Wood  
Committee Assistant

Rick Berkobien,  
Administrator

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**EXHIBIT SUMMARY**

**A – Federal Poverty Guidelines 2002, submitted by staff, 1p**

**B – Dept. of Human Services Acronym List, submitted by staff, 10 pp**

**C – Kaiser Daily Health Policy Report, kaiseernetwork.org, 1p**

**D – Abstract: Rationing medical care: rhetoric and reality in the Oregon Health Plan, 3pp**

**E – Joint Interim Com. on Health & Human Services Rural Health Care Field Trip, dated June 5-8, 2002, submitted by staff, 39 pp**

**F – Joint Interim Com. on Health & Human Services Coastal Region Rural Health Care Field Trip, dated October 17-18, 2002, submitted by staff, 32pp**

**G – Oregon Health Plan Eligibility Process, submitted by Jim Neely, DHS, 2pp**

**H – Secretary of States Audit Recommendations, Neely, 7 pp**

**I – *Oregonian* article (front page of Metro/NW), dated September 7, 2002, submitted by staff, 2 pp**