

Jon Pelkey, Manager
DMAP QI and Medical Section

Number: DMAP-IM-11-117

Authorized Signature

Issue Date: 11/30/2011

Topic: Medical Benefits

Subject: MCO and provider announcement: Senate Bill (SB) 101 implementation

Applies to:

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Other (please specify): DHS and OHA staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |
| <input type="checkbox"/> County DD Program Managers | |

Message:

DMAP will post the following announcement and distribute it via eSubscribe to [MCO Announcements](#) and [OHP Provider Announcements](#) subscribers.

It tells OHP fully capitated health plans and Oregon hospitals about Oct. 1, 2011, reimbursement changes and a reporting requirement mandated by Senate Bill 101.

If you have any questions about this information, contact:

Contact(s):	Katrina Gonzales, DMAP Delivery Systems		
Phone:	503-945-6919	Fax:	503-947-5221
E-mail:	katrina.m.gonzales@state.or.us		



Oregon Health Plan Electronic Memorandum

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Salem, OR, 97301
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FAX: 503-373-7689
TTY: 711
www.oregon.gov/OHA/healthplan

Date: November 30, 2011
To: FCHPs and hospitals
From: Jon Pelkey, DMAP Quality Improvement and Medical Section
Re: DMAP Implementation of Senate Bill 101

As you may already know, efforts to complete Senate Bill (SB) 101 implementation are underway.

Good faith contracting efforts

SB 101 (2011) required hospitals and fully capitated health plans (FCHPs) to work in good faith toward new contracts effective on or after September 1, 2011. The Oregon Health Authority (OHA) is required to report to the legislature on the progress with these contracts.

FCHPs: Please send us the number of contracted and non-participating hospitals you reimburse

We need to know the number of contracted and non-participating hospitals each FCHP reimburses on and after September 1, 2011, for the legislative report due by February 1, 2012. Please submit this information to Katrina Gonzales (katrina.m.gonzales@state.or.us, fax 503-947-5221) by **Friday, December 16, 2011**.

Updated non-participating provider rates have been filed

SB 101 (2011) also amended ORS 414.743, requiring the non-participating hospital to be reimbursed at a specified percentage of the Medicare cost used by the OHA in calculating the base hospital capitation payment to the FCHP, excluding any supplemental payment.

Effective October 1, 2011, the OHA established the new FCHP capitation rates with the base DRG hospital rate at 68% of Medicare rates. OAR 410-120-1295 has been amended, effective October 1, 2011, to describe the hospital reimbursement rates required to be used by a FCHP for non-participating hospital providers.

What this means for you

There is no change in non-par rate reimbursement for Type A and B hospitals. However, for all other non-participating hospitals, FCHPs must reimburse as follows:

- Pay 64% of Medicare rates if hospital provides more than 10% of the FCHP's admissions and outpatient services, excluding any supplemental payments.
- Pay 66% of Medicare rates if hospital provides less than 10% of the FCHP's admissions and outpatient services, excluding any supplemental payments.

To help you determine the appropriate reimbursement rates for non-participating hospitals, please see the chart on the following page (based on 2011 Hospital Reimbursement Adjustment survey data).

Thank you for your continuing support of the Oregon Health Plan.

