



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

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To: DMAP Providers of Durable Medical Equipment
Prosthetics Orthotics and Supplies (DMEPOS)

From: Jean S. Phillips, Deputy Administrator
Division of Medical Assistance Programs

Subject: Reimbursement for DMEPOS under the Oregon Health Plan

As you may recall, the funds attributable to a portion of the 2008 and all of the 2009 cost-of-living increases were applied to the savings needed as a result of the funding reduction imposed by the 2007 Legislative Assembly for the 2007/2009 biennium. The COLA offset was a component of the alternative reduction plan developed by the industry and DMAP staff. This action eliminates the COLA scheduled for 1/2009.

As most of you are aware, in response legislation, a Medicare DME competitive bidding program that was to have been implemented in July 2008, was delayed 18 months. As a condition of the program delay, all suppliers will sustain a 9.5% Medicare payment reduction in January 2009 for the equipment that would have been subject to the bidding program. DMAP will not implement corresponding DME payment reductions in the Oregon Health Plan for this equipment.

The Department appreciates your continued service to Oregon Health Plan clients and will continue to explore and implement strategies that benefit the industry including identifying and reducing administrative burdens for providers where possible.

If you have any questions, please contact me at (503) 945-6552 or e-mail jean.s.phillips@state.or.us.

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