Policy Transmittal
Administrative Services

Nicky Jeffreys, OPAR Administrator

Number: SS-PT-21-025
Issue date: 10/01/2021

Authorized signature

Due date: 9/10/2021

Topic: Medical Benefits

Transmitting (check the box that best applies):

☐ New policy  ☑ Policy change  ☐ Policy clarification  ☐ Executive letter
☐ Administrative Rule  ☐ Manual update  ☐ Other:

Applies to (check all that apply):

☑ All DHS employees  ☑ County Mental Health Directors
☑ Area Agencies on Aging: {Select type}  ☑ Health Services
☑ Aging and People with Disabilities  ☑ Office of Developmental Disabilities Services (ODDS)
☑ Self Sufficiency Programs  ☑ ODDS Children’s Intensive In Home Services
☑ County DD program managers  ☑ Stabilization and Crisis Unit (SACU)
☑ Support Service Brokerage Directors  ☐ Other (please specify):
☑ ODDS Children’s Residential Services
☑ Child Welfare Programs

Policy/rule title: Ending collection of most medical assistance overpayments
Policy/rule number(s): 461-195-0501, 461-195-0521
Release number:
Effective date: 9.10.2021
Expiration date: 3.08.22

References:

Web address: https://sharedsystems.dhsoha.state.or.us/caf/arm/C/461-195-0501.htm
https://sharedsystems.dhsoha.state.or.us/caf/arm/C/461-195-0521.htm

Discussion/interpretation:
The guidance from the Center for Medicare and Medicaid Services (CMS) restricts the establishment of new medical assistance overpayments, except for fraud overpayments established in court or overpayments caused by continued benefits pending the outcomes of a contested case. Effective September 10, 2021 the Oregon Administrative Rules (OAR) 461-195-0501 about Definitions and Categories of
Overpayments and [461-195-0521](http://www.state.or.us/dhs) about Calculation of Overpayments are updated to adopt a new provision, which limits the establishment of new medical assistance overpayments effective April 21, 2021, except for fraud overpayments or overpayments caused by benefits provided to recipients pending the outcomes of a hearing.

**Implementation/transition instructions:**
The Oregon Health Authority (OHA), Oregon Department of Human Services (ODHS) and Office of Payment Accuracy and Recovery (OPAR) have agreed to end collections of most medical assistance overpayments for Medicaid/ Children’s Health Insurance Program (CHIP) and Cover All Kids programs.

This includes medical assistance overpayments related to health care services, medical related cash payments, long-term care and long-term care services and supports for Medicaid-eligible individuals.

- In April 2021, OPAR stopped processing referrals and ended collection on most medical assistance overpayments.
- For individuals with overpayments in both medical and other ODHS programs:
  - OPAR ended collections on the medical portion of the debt; and
  - OPAR has continued collections (including payment plans and garnishments) for other ODHS program debt.

**Some medical assistance overpayment collections will continue**

Collections will continue for medical assistance overpayments caused by:

- Provider fraud and other actions taken against Medicaid providers;
- Cases of Medicaid fraud, waste, and abuse established in court;
- Estate recovery; and
- Benefits provided to recipients pending the outcomes of a hearing (continuation of benefits).

**What should staff do?**

No action should be taken unless you’re contacted with questions about the medical overpayment changes.

If you get calls about medical overpayments, please refer callers to OPAR’s Overpayment Recovery Unit at 800-273-0548.

If individuals still have concerns after contacting OPAR, they can contact:

- The [Governor’s Advocacy Office](http://www.state.or.us/dhs).
- The [OHA Ombud’s Program](http://www.state.or.us/dhs).
- The [Oregon Public Benefits Hotline](http://www.state.or.us/dhs) at 1-800-520-5292
Continue reporting the alleged fraud regarding Medical Assistance programs to the Fraud Investigation Unit at DHS.FRAUD-INVESTIGATIONS@dhsoha.state.or.us

What do DEBTORS need to do?
No action is required. OPAR is identifying all debtors impacted by this change and applying the change effective September 1, 2021.

Why is this happening?
The most common reason for medical assistance overpayments is correction of past eligibility determinations based on client errors such as:
- Unreported income,
- Inaccurate reporting of household members, and
- Attested information that is later found to be incorrect.
Collections of medical assistance overpayments based on past eligibility decisions conflicts with federal Medicaid regulations. ODHS, OHA and OPAR will determine a new approach to eligibility determinations that balances Medicaid program integrity and ODHS|OHA’s goals to simplify and expedite the application process

Training/communication plan:

Local/branch action required:

Central office action required:

Field/stakeholder review: ☐ Yes ☐ No
If yes, reviewed by:

Filing instructions:

If you have any questions about this policy, contact:

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