

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-01-16  
Baltimore, Maryland 21244-1850



**Division of Integrated Health Systems, Family and Children's Health Programs Group,**  
**CMSO**

July 22, 2003

Ms. Jean Thorne  
Director  
Department of Human Services  
500 Summer Street, NE, E-15  
Salem, Oregon 97301-1097

Dear Ms. Thorne:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Oregon's application to renew and amend its Non-Emergency Transportation Waiver Program, under waiver authority of Section 1915(b)(4) of the Social Security Act (the Act). The amendment establishes additional brokerages' programs that expand the service areas to include Benton, Crook, Deschutes, Jefferson, Klamath, Lake, Lincoln, Linn, Marion, Polk, and Yamhill counties. This approval provides for the waiver of the following Sections of the Act: 1902(a)(23) related to Freedom of Choice; and 1902(a)(1) – Statewide.

I have based my decision to approve the State's request on the evidence submitted by the State in its request and during the review process indicating that, subject to the conditions described below, the State will meet all statutory and regulatory requirements for the assurance of quality, accessibility, and cost effectiveness of care, as is required in all Section 1915(b) waivers.

The effective date for the renewal and amendment of the current waiver is July 26, 2003. Oregon may request that the authority for the waiver program be renewed. To do so the State must submit its request for renewal at least 90 days in advance of the expiration date of July 25, 2005.

Approval of this waiver request is in accordance with the requirement that the project will be cost effective, will not substantially impair access to care and services of adequate quality, and will not restrict emergency services or family planning services.

Approval is contingent upon the State's acceptance of the terms and conditions outlined below:

- 1) Revise "Closest Provider" language in the Brokerage Operations Manual, Brokerage Program Guide, and all applicable materials distributed to Medicaid beneficiaries

regarding the State's role and responsibility in the denial of transportation services, as agreed to by the State in correspondence with CMS;

- 2) Revise "Confidentiality" language in the Brokerage Operations Manual to more fully reflect the requirements found in the Brokerage contract regarding confidentiality;
- 3) Revise "No-Show" sections of the Brokerage Operations Manual, Brokerage Program Guide, and all applicable materials distributed to Medicaid beneficiaries regarding the State's role and responsibility in the denial of transportation services, as agreed to by the State in correspondence with CMS; and,
- 4) Provide updated Brokerage Operation Manual to CMS's Regional Office representative that includes the above revisions.

If you have any questions or if there are any changes in Oregon's non-emergency transportation program, feel free to contact Ms. Janice Adams with the Division of Medicaid and State Operations in CMS's Seattle Regional Office at (206) 615-2541.

The State will need to begin discussions with CMS, in regards to coming into compliance with 42 Code of Federal Regulations, Section 438 – Managed Care. In particular, the State must come into compliance with those Balanced Budget Act (BBA) requirements for prepaid ambulatory health plans (PAHPs). BBA managed care requirements are due to be implemented by August 13, 2003.

CMS would like to remind the State that the new 1915(b) cost effectiveness test will be required for all subsequent renewals or amendments of this waiver. The State should ensure that it has begun reporting expenditures on the CMS-64 by waiver no later than the quarter ending September 30, 2003. Additionally, the State should submit a report of member months by Medicaid Eligibility Group (MEG) for the corresponding quarter to the CMS Regional Office. The State should ensure that its expenditure reporting is consistent with the reporting requirements for the new cost effectiveness test. CMS Central Office and Regional Office staff are available to provide technical assistance in this area if needed.

We appreciate the State's efforts in continuing this program, which provides for accessible, quality, and cost-effective non-emergency transportation services for Medicaid enrollees, and wish you much success in your continuing activities in this area.

Sincerely,

/s/

Mike Fiore  
Director

cc:

Larry Daimler, Program Manager  
Janice Adams, Seattle Regional Office, CMS  
Nancy Keates, Project Officer, CMS  
Gloria Smiddy