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**Division of Medical Assistance Programs (DMAP)  
Department of Human Services  
Administrative Overview  
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**Introduction**

The Division of Medical Assistance Programs (DMAP) coordinates the operation of the Medicaid portion of the Oregon Health Plan (OHP), a blueprint for universal access to basic and affordable health coverage that was created by the Oregon Legislative Assembly in a series of laws from 1989-1993. Its mission is to plan and implement a medical program assuring access to adequate care for eligible clients, operating under ORS 411 (Adult and Family Services; Public Assistance), ORS 412 (Aid to the Blind and Disabled), ORS 413 (Old-Age Assistance), ORS 414 (Medical Assistance), and ORS 416 (Recovery of Assistance Payments). DMAP directly administers those portions of the Oregon Health Plan related primarily to physical medicine. DMAP is currently operating a Medicaid reform and expansion demonstration project under the OHP for enrolled Oregonians statewide. The project was implemented in February 1994 under a waiver from the federal Health Care Financing Administration.

In addition, DMAP is solely responsible for the policy and administration of a small group of services which are outside the OHP. DMAP administers managed care contracts and makes capitation payments to managed care plans, distributes provider guides and administrative rules, and pays non-managed fee-for-service (FFS) claims for covered professional, hospital, and pharmacy services. DMAP develops health care policy, and communicates with health care providers.

**History**

Medical public assistance was a function of the Department of Human Resources' Adult and Family Services Division until the separate Office of Medical Assistance Programs was established under the Department in 1990 (Department of Human Resources renamed to Department of Human Services in 1999).

The Adult and Services Division (AFS) began as the State Relief Commission in 1933 (O.L., 1933, c. 15). A Medical Consultant position was also established at that time. When the name changed to the State Public Welfare Commission in 1939 (O.L., 1939, c. 241), the consultant position was abolished and the duties were transferred to the Administrator. The Division of

Medical Care was also created. The Commission's duties expanded at that time to include writing rules and administering medical and hospital care and services for crippled children.

Administering Oregon's Medicaid program became the responsibility of the State Public Welfare Commission (O.L., 1965, c. 40, 41, 42, and 43) in 1965 when the federal Medicaid law (Title XIX of the Social Security Act) went into effect. The Medicaid program was a jointly funded cooperative venture between federal and state governments to assist states in the provision of adequate medical care to eligible individuals and families with low incomes and resources. The federal government provides broad national guidelines where each state establishes its own eligibility standards; determines the type, amount, duration, and scope of services; sets the rate of payment for services; and administers its own program.

The Commission became the Public Welfare Division under the Office of the Governor in 1971 (O.L., 1971, c. 779), and finally the Adult and Family Services Division under the Department of Human Resources in 1983 (O.L., 1983, c. 740). Significant responsibilities of the Division included administering and supervising all public assistance programs, establishing uniform statewide standards for public assistance programs, and monitoring their effectiveness throughout the state..

Medical assistance programs were operated through AFS' Health Services Section which included the Health Program and Policy Unit and the Program Operations Unit. The Health Program and Policy Unit duties were to plan, analyze, develop, and implement medical programs and policies; promulgate rules and regulations regarding provider payments and services to recipients; determine the scope of medical services; and provide direction to field offices in carrying out these programs. They also monitored the operations of these programs, prepared policy manuals, filed administrative rules, and published information for distribution to providers and the field offices. Finally, the unit acted as a liaison agency for AFS with the federal government and maintained contact with various professional and medical associations, client advocacy groups, and insurance groups. The Program Operations Unit responsibilities included maintaining the data integrity of the Medicaid Management Information System (MMIS). This incorporated accurate claim payments to providers for services rendered to eligible clients; system quality assurance to maintain maximum federal match rates; project development; and field/provider training and problem resolution regarding billing procedures and claim payment.

In 1987 a group came together that included health care providers and consumers, business, labor, insurers and lawmakers to develop a political strategy, spearheaded by Senator John Kitzhaber, to keep Oregonians healthy through an explicit policy and equitable means of allocating health care resources within the state. As a result of their efforts the Oregon Legislative Assembly passed a series of laws from 1989-1993 known collectively as the Oregon Health Plan. The laws included the following:

- Senate Bill 27 (1989) extended Medicaid coverage to Oregonians with income below the federal poverty level and guaranteed a set of benefits based on a prioritized list of health services. The expansion required (and received) waivers of federal law from the Health Care Financing Administration. SB 27 also requires that Medicaid deliver services through managed care plans where possible; reasonable reimbursements rates to end the cost-shift due to Medicaid underpayment; and created the Oregon Health Services Commission to rank medical services from most to least important.

- Senate Bill 935 (1989, amended by SB 1076 in 1991) required employers to cover employees or to pay into a state insurance fund which will offer coverage to those employees. This “employer mandate” was later repealed.
- Senate Bill 534 (1989) funded the Oregon Medical Insurance Pool which offers health insurance to people who cannot buy coverage because of preexisting medical problems.
- Senate Bill 1076 (1991) created one guaranteed-issue policy which all small-business insurance carriers in Oregon must offer.
- Senate Bill 1077 (1991) established the Health Resources Commission to develop a process for deciding on the allocation of medical technologies in Oregon.
- House Bill 5530 (1993) allowed the state to implement the OHP by funding the Medicaid expansion beginning February, 1994; funding OHP’s Basic Health Care Package; funding integration of seniors and persons with disabilities into the Basic Health Care Package; approved the expansion of coverage for mental health and chemical dependency services for Medicaid clients; and created the position of the Oregon Health Plan Administrator.
- Senate Bill 152 (1995) adopted a major insurance reform package, which includes provisions to ensure that health insurance coverage comparable to that available to large groups is available to individuals and small groups.

During 1990, the Office of Medical Assistance Programs (OMAP) was established as a separate division of the Department of Human Resources (the Adult and Family Services Division was removed as the responsible party for medical assistance, O.L., 1991, c. 753). OMAP plans and implements medical care programs under the Oregon Health Plan assuring access to adequate care for eligible clients, and pays health care costs for low-income Oregonians through the Medicaid program.

In 1991, the Legislative Assembly clarified the medical assistance function of the Department of Human Resources, including expanding coverage for foster children and for people who are elderly, blind, or disabled (O.L., 1991, c. 66).

The Drug Utilization Review Board was established in 1993 (O.L., 1993, c. 578), and is responsible for making recommendations to OMAP and DHR about criteria and standards for appropriate and medically necessary drug utilization (drug prescribing, drug dispensing, and patient medication usage).

OMAP began operating a five year demonstration Medicaid expansion project in February, 1994, under the Oregon Health Plan. It was implemented under a waiver from the federal U.S. Health Care Financing Administration (HCFA). The project extended health coverage to almost 100,000 more low-income Oregonians. The cost of Medicaid is roughly divided: 60% federal and 40% state support. Almost all care delivery is managed using fully capitated health plans and partial-service pre-paid health plans, such as physicians care organizations, dental care organizations, mental health organizations, and primary care case managers (fee-for-service).

In 1998, the demonstration project was extended by HCFA through the year 2002. The program has expanded Medicaid coverage for thousands of people who previously did not qualify. The OHP Medicaid program is unique in that it makes Medicaid available to most people living in poverty regardless of age, disability or family status, and its benefits are based on a priority list of health-care conditions and treatments.

In 2002, the Breast and Cervical Cancer and the Disease Management programs were created, and the demonstrations project was extended for another five years by the Centers for Medicare and Medicaid Services. In 2005, the Legislature exempted OHP Standard clients from paying premiums if their family income is no more than ten percent above the federal poverty level. In 2006, the Office of Medical Assistance Programs underwent a major internal restructuring, and was officially renamed the Division of Medical Assistance Programs (DMAP).

### **Current Organization**

#### *Division and Unit Breakdown:*

##### **Administration**

##### **Budget and Financing Section**

##### **Communications Section**

Analysis and Research Unit

Communication Unit

##### **Medical Section**

Clinical Unit

Hearing Unit

Quality Assurance and Improvement Unit

##### **Operations Section**

Encounter and Electronic Data Unit

Claims Unit

Client Advisory Services Unit

Managed Care Delivery Systems Unit

Medical Unit

Operations System Support Unit

Provider Enrollment

Provider Services Unit

##### **Policy and Planning Section**

Policy Unit

### **Primary Agency Statutes and Administrative Rule Chapters**

**Oregon Administrative Rule 410: Department of Human Services, Departmental Administration and Medical Assistance Programs**

#### **Oregon Revised Statutes:**

411 - Adult and Family Services; Public Assistance

412 - Aid to the Blind and Disabled

413 - Old-Age Assistance

414 - Medical Assistance  
416 - Recovery of Assistance Payments

## **Chronology**

- 1933 Creation of State Relief Commission.
- 1939 State Relief Commission renamed to State Public Welfare Commission.
- 1939 Division of Medical Care created.
- 1965 Federal Medicaid Law (Title XIX of Social Security Act) went into effect.
- 1971 State Public Welfare Commission became the Public Welfare Division under the Office of the Governor.
- 1983 Public Welfare Division became the Adult and Family Services Division under the Department of Human Resources.
- 1989 Senate Bill 27: Extended Medicaid coverage to Oregonians with income below the federal poverty level and guaranteed a set of benefits based on a prioritized list of health services.
- 1989 Senate Bill 935: Required employers to cover employees or to pay into a state insurance fund to cover employees health coverage.
- 1989 Senate Bill 534: Funded Oregon Medical Insurance Pool.
- 1990 Public Welfare Division became the Office of Medical Assistance Programs (OMAP within the Department of Human Resources.
- 1991 Senate Bill 1076: Repealed Senate Bill 935.
- 1991 Senate Bill 1076: Created one guaranteed-issue policy which all small-business insurance carriers in Oregon must offer.
- 1991 Senate Bill 1077: Established the Health Resources Commission to develop a process for deciding on the allocation of medical technologies in Oregon.
- 1993 House Bill 5530: Allowed the state to implement the OHP by funding the Medicaid expansion beginning February, 1994; funding OHP's Basic Health Care Package; funding integration of seniors and persons with disabilities into the Basic Health Care Package; approved the expansion of coverage for mental health and chemical dependency services for Medicaid clients; and created the position of the Oregon Health Plan Administrator.
- 1993 Drug Utilization Review Board established.
- 1994 OMAP began operating a five year federal Medicaid demonstration project under the Oregon Health Plan.

- 1995 Senate Bill 152: Insurance Reform Package; Ensures health coverage comparable between large groups and individuals/small groups.
- 1998 Medicaid demonstration project extended by five years.
- 1999 Department of Human Resources renamed to Department of Human Services
- 2002 Breast and Cervical Cancer and Disease Management programs created.
- 2002 Medicaid demonstration project extended by five years.
- 2005 Legislature exempted premium payments for those earning no more than ten percent above federal poverty income.
- 2006 OMAP renamed Division of Medical Assistance Programs (DMAP).

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