

Donald Ross, Manager
DMAP Policy and Planning Section

Number: DMAP IM 12-073

Authorized Signature

Issue Date: 8/8/2012

Topic: Medical Benefits

Subject: **Provider announcement:** Jan. 1, 2012 DRG hospital outpatient reimbursement methodology update; Starting Aug. 21 - APC for in-State hospitals only

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 AMH, APD, CW, DMAP and SS transmittal lists |
| <input type="checkbox"/> County DD Program Managers | |

Message:

DMAP will post the following letter to the [OHP Provider Announcements](#) and [Managed Care Organization \(MCO\) Announcements](#) Web pages and distribute via eSubscribe.

It explains that:

- We received approval from the federal Centers for Medicare and Medicaid Services (CMS) to change outpatient reimbursement methodology, effective Jan. 1, 2012.
- DMAP’s payment system is now ready to support the Medicare Ambulatory Payment Classification (APC) methodology.
- Beginning Aug. 21, we will apply the APC reimbursement methodology under the Out-patient Prospective Payment System for DRG in-State hospitals only.
- Out-of-state (contiguous and non-contiguous) or non-DRG (Type A/B and Critical Access) hospitals are exempt from this classification and will see no change to reimbursement.
- We will inform providers about reprocessing claims since Jan. 1 (using APC) as soon as we can ensure accuracy.

If you have any questions about this information, contact:

Contact(s):	Angel Wynia, DMAP Hospital Policy Analyst		
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Date: August 8, 2012

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To: DRG in-state hospitals

From: Don Ross, Manager
Policy and Planning Section, DMAP

Subject: Jan. 1 changes to Oregon DRG hospital outpatient reimbursement update

As you know, the Division of Medical Assistance Programs (DMAP) changed its outpatient reimbursement methodology to align with other Oregon Health Authority agencies effective Jan. 1, 2012, pending approval by the federal Centers for Medicare and Medicaid Services (CMS). We received CMS approval and the DMAP payment system is now ready to support claims using the new methodology.

In-state hospitals only

Starting Aug. 21, DMAP's payment system will apply the Medicare Ambulatory Payment Classification (APC) reimbursement methodology under the Outpatient Prospective Payment System for *DRG in-state hospitals only*. Out-of-state (contiguous and non-contiguous) or non-DRG (Type A/B and Critical Access) hospitals are exempt from this classification and will see no change to reimbursement.

DMAP uses three methods to reimburse Oregon DRG hospitals for outpatient services: APC, fee schedule (i.e., clinical lab), and percentage of billed amount. Under the APC methodology DMAP will *not* implement the following Medicare guidelines at this time (*list may not be all inclusive*):

- Outpatient outlier,
- Professional services billed on a professional claim instead of an institutional claim, or
- Discounting for a second or subsequent occurrence of a significant procedure.

Reprocessing claims

In a previous communication to you, we said we would let you know about reprocessing claims since Jan. 1. We are working out the details to ensure accuracy using APC methodology and will have more information for you soon. Thank you for your patience.

Questions?

If you have questions about this announcement, please contact Angel Wynia, DMAP Hospital Program Policy Analyst at 503-945-5754 or via email angel.wynia@state.or.us.