

**Seniors and People with Disabilities
and
Office of Mental Health and Addiction
Services**

**Information Memorandum
Transmittal**

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Authorized Signature

Number: SPD-IM-05-005
Issue Date: 1/18/2005

Topic: Systems Issues

Subject: eXPRS Payment System

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): County and provider organizations that will begin using eXPRS (Express Payment and Reporting System) in July 2005. eXPRS DHS Release 1 User program staff. |

Message:

The Express Payment and Reporting System (eXPRS) will replace the current payment system in July 2005 for some services funded under the County Financial Assistance Agreement. This change will affect the following services: DD 50 Residential Facilities; DD 51 Supported Living Services; DD 54 Employment and Community Inclusion; DD 141 State Operated Community Program; MH 30 PSRB; A&D 61 Adult Residential Treatment; A&D 62 Residential for Dependant Children; and A&D 71 Youth Residential Treatment.

Some of the contract and payment activities your organization currently performs related to these services will be performed through eXPRS starting in July.

eXPRS is being built on a foundation of prior authorization procedures. These procedures establish a permission to expend funds for client services as well as creating a limit on DHS payments. The following defines each type of authorization, then provides an overview of their interaction in operational terms.

Definitions:

- A. Budget Allocation (BA). A process used by DHS to calculate and track how dollars budgeted by the state are allocated in each program area. These calculations support DHS allocations at both the program area level (PAL) and the service element prior authorization level (SEPA).

Budget allocations (for new contracts or changes in existing contracts) are entered for each Service Element with all of the appropriate data elements for the specific contract. These budget allocations are aggregated into a Service Element Prior Authorization (SEPA) for contractor level approval.

The budget allocation worksheet is also used to calculate the Program Area Limitation. The Program Area Limitation is calculated by adding up all the allocations to Service Elements, with the option of adding an additional amount for contingencies.

Budget Allocations by themselves do not act as a control. The controls are a function of the Program Area Limitation and Service Element Prior Authorizations that flow from the Budget Allocations.

- B. Program Area Limitation (PAL). The process through which DHS establishes the maximum dollar amount the county or direct contractor may be paid through eXPRS for delivery of services within a Program Area. A separate PAL is established for each Program Area included in the County Financial Assistance Agreement or direct contract.

The PAL functions as a control on all prior authorizations at lower levels. The sum of all prior authorizations at the service element, provider or client level may not exceed the PAL.

- C. Service Element Prior Authorization (SEPA): The process through which DHS establishes the maximum dollar amount the contractor may be paid through eXPRS for delivery of a specific service (Service Element). Budget Allocations are used to calculate the Service Element Prior Authorization

Once the SEPA is accepted by the county or direct contractor through eXPRS, it functions as a control on provider level authorizations and payment of claims. Neither the sum of all provider level authorizations, nor the total amount of claims paid to providers for delivering this service, may exceed the SEPA total. The sum of all SEPAs, for all services, may not exceed the PAL amount.

- D. Provider Prior Authorization (PPA): The process through which DHS or a Local Authority establishes the maximum amount that a contract provider may be paid for delivery of services. The PPA amount authorized is subject to the terms and conditions of the agreement between the Local Authority or DHS and the Provider. The Local Authority or DHS will use eXPRS to authorize services and make payment to service providers. The sum of all PPAs, to all providers, may not exceed the SEPA.
- E. Client Prior Authorization (CPA): The process through which DHS, a Local Authority or a Provider establishes the maximum amount that may be paid for services to an individual client.

The entity responsible for authorizing client services through a CPA is defined in the state (DHS) or Local Authority contract. A Local Authority contract may not be in conflict with the DHS contract, e.g. allow prior authorizations that the DHS contract does not allow the Local Authority to make. The sum of all CPAs may not exceed the PPA authorizing the provider to deliver services.

Operational Description:

1. County or Direct Contractor receives a County Financial Assistance Agreement or contract from DHS with a “Program Area Limitation” for each program area.
 - County/Direct Contractor must accept/reject via hard copy, which is current practice.
2. DHS sends a “Service Element Prior Authorization” via eXPRS for each service element to the county or direct contractor.
 - County/Direct Contractor must accept/reject through eXPRS, using an electronic signature.
 - County/Direct Contractor proposals that transfer funds between service elements will also require DHS approval via eXPRS.
3. County sends a “Provider Prior Authorization” via eXPRS for each service element. (In some cases the DHS contract may allow the direct contractor to subcontract and issue a provider prior authorization to its subcontractor.)
 - Provider must accept/reject through eXPRS, using an electronic signature.
 - Proposals that transfer funds between service elements or between providers will also require approval of the parties via eXPRS.

4. Depending on the service element definition in the contract, the county, DHS, or the provider may prior authorize services for a specific individual, including a rate and total expenditure limitation.
 - This is considered a “work order” and does not require acceptance by the provider.

5. After service has been delivered, the provider submits a payment claim via eXPRS. (Note: The provider would not need to wait until the end of the month to submit a claim.) The eXPRS system checks the claim against authorizations all the way up the hierarchy to the “Program Area Limitation”.
 - If the claim complies with all authorizations, payment would be made directly to the provider by eXPRS, on behalf of the county. (Note: Direct payment to providers will not begin until July 2006. Payments will continue to be made through the county in FY 2005-06.)
 - Payment would be made in about 2-4 days, by electronic fund transfer or check, depending on how the provider elects to receive payment.
 - Claims that do not meet all authorization requirements would be suspended for further review or denied.
 - A remittance advice would be sent to the provider and to the county explaining each payment in detail, including an explanation of any suspended or denied claims. (This will occur in FY 2005-06, even though direct payments to providers will not start until FY 2006-07.)
 - Any errors would be corrected in the next payment and explained in the remittance advice. There would be no settlement process.

The system will be available to all users 24-hours a day, 7 days a week, based on the limits of their access and authority. Standard reports and report writing procedures will be available to assist them in collecting and analyzing information.

For Additional Information

“Frequently Asked Questions” concerning prior authorization and other aspects of eXPRS should be available by the end of January.

If you have any questions about this information, contact:

Contact(s):	Jack Morgan – Developmental Disability Services Bob Miller – Mental Health and Addiction Services Sean McMullen – technical questions about eXPRS		
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