

## Public notice

### Notice of intent – OHA will amend the Medicaid State Plan to reimburse two drug therapies for sickle cell disease at Actual Acquisition Cost.

**Date:** July 29, 2025

**Contact:** Jesse Anderson, State Plan manager

**Comments due:** 5 p.m. Friday, Aug. 22, 2025

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Oregon Health Authority (OHA) intends to submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS). The amendment will exclude Casgevy™ and Lyfgenia™ sickle cell gene therapies from bundled Diagnosis-Related Group (DRG) reimbursement. Instead, OHA will reimburse DRG hospitals for these drugs based upon the Actual Acquisition Cost. This change supports Oregon's participation in the CMS [Cell and Gene Therapy Access Model](#).

OHA estimates the annual Federal Funds cost for this change to be \$6,629,040.

#### Obtaining SPA language

The next pages show edits to existing State Plan language in the proposed SPA. You can also view the full State Plan, approved SPAs and proposed SPAs on [the OHA website](#).

#### How to comment:

OHA welcomes public review and input. Please send written comments by 5 p.m. Friday, Aug. 22, 2025, to [jesse.anderson@oha.oregon.gov](mailto:jesse.anderson@oha.oregon.gov).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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DRG Exempt Services:

LARC:

long-acting reversible contraceptive (LARC) devices are excluded from the Inpatient hospital DRG Reimbursement System. The insertion and devices will be reimbursed as outlined on Attachment 4.19-B #2.a, Outpatient hospital services section.

Gene Therapy Drug:

Selected sickle cell disease gene therapy drugs are excluded from the Inpatient hospital DRG Reimbursement System. Reimbursement will be based upon the Actual Acquisition Cost.

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2.a. OUTPATIENT HOSPITAL SERVICES (Cont)

D. Non-state government owned hospitals:

Payments will be limited to the total available non-state government owned hospital upper payment limit gap calculated in the following section. The distribution of payments will be determined by first calculating a percentage as follows: one quarter of the upper payment limit gap divided by the total non-state government owned DRG hospital outpatient Medicaid fee-for-service payments from the quarter preceding the month of payment. This percentage will then be applied to each non-state government owned DRG hospital's outpatient Medicaid fee-for-service payments from the quarter preceding the month of payment to determine the individual non-state government owned DRG hospital outpatient supplemental payments. This process will be repeated, and payments will be made quarterly.

E. Out-of-State hospitals:

Out-of-state contiguous and non-contiguous hospitals are reimbursed at an APC methodology as outlined in 2.a.(2), for outpatient services except for clinical laboratory which are reimbursed at the lesser of billed charges or the OHA fee schedule. There is no cost settlement. The reimbursement for out-of-state contiguous and non-contiguous hospital's will be 80% of Medicare. The Agency will grandfather a reimbursement rate of 50% of the 2024 hospital specific charge master if requested by the hospital. Supporting documentation will be required for this process.

F. Highly specialized out-of-state outpatient hospital services:

Provided by written agreement or contract between OHA and the provider. The rate is negotiated on a provider-by-provider basis and is a discounted rate.

G. Selected Drugs including Gene therapies:

Hospital outpatient selected drug reimbursement including sickle cell disease gene therapy drugs are reimbursement will be based upon the Actual Acquisition Cost (AAC).

Outpatient reimbursement does not exceed applicable Federal upper payment limits.