

REPORT HIGHLIGHTS



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Health Share of Oregon Did Not Always Comply With Federal and State Requirements When Denying Prior Authorization Requests

Why OIG Did This Audit

- OIG has identified longstanding challenges, including insufficient oversight and limited access to specialists, that may reduce the quality of health care services provided to Medicaid enrollees.
- We audited Health Share of Oregon (Health Share), an Oregon coordinated care organization (CCO), because it had the highest number of denied and appealed service requests of any CCO in Oregon.
- This audit is part of a series of OIG audits examining Medicaid managed care organization (MCO) denials. CCOs are similar to traditional MCOs but have some key differences.

What OIG Found

Of the 100 denied service requests we sampled, 21 did not comply with all Federal and State requirements for denying medical services and items, prescription drugs, and dental procedures that required a prior authorization. Of these 21 denied service requests that did not comply, 6 did not comply with more than one requirement. Specifically, Health Share:

- Denial decisions were not made by individuals with appropriate expertise in addressing the enrollees' medical or oral health needs (13 denied service requests)
- Denial notices did not include required contact information or were not provided in the enrollee's non-English language (7 denied service requests)
- Did not provide denial notices timely (6 denied service requests)
- Did not consult with providers before making a denial decision (4 denied service requests)
- Did not notify the provider of the denial decision (1 denied service request)

21%
of denied service
requests covered
by our audit did
not comply with
requirements

Based on our sample results, we estimated that 5,677 denied service requests that required a prior authorization (21 percent of the denied service requests covered by our audit) did not comply with all Federal and State requirements during calendar year 2023.

What OIG Recommends

We made four recommendations to Health Share, including that it assess and improve its quarterly reviews of denial notices and related prior authorization documentation. The full recommendations are in the report.

Health Share concurred with three of our recommendations, partially concurred with the remaining recommendation, and provided information on actions that it has taken and planned to take to address our recommendations.