



Oregon

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March 23, 2015

The Honorable Alan Bates, Co-Chair
The Honorable Nancy Nathanson, Co-Chair
Ways and Means Subcommittee on Human Services
900 Court Street NE
Salem, OR 97301

Dear Co-Chairs:

On March 2, 2015 during the Department of Human Services (DHS) presentation on Program Support and Key Performance Measures the Subcommittee asked for a summary of initiatives to reduce the burden of reviews and audits on Oregon health and human services providers since the passage of HB 2856 in 2011. This report provides an update on these efforts by state agencies and other entities conducting the reviews.

Background

Concurrent with the passage of HB 2856, efforts had already begun to reduce the burden. The two most significant dealt with Psychiatric Residential Treatment Facilities and Behavior Rehabilitation Services.

The Psychiatric Residential Treatment Facilities workgroup consolidated the separate complaint investigation efforts of five DHS and OHA offices for these facilities into one coordinated process.

The Behavior Rehabilitation Services (BRS) workgroup created a joint DHS, Oregon Health Authority (OHA), Oregon Youth Authority (OYA) site review process, including common forms to conduct the reviews, revised contracts to make them consistent across agencies, coordination of fire and sanitation inspections and joint site reviews. These joint reviews, at the option of the facility, can include both licensing and contract compliance. The workgroup also agreed to a number of process efficiencies to reduce the burden of the review itself. A high level summary of process efficiencies for all types of providers is listed at the end of this report.

Both of these initiatives reduced the burden of overlapping and inconsistent regulatory processes (licensing, certification, complaint investigation, etc.) on these providers. However, significant burden remained because purchasers of services from providers have their own independent duty to ensure that their client is safe, the facility is solvent and qualified, and the services are effective. The major one was that BRS licensed mental health providers could be subject to multiple, and sometimes inconsistent, reviews from local Community Mental Health Programs (CMHP) or their associated Mental Health Organizations that had placed children in their facility.

Concurrent with these improvements, OHA created Coordinated Care Organizations (CCOs) to improve health, health care, and reduce costs. After a period of significant planning, CCOs ultimately became the purchasers of mental health services. This large change called into question the system of local CMHPs reviews and regulatory oversight of community providers. At the same time, DHS consolidated its licensing functions into the Office of Licensing and Regulatory Oversight (OLRO).

Reducing burden caused by overlapping regulatory authority

Consolidation of regulatory authority by itself greatly reduces overlapping regulatory responsibilities. In addition, both agencies have worked internally to reduce inconsistent and overlapping processes and have agreed to joint processes in the areas where their responsibilities overlap. Some examples of this include:

- OLRO and Addictions and Mental Health (AMH) conduct joint reviews of providers that require DHS licensing of the facility and AMH certification or approval. These providers include psychiatric residential treatment facilities, psychiatric day treatment facilities, and alcohol and drug residential programs.
- AMH is conducting integrated reviews of mental health and substance abuse disorder certifications where possible. AMH is beginning to change the process to review large organizations with both certifications by doing one central review with data from each site rather than individual reviews of each site. AMH would then issue a single certificate to the organization for both services.
- The DHS nursing facility team takes the lead on surveying the kitchen when it is shared between two facilities with different licenses on the same site. Previously these were inspected more than once.
- DHS, Oregon Youth Authority (OYA), and OHA extended the work with BRS providers to:
 - Establish joint rules across agencies

- Establish a database to track incident reports
- Establish shared findings to ensure consistency of interpretation and follow-up across agencies.
- DHS created umbrella contracts authorizing work through a service release instead of writing a new contract each time a child is placed with a provider and allowing expansion of services to be authorized through a contract amendment rather than a new request for proposal

Reducing burden caused by multiple purchasers

The transition to CCOs shifted the potential for multiple reviews by local Mental Health Organizations to CCOs. Initially OHA hosted a small workgroup of CCO, provider and community health representatives that changed rules to reduce the operational burden on mental health providers. This was followed by an advisory group, under HB 2020, that recommended that OHA expand its current regulatory reviews to gather information that CCOs would normally separately request in a credentialing review and place it in a secure database. This saves both providers and CCOs time and resources.

This change does not reduce the need for CCOs to ensure that, as a purchaser of services, that the provider has adequate financial controls, the services provided to their members are appropriate, claims are accurate, or performance and individual requirements in their contracts are met.

Within DHS, the purchaser of services is typically one of DHS's programs. The DHS Office of Licensing and Regulatory Oversight (OLRO) licenses many types of residential facilities, including nursing facilities, community-based assisted living and residential care facilities, adult foster homes, facilities for people with a developmental disability, and children's care facilities. Three DHS programs, Child Welfare, Intellectual and Developmental Disabilities, and Aging and People with Disabilities place clients in these facilities. OLRO has worked with each of these programs to reduce any overlap with licensing and certification functions.

Like the CCO change, however, this does not reduce the rest of the burden imposed by DHS's role as purchaser of services. Currently, systems to validate services are authorized, invoiced, and paid appropriately are the most challenging to DHS and create the most significant burdens on providers and DHS staff. These stem from the inflexibility of legacy IT systems and issues in implementing new systems and enhancing existing systems to implement policy changes.

Next steps

In addition to reducing provider burdens, integrating and streamlining licensing, certification and purchasing processes is a necessary first step toward achieving integrated services and achieving better outcomes for clients. For example, if a licensing or certification process requires significant, duplicative processes every time a provider integrates a new service into a client's service plan it becomes a barrier to achieving integrated services. This is an explicit element in OHA's health strategy, the HB 2020 process and in the DHS breakthrough to create outcome-based provider contracts.

Further progress toward reducing these burdens should include:

- Continuing the HB 2020 process, including centralizing all local certification activities at AMH, removing any licensing and certification barriers to integrating services, and achieving better client outcomes.
- Resolve existing provider authorization and payment system issues, including a more robust approach and support for implementing present and future policy changes.
- Explore including DHS and other OHA licensing information in the AMH database if there some value to that. DHS currently posts nursing facility licensing information on the web, largely used by insurance companies to verify licensure.
- Continue current outreach efforts to providers to mutually identify problems, improve accountability, and program design. Build on these efforts to discuss outcome-based contracts through the HB 2020 process and the DHS outcome-based contract breakthrough.
- Further streamline and automate the licensing and abuse investigation process.

Below is a high-level summary of improvements made to one or more licensing and certification processes that were achieved through centralization and extending best practices across licensing and certification areas:

- Creating electronic applications and electronic versions of forms
- Prefilling renewal forms with known facility information. Creating a renewal package with all relevant forms and instructions.

- Gathering data from existing systems prior to a review so the reviewer is more prepared and less basic information needs to be gathered from the provider.
- Not reviewing some areas unless triggered by a finding or a trend analysis that indicates a decline.
- Where relevant, checking the “Ready to Work” registry in lieu of requiring documentation of a background check from a provider.
- Creating review checklists and improving letters to gather more information the first time and reduce the need for callbacks.
- Creating web sites or containing all relevant licensing information, links, provider tools, and resource guides.
- Creating better internal processes to ensure licensing standards are aligned to changes in program rules, federal requirements, and laws.
- Embedding interpretive documents in licensing systems.
- Preparation of comprehensive information packets for new nursing facility administrators.
- Archiving licensing information and improving other internal systems to reduce response time to reviews and exception requests.
- AMH is actively working to re-certify and re-license providers prior to expiration. The intent is to reduce the use of extensions and decrease the related superfluous documentation and processes.

We hope this letter addressed the identified questions adequately. If you have additional questions, please don't hesitate to contact Jim Scherzinger, 503-947-2463 or jim.scherzinger@dhs.oha.state.or.us

Sincerely,



Jim Scherzinger
DHS Chief Operating Officer

cc: Laurie Byerly