

Oregon Project Independence –
Medicaid (OPI-M)

Section 1115 Annual Monitoring Report



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OPI-M Annual Monitoring Report

Introduction

On February 13, 2024, the Centers for Medicare and Medicaid Services (CMS) approved Oregon's request for a Section 1115 Medicaid demonstration, entitled "Oregon Project Independence-Medicaid (OPI-M)". The demonstration is to provide services to individuals ages 18 and older who are older adults or adults with physical disabilities with assessed needs in Activities of Daily Living. The demonstration also provides supports to unpaid caregivers to help meet beneficiaries' assessed needs while sustaining the caregivers' ability to meet those needs.

Annual Monitoring Report Overview

This annual monitoring report is for the first demonstration year. It begins with the quarterly monitoring report for the fourth quarter. The quarterly report is followed by annual monitoring report information.

Quarterly Report Focus

This quarterly report is an overview of activities from November 1, 2024, through January 31, 2025, the fourth quarter of the first year of the demonstration. It includes information about implementation, operational activities, and demonstration deliverables. The demonstration website is maintained as required in the Standard Terms and Conditions (STCs) and can be found under Demonstration Website.

Key Accomplishments of the Quarter

Aging and People with Disabilities (APD) spent the fourth quarter of the first demonstration year continuing to focus on staff training and readiness, OPI-M implementation, and permanent OPI-M rulemaking.

Operational needs

During the fourth quarter, APD continued to implement OPI-M, gather feedback from community partners and staff to address operational needs, and focus on permanent rulemaking. This included a biweekly OPI-M workgroup with impacted staff and a weekly Q&A session on Tuesdays. OPI-M rules were finalized on November 22, 2024. During the rulemaking hearing and public comment period, APD received the following oral and written testimony.

- Multiple community partners suggested individuals assumed eligible for OSIPM should be categorically financially eligible for OPI-M. APD acknowledged the potential benefits of this change for access and workload reduction. After reviewing federal policy and the OPI-M demonstration, APD found some circumstances where this could be implemented. While it could not be adopted in the current rule filing, the change will be considered for a future rule update.
- A community partner recommended adding rule language to allow extensions to the 45-day

application processing deadline and to specify when they apply. APD responded that Section 1115 Medicaid demonstrations require adherence to existing rules unless a demonstration specifies otherwise, and that this change is not included. Instead, APD will address application processing questions through training.

- A community member asked if private payments for extra caregiving hours are allowed and if caregivers could be paid for waiting during medical appointments. APD said private payments are allowed with a different provider. After the public hearing concluded, APD decided not to pose the question to CMS as a Medicaid provider receiving payment is considered “payment in full” for services provided. Caregivers can be paid for assisting during transport or at medical appointments, but not for the ride itself. APD was working with CMS on a solution for paying caregivers for medical transportation.
- A community partner suggested aligning the definition of “natural supports” in Oregon Administrative Rule (OAR) 411-014 with 411-016 by including the “readily acquire” language. APD agreed and updated the definition to ensure consistency across rules.

In addition to rulemaking, APD began developing policies for Supports for Consumer Direction, Caregiver Education and Training, and Community Caregiver Supportive Services—the final service options not yet available under OPI-M pending further policy and operational development.

Staff readiness and training

To continue supporting and preparing staff for OPI-M, targeted trainings were conducted for offices with lower OPI-M enrollment compared to other offices of similar size. Additionally, it became clear all APD offices required training on ongoing service case management tasks for OPI-M, as their initial focus had been on eligibility case management. To address this need, live in-person trainings began across all APD districts, along with live virtual targeted training sessions. The live in-person trainings continued into the next quarter.

Preparation of demonstration deliverables

For the Quarterly Monitoring Report, the OPI-M Team worked together to prepare the report, receiving feedback from Oregon Health Authority (OHA). For the Quarterly Budget Neutrality Report, APD collaborated with the Office of Financial Services.

Post-Award Public Forums

Not applicable for this reporting quarter. The OPI-M Post-Award Public Forum was held on August 5, 2024.

Upcoming Activities

The following are upcoming activities.

- February 2025: Begin OPI-M Interest List Outreach

- March 2025: OPI-M Public Launch
- April 2025: Submit HCBS Actual and Estimated Enrollment Number Report
- April 2025: Submit Annual Monitoring Report

Quarterly Expenditures

APD obtained expenditure data for the Federal Fiscal Year (FFY) Quarter ending September 30, 2024, on the Schedule C of the CMS-64 Waiver Expenditure Report on November 25, 2024. The data for this FFY Quarter indicated there were \$21,535 total expenditures for the demonstration, of which \$12,772 in federal funds were expended. With the first individuals in the program beginning services in July 2024, there were 289 member months for the quarter in which these expenditures were reported. APD submitted the Budget Neutrality Monitoring Tool for the second quarter to the PMDA system on December 6, 2024.

APD obtained expenditure data for the Federal Fiscal Year (FFY) Quarter ending December 31, 2024, on the Schedule C of the CMS-64 Waiver Expenditure Report on February 7, 2025. The data for this FFY Quarter indicated that there were \$706,474 total expenditures for the demonstration, of which \$416,820 in federal funds were expended. As individuals continued enrolling into the program and starting services through the initial implementation phases, there were 835 member months for the demonstration year to date. APD submitted the Budget Neutrality Monitoring Tool for the second quarter to the PMDA system on March 7, 2025.

Overall Demonstration Development/Issues

The following is fourth quarter demonstration development and issues.

Operational/policy issues

After resolving IT system development issues last quarter, APD shifted its focus to ensuring Area Agencies on Aging (AAA) partners had access to essential systems, including MMIS for in-home care agency authorizations and Laserfiche for electronic record keeping. Additionally, APD recognized the need to update the Oregon ACCESS system to allow for 24-month benefit plan approvals and began development discussions. APD released an interim process for manual benefit plan updates to be approved for 24-month continuous eligibility periods until Oregon ACCESS could be updated to automate these approvals.

APD also explored solutions for outreach to individuals on the OPI-M interest list who had expressed interest in OPI-M but were not yet included in the initial implementation phases before the program's public launch. Concerns were raised about staff capacity to contact over 2,000 individuals on the list while managing local implementation efforts. To address this, APD developed an interest list letter, with a plan to mail it in phases. Four batches of letters were prepared for individuals added to the interest list between July 1, 2024, and December 31, 2024. The outcomes of this outreach effort will be reported in a future report.

Financial/budget neutrality development/issues

APD, in collaboration with OHA, planned to work with CMS to revise this quarter and the third quarter

Budget Neutrality Monitoring Tool to address two primary issues with the reporting. First, the reported expenditures on the Schedule C being for FFY Quarters rather than for Demonstration Quarters, which begin a month after the start of a FFY Quarter and end a month after the end of a FFY Quarter. Second, APD and OHA receive data on the Schedule C several weeks after the Budget Neutrality Monitoring Tool deliverable is due, necessitating an extension request. APD, OHA and CMS were in the process to resolve these two issues moving forward. APD, in collaboration with OHA, requested an extension to the deadline of the Budget Neutrality Monitoring Tool submission from its deliverable date, January 11, 2025, to March 6, 2025, and the report was submitted to PMDA on March 7, 2025.

Consumer issues

APD monitored enrollment numbers, reasons for withdrawing, and further mitigation strategies. The financial eligibility process continued to be the top reason consumers withdrew their application or chose not to apply.

Consumers also continued to have concerns about lacking access to medical transportation through OPI-M. One potential solution discovered last quarter is to access medical transportation funding through the Older Americans Act Title IIIB Supportive Services. The funding is not available in all areas. APD continued to work with CMS on an alternative solution and it will be addressed further in the next quarterly report due to the pause on external communications.

Quality assurance/monitoring activity

Not applicable for this reporting quarter. The HCBS Quality Improvement Strategy and Performance Measures were accepted by CMS in December 2024.

Demonstration evaluation

During the fourth quarter, APD collaborated with Oregon Health and Science University (OHSU) to refine the evaluation design for OPI-M. An initial draft was submitted to CMS. After receiving feedback, necessary clarifications and revisions were made before submitting the final draft for review. The evaluation design outlines key questions and hypotheses aimed at assessing OPI-M's implementation and its impact on the populations it serves.

Additional Resources, Enclosures, and Attachments

The following provides information on additional resources applicable to the fourth quarter of the first demonstration year.

Budget neutrality

The Quarterly Budget Neutrality Report for DY1 Q2 was submitted to the PMDA system on December 6, 2024. The Quarterly Budget Neutrality Report for DY1 Q3 was uploaded into the PMDA system on March 7, 2025.

Annual Monitoring Report

This annual report is for February 13, 2024, through January 31, 2025, the first year of the demonstration. It includes required elements per 42 CFR 431.428.

Policy or administrative difficulties

Throughout the year, APD encountered several policy and administrative challenges primarily related to IT system development during OPI-M implementation and its associated “In-Home Support and Personal Care Service” option. Early in the demonstration year, technical barriers delayed payments to In-Home Care Agencies, which significantly slowed service rollout. These IT issues persisted into the second quarter, alongside problems with staff access and result visibility in the Asset Verification System (AVS), and complications with signature requirements. APD collaborated with the AVS vendor and IT teams to resolve these issues.

In the third quarter, APD implemented a manual workaround to enable payments through MMIS, resulting in the full implementation of the in-home service option. AVS-related issues were also addressed, improving staff access and functionality.

By the fourth quarter, with primary IT challenges resolved, APD shifted focus to supporting partner agencies with system access and began planning updates to the Oregon ACCESS system for 24-month benefit approvals. Interim manual processes were introduced to bridge this gap. Additionally, APD initiated an outreach plan for over 2,000 individuals on the OPI-M interest list through a phased mailing approach, with results to be shared in a future report.

Status of health care delivery system

Throughout the year, consumers without Oregon Health Plan (OHP) coverage expressed ongoing concerns about the lack of access to medical transportation under OPI-M, as this service is typically included through OHP. APD identified a potential workaround using Older Americans Act Title IIIB Supportive Services funding, though this option is not available in all regions. APD continued to explore a more comprehensive solution and planned to propose alternatives to CMS. Further updates will be provided in the next reporting period due to a temporary pause on external communications.

Impact on insurance coverage

OPI-M has provided critical support to individuals who do not qualify for OHP or Medicaid Long-Term Services and Supports (LTSS) and would otherwise go without needed care. By expanding access to in-home services, OPI-M has filled a significant gap in the care continuum—helping older adults and adults with physical disabilities maintain independence, avoid unnecessary institutionalization, and remain safe in their homes. The program has proven especially valuable for those with limited income who fall just outside traditional eligibility thresholds.

Outcomes of care, quality, and cost

The anticipated costs for OPI-M were lower than expected. While the program allows case managers to authorize up to 40 hours of care per pay period, the average authorization during the demonstration had been approximately 20 hours per pay period. As a result, overall service expenditures remained below

projections. Quality data related to service outcomes will be captured and reported in future quarterly updates as more data becomes available.

Beneficiary satisfaction surveys, grievances and appeals

This reporting requirement is not applicable to the first year of the demonstration. No beneficiary satisfaction surveys were conducted, and no grievances or appeals were reported or collected.

Performance metrics

The HCBS Quality Improvement Strategy and Performance Measures were accepted by CMS in December 2024. Compliance reporting will begin during the second year of the demonstration.

Audits, investigations, or lawsuits

This reporting requirement is not applicable to the first year of the demonstration. No audits, investigations or lawsuits were received.

Financial performance

The financial performance for the demonstration met budget neutrality in lower than anticipated costs. The enrollment in the program was lower than expected, leading to lower expenditures than reported on the Schedule C of the CMS-64 Report. In addition, it was projected that the cost per member per month was lower than projected. As noted above, the average utilization of service hours was about 50 percent of the hours allowed in the demonstration for individuals.

Evaluation status

APD worked with OHSU to refine the evaluation design for OPI-M. A draft was submitted to CMS. Following feedback, APD and OHSU made necessary revisions before submitting a final version for review. The evaluation design outlines key questions and hypotheses to assess the implementation and impact of OPI-M. Updates will be provided in a future report.

State legislative developments

This reporting requirement is not applicable to the first year of the demonstration. There were not any State Legislative developments impacting the demonstration.

Impact of demonstration design or evaluation hypothesis

Preliminary data indicated the cost per case under OPI-M was budget neutral and lower than initially projected in the budget neutrality hypothesis. However, implementation challenges impacted enrollment and consumer participation.

Some consumers expressed reluctance to transition from traditional OPI (OPI-C) to OPI-M, citing concerns with the financial eligibility process. The process was perceived as overbearing and intrusive, particularly regarding consent for the AVS. In some cases, consumers withdrew their applications due to these concerns. Although estate recovery is waived under the demonstration, the requirement for the state to be listed as a beneficiary on life insurance policies and trusts had a notably negative effect on enrollment.

Budget neutrality

APD, in conjunction with OHA, planned to submit the annual Budget Neutrality Monitoring Tool to accompany this annual monitoring report in PMDA by May 13, 2025.

Enrollment numbers

The Estimated and Actual Enrollment Report for the first year of the demonstration was submitted to CMS on April 28, 2025.

Post-award public forum

An OPI-M Post-Award Public Forum was held on August 5, 2024. APD presented on the history and development of OPI-M and provided basic information on eligibility and services offered. In addition, project and implementation planning was shared. Public comments were made tied to program eligibility, application processing, expressing interest prior to the public launch, and outreach.

Demonstration Website

The demonstration website can be found at <https://www.oregon.gov/odhs/providers-partners/seniors-disabilities/Pages/1115-demonstration-waiver.aspx>.

You can get this document in other languages, large print, braille, or a format you prefer free of charge. Contact the Office of Aging and People with Disabilities by email at APD.Communications@odhsoha.oregon.gov. We accept all relay calls, or you can dial 711.