



## Memorandum

**To:** A2CPS Committee

**From:** Cate Wilcox, MCH Section Manager

**Date:** April 10, 2023

**Subject:** Family Connects Oregon reimbursement gap funding formula proposal

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As we continue to roll out the Universally offered Home Visiting initiative/Family Connects Oregon (FCO) program in the early adoption phase, our learning continues. We recognize there is a commercial insurance reimbursement gap with infants covered by high deductible health plans (HDHP). Per the statute there is no out-of-pocket expense for those receiving services, yet this type of health plan will not reimburse the provider for services until the deductible is met. We have determined that per state statute, FCO Newborn Nurse Home Visiting providers cannot bill members for these services.

To help mitigate this gap, MCH is proposing a funding formula that would be distributed to FCO LPHA Newborn Nurse Home Visiting providers. The funding formula proposal has two parts:

1. Base award of \$5000 for each FCO LPHA Newborn Nurse Home Visiting provider: This supports all LPHAs who may have an unforeseen uptick in HDHP covered infants.
2. Proportional award based on All Payors All Claims (APAC) data from the prior three-year rolling average of infants covered by HDHP insurance: The proportion would be calculated each spring in time for the July 1 fiscal year.

Attached is an example of how this would work. Please note:

- The total funds available to help mitigate this gap may vary each fiscal year depending on funds available for the initiative.
- There will never be enough funding in the initiative to fully cover this gap. OHA staff will continue to work with sites on local sustainability issues.
- During the rollout phase, as new FCO LPHA service providers begin providing services, these providers will be added into the formula calculation.