

OMAP Appendix G

OMAP Audits

Pharmacy Performance Audit

The Secretary of State auditors are conducting a performance audit of OMAP's drug purchasing methods in the fee-for-service program. This audit is nearly complete and we expect it to be finalized in the first quarter of 2005. The purpose of this audit is to evaluate the effectiveness of our current drug purchasing program and to make recommendations, as appropriate, for implementation of additional savings strategies.

Medicaid Upper Payment Limits

The Office of the Inspector General (OIG) conducted an audit of Oregon's Medicaid Upper Payment Limits for Inpatient Hospitals in fall of 2003. As of February 2005, a final report has not yet been released.

Pharmacy Benefit Administrator's Audit

The Secretary of State has contracted with Moss-Adams Advisory Services to audit the Pharmacy Benefits Administrator's (PBA) processing of Medicaid prescription claims and rebates. The purpose of this audit is to evaluate if the PBA priced claims correctly and has claimed, collected, and allocated the Medicaid rebates due from manufacturers in accordance with the contract and agreements in effect from July 1, 2003, to June 30, 2004. Moss-Adams is currently completing field work for this audit.

Graduate Medical Education

In 2003, the OIG audited the Graduate Medical Education program of the Office of Medical Assistance Programs. OIG has been conducting audits on the Graduate Medical Education programs nationwide. A final report was issued and then retracted in July 2004 based on additional information obtained during their national audits. OIG indicated there was no target date for release of a final report.

Budget Notes

2003 Legislative Assembly, HB 5030, Budget Note 9

The Department is directed to initiate efforts to incrementally enhance the use of mail order pharmacy. Such use is expected to be based on appropriate patient and disease suitability. During the biennium the Department is encouraged to attempt to attain a penetration level for mail order delivery for the fee-for-service population of 15-18 percent. The Department is directed to report back on these identified efforts on or before February 1, 2005.

Response

OMAP developed and implemented a coordinated plan to increase mail order pharmacy utilization with Wellpartner, Inc., the Oregon Health Plan contractor, beginning January 2003. A three-pronged communication strategy was developed targeting clients, caseworkers, and providers. Clients receive mail order brochures and order forms to initiate mail order utilization, and retention is encouraged by a two-week prescription refill reminder. Copayments are waived for clients using mail order. Caseworkers are provided mail order pharmacy promotional materials through electronic memorandum, and also through OHP regional meetings. Providers, such as

Department of Human Services
Health Services
2005 Ways and Means Presentation – Phase 1

primary care physicians and primary care clinics were mailed notices and a second wave of mailings included hospital outpatient and emergency rooms.

Use of mail order has increased nine-fold from January 2003 to July 2004. In July, 1,054 clients, or 2 percent of the target population, used mail order, filling approximately 4,600 prescriptions per month at a savings of approximately \$88,000 Total Funds per month.