

## Oregon Medicaid CCO Reimbursement to Indian Health Care Providers

Effective 1/1/2024, the Oregon Health Authority is expanding the requirement of Coordinated Care Organizations (CCOs) to reimburse Indian Health Care Providers (IHCPs) for Oregon Health Plan services at the provider's clinic-specific encounter rate. The Oregon Health Authority (OHA) will provide technical assistance to CCOs and IHCPs to assist in resolving policy questions related to this requirement. Technical assistance will be provided by OHA's Health Systems Division in coordination with CCO Tribal Liaisons and each IHCP.

### Changes from 2023 contract requirements to 2024 contract requirements

- Beginning 1/1/2024 - in contracts between CCOs and IHCPs, CCOs must offer IHCPs the encounter rate for all patients (both AI/AN and non-AI/AN), for services that would be eligible at the encounter rate if billed fee for service.
- For CCOs and IHCPs without a contract, the 1/1/2023 policy remains unchanged.

### Indian Health Care Providers (IHCPs)

IHCPs include three provider types:

- Indian Health Service (IHS) facilities
- Tribal 638 Health clinics
- The Urban Indian Health Program

There are two IHS facilities, twelve Tribal 638 clinics, and one Urban Indian Health Program enrolled with the Oregon Health Plan. These providers are collectively referred to as IHCPs.

### IHCP Encounter Rates

For OHP Fee for Service patients, each IHCP is reimbursed according to a clinic-specific encounter rate, rather than according to a service-specific fee schedule rate. Effective 1/1/2023, CCOs will also reimburse IHCPs according to this clinic-specific encounter rate.

There are two types of encounter rates:

- The Indian Health Service Memorandum of Understanding (IHS MOU) Rate. This rate is published each year in the [Federal Register](#) by the Indian Health Service. For dates of service in 2023, this rate is \$654. The IHS MOU Rate is the same (\$654) for all IHCPs that use this rate.
  - The two IHS facilities, and eleven of the Tribal 638 clinics, use the IHS MOU Rate.
- The Prospective Payment System (PPS) Rate. This is a clinic-specific, cost-based rate, calculated according to each clinic's reported costs and volume of patient encounters.
  - One Tribal 638 Clinic, and the Urban Indian Health Program, use a clinic-specific PPS rate.

## Services Eligible for Encounter Rate Reimbursement

IHCPs will be reimbursed by CCOs at the encounter rate that they would receive if they had billed the same service to OHP directly as Fee for Service. Most outpatient ambulatory services are reimbursed at the encounter rate.

OHA maintains a list of services excluded from encounter rate reimbursement. This list is called the PPS Exclusion List and can be located [here](#). This list is updated periodically. Codes not included on this list are reimbursed at the encounter rate. (The PPS Exclusion list applies equally for clinics using the IHS MOU rate.)

IHS and Tribal 638 clinics are eligible to receive payment at the encounter rate for up to five billed services per patient, per date of service. Additional services billed beyond the five encounter daily limit pay \$0.

Non-Medicaid services are not eligible for reimbursement at the PPS or IHS MOU encounter rate.

Inpatient and Residential Substance Use Disorder (SUD) treatment services are not eligible for reimbursement at the PPS or IHS MOU encounter rate.

Telehealth services are eligible for reimbursement at the PPS or IHS MOU encounter rate in accordance with Oregon Administrative Rules [410-146-0085](#) and [410-147-0120](#).

## Pharmacy

The two IHS facilities, and five of the Tribal 638 clinics, are eligible for pharmacy reimbursement at the IHS MOU rate. This rate is only applicable for American Indian/Alaska Native patients, and only for outpatient covered drugs. Reimbursement for outpatient covered drugs at the IHS MOU rate is not subject to the five encounter daily limit. Durable Medical Equipment (DME) is not eligible for reimbursement at the IHS MOU rate. This rate is only applicable to AI/AN patients, whether or not the CCO is contracted with the IHCP. The Urban Indian Health Program is not eligible for this rate.

## Alternative Payment Arrangements

CCOs and IHCPs may mutually agree upon alternative payment arrangements.

## Annual Rate Updates

PPS rates are adjusted each year by the Medicare Economic Index (MEI). CMS typically publishes the annual MEI adjustment in November for December, effective January 1<sup>st</sup> of the following year.

The IHS MOU Rate is usually published in April of each year, retroactive to dates of service beginning January 1<sup>st</sup> of the year.

Please contact Jason Stienen, Tribal Policy & Program Analyst at [jason.stienen@dhsosha.state.or.us](mailto:jason.stienen@dhsosha.state.or.us) for Policy questions.

## Frequently Asked Questions

- Q. Where are the PPS rates published?
- A. Please contact Jason Stiener, Tribal Policy & Program Analyst at [jason.stiener@dhsosha.state.or.us](mailto:jason.stiener@dhsosha.state.or.us) to request this information.
- Q. What is the data source CCOs should use to determine whether the member receiving services at a non-contracted IHCP is AI/AN for claims payment purposes?
- A. American Indian or Alaska Native OHP members are identified with the HNA indicator in the MMIS system. Please note that this is different and distinct from any data located in the race/ethnicity field. Only the HNA value “Y” identifies an individual as AI/AN under this policy.
- Q. For encounters beyond the 5 per day allowed for reimbursement, would additional encounters paid at \$0 need to generate an NOABD letter to the member and the provider?
- A. No.
- Q. How does this policy apply for Medicare Dual Eligible members or members with other coverage?
- A. This policy requires CCOs to reimburse out of network IHCPs at the (IHS or PPS) encounter rate the IHCP would receive if the patient were enrolled with OHP fee for service. Services for Medicare Dual Eligible members and members with other coverage, that are not reimbursed fee for service at the encounter rate, are not subject to this policy.
- Q. For AI/AN members with dental or mental health coverage only, but who may have also had physical health encounters during the same day, how do IHCPs and CCOs determine which 5 encounters are paid by other coverage vs. CCO coverage?
- A. IHCPs may not bill for more than the reimbursement specified in this policy. Payments received in excess of the limits described in this policy will be considered overpayments.