

Subject: Justification for an amendment to current Medicaid Administrative Claiming Intergovernmental Agreements, to be effective July 1, 2024, for an increase in the Intergovernmental Charge currently billed on each quarterly MAC claim, from \$20 per cost-pool member to \$65 per cost-pool member.

Issues:

1. The Intergovernmental Charge (IGC) that is currently billed to each MAC claim has remained the same--\$20 per cost-pool member—since 2008, though the Consumer Price Index for the U.S. has increased by 45% in the 15-year period. Similar rates of increase in costs have been experienced in OHA’s administration/management of the statewide MAC program.
2. An increase of the charge from \$20 to \$65 per cost-pool member will result in the cost attached to each MAC claim to remain a small fraction of the claim itself. For example, the average quarterly MAC claim filed by an LPHA is \$43,290, and the average cost pool size is 10. This means that currently each LPHA on average is billed \$200 for a claim of \$43,290—or, 0.46% of the claim. The proposed increase would result in a charge of \$765, or 1.99% of the claim.
3. The major portion of OHA’s costs in carrying out its obligations for effective administration of MAC are in support of the Public Health MAC Specialist. This position has recently increased from a part-time FTE to full-time FTE due to increased capacity needs:
 - A substantial increase in the scale of the Public Health MAC program.
 - Major revisions in the program’s data-management system.
 - New rules re eligibility of cost pool members, with additional monitoring requirements.
 - Increased need for more frequent “live” trainings.

Growth in Multiple Aspects of the Public Health MAC Program

1. Dollar amounts of total and average MAC claims have increased significantly within the last 6 years:
 - a. Total MAC claims (average 21 participating LPHAs):
 - i. 2015: \$ 2,146,672
 - ii. 2021: \$ 3,326,779 (increase of 55%)
 - b. Average MAC claim of 21 LPHAs:
 - i. 2015: \$ 31,752
 - ii. 2021: \$ 43,290 (increase of 42%)
2. Number of total cost pool members in all participating LPHAs has increased within the last year:
 - a. 177 cost pool members (20 LPHAs)
 - b. 206 cost pool members (21 LPHAs) (increase of 15%)
3. Number of new LPHAs (i.e., those executing contracts—Intergovernmental Agreements (IGAs)—for first time with OHA) within last five years have been unprecedented; these comprise Clackamas, Crook, and Harney Counties.

Major Upgrade of MAC's Data-Management System

The web-based system that provides online services for collection, storage, processing, and presentation of the data which documents and calculates MAC claims is owned and operated by Multnomah Education Services District (MESD). Each LPHA participating in MAC claiming through an IGA with OHA must also have an active, separate contract with MESD for access to the MAC system platform and its multiple functions. OHA also relies on this as a means of monitoring the survey-based documentation and formulation of each LPHA's claim. In early 2022, MESD executed an overhaul of the MAC-data platform driven by instructions from CMS on improving the documentation of their MAC claims. The new MESD/MAC system went live on July 1, 2022.

The new system by design is much more rigorous and robust. This requires more oversight by the Public Health MAC Specialist, such as reviewing and commenting on 100-400 surveys every quarter that must be monitored for supplemental documentation. For about 20% of these, some corrective action must be taken by the survey-taker.

New Rules re Eligibility of Cost Pool Members

In 2020, new program guidance and rules were established to ensure compliance with CMS requirements. This has required the PH MAC Specialist to employ additional monitoring requirements and functions to ensure compliance with CMS.

Need for More Frequent "Live" Trainings

The agreement between the State and CMS at the rollout of Public Health MAC in 2003 included a statement on annual re-trainings of all personnel who regularly participated in completing the MAC surveys. To date, we have used a "train the trainer" practice whereby trained Local Coordinators would train all of that LPHA's cost pool members including annual refresher trainings. This has proved time consuming and only marginally effective at the local level. LPHAs have requested the PH MAC Specialist to provide in-person and online trainings in order to help increase consistency and relieve some of the training burden at the local level.

Methodology

When Public Health MAC was rolled out in Oregon in 2003, an IGC was charged to each claim that was equivalent to 1.5% of the quarter's claim amount. In 2008, the legal unit of Oregon's Department of Human Services determined that the methodology by which State fees were based on percentages of amounts owed by the State did not meet legal requirements. An analysis performed by DHS showed that an alternative means of arriving at IGCs could be used, that would result in fees roughly similar in their amounts (within the 5-year history of the program to that date) to those based on the 1.5%: an IGC based upon a fixed dollar amount charged to the number of MAC cost pool members whose time studies provide the basis for each quarterly claim. The \$20 per-cost-pool-member amount was set to align the average amount of a given quarter's IGC with the average amount of the IGC that had been charged with the previous billing scheme, in the interest of fairness. As has been noted, in the 15 years since then, the personnel costs by which OHA coordinates and monitors the Statewide program have increased by at least 75%, and are projected to increase another 8% within the next two years. Thus, an increase in the IGC is critical for OHA to cover its costs now and for a significant number of years to come, in order to continue its level and quality of service to its LPHA partners.