

## Coordinated Care Organization Reimbursement to Indian Health Care Providers

For Contract Year (CY) 2026, the Oregon Health Authority (OHA) is continuing to support a policy for Coordinated Care Organizations (CCOs) to reimburse Indian Health Care Providers (IHCPs) for Oregon Health Plan (OHP) services at the IHCP's clinic-specific encounter rate. This guidance highlights information about this policy specifically and about IHCP payments generally. Refer to the applicable CCO contract, CCO rules, and program rules for details. Capitalized terms not defined in this guidance have the meanings assigned to them in the CCO contracts.

**This guidance applies only to CCOs' Medicaid and OHP Bridge-Basic Health Program (BHP) Contracts.** However, the IHCP encounter rate payment requirements are not identical in these contracts. This guidance must be applied based on each contract's requirements.

**This guidance does not apply to CCOs' Non-Medicaid Contracts**, which cover most Healthier Oregon Program (HOP) benefits, the Veterans Dental Program, and the COFA Dental Program. CCOs' payments to IHCPs under the Non-Medicaid Contract are not differentiated from their payments to other providers. However, benefits for HOP pregnant and postpartum Members are paid under the Medicaid Contract and are therefore subject to this guidance.

OHA will provide technical assistance to CCOs and IHCPs to assist in resolving policy questions. Please contact Jason Stienen, Tribal Policy & Program Analyst, at [jason.stienen@oha.oregon.gov](mailto:jason.stienen@oha.oregon.gov) for policy questions. Technical assistance will be provided by OHA's Medicaid Division in coordination with CCO Tribal Liaisons and each IHCP.

### 1. Summary of IHCP Payment Rate Requirements

#### ***Medicaid Contract***

- The CCO must offer a contract to pay the IHCP at its clinic-specific encounter rate for all CCO Members served by the IHCP – both American Indian/Alaska Native (AI/AN) and non-AI/AN – for services that would be eligible for payment by OHA at the encounter rate if billed fee for service (FFS). Any resulting contract must pay the IHCP

at either the encounter rate or other mutually agreed rate, which can include Alternative Payment Methodologies. Refer to Exh. B, Pt. 4, Sec. 7, Para. a (1) and Exh. B, Pt. 8, Sec. 5, Para. g (1) in the contract.

- The CCO must pay a non-contracted IHCP for services to AI/AN Members and for Family Planning Services and HIV/AIDS prevention services to all CCO Members served by the IHCP as described in the CCO contract at Exh. B, Pt. 8, Sec. 5, Para. g (2 & 3). For all other services, a non-contracted IHCP accepts OHA's [fee schedule](#) (not encounter rates) as payment in full by the CCO, consistent with OAR [410-120-1295\(2\)](#).

### ***OHP Bridge-BHP Contract***

- The CCO must pay the IHCP no less than its clinic-specific encounter rate for all CCO Members served by the IHCP – both AI/AN and non-AI/AN – for all services that would be eligible for payment by OHA at the encounter rate if billed FFS for a Medicaid enrollee. For all other services, an IHCP accepts OHA's [fee schedule](#) (not encounter rates) as payment in full by the CCO, consistent with OAR [410-120-1295\(2\)](#). These requirements apply regardless of whether the IHCP has a contract with the CCO. Refer to Exh. B, Pt. 8, Sec. 5, Para. g in the contract.

## **2. Types of 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 Health clinics, and one Urban Indian Health Program enrolled with OHP. These providers are collectively referred to as IHCPs.

## **3. IHCP Encounter Rates**

There are two types of encounter rates:

- *Indian Health Service (IHS) Memorandum of Understanding Rate.* The IHS rate is published each year in the [Federal Register](#) by the Indian Health Service. For dates of service in [2026](#), the rate is \$826. The rate is the same for all IHCPs that use this rate.
  - Two IHS facilities and eleven Tribal 638 Health clinics use the IHS rate.

- *Prospective Payment System (PPS) Rate.* The PPS rate is a clinic-specific, cost-based rate calculated according to each clinic's reported costs and volume of patient encounters.
  - One Tribal 638 Health clinic and the Urban Indian Health Program use a clinic-specific PPS rate.

#### 4. Services Eligible for Encounter Rate Reimbursement

Most outpatient ambulatory services provided by IHCPs are eligible for reimbursement at the encounter rate. These services include:

- Telehealth services, in accordance with OARs [410-146-0085](#) and [410-147-0120](#).
- [Traditional Health Worker](#) (THW) services when provided within the THW's scope of practice and under the supervision of a Licensed Health Care Provider.

IHS facilities and Tribal 638 Health clinics (but not Urban Indian Health Programs) are eligible to receive payment at the encounter rate for each billed service, up to five services per patient, per date of service. Additional encounter rate reimbursable services billed beyond the five encounter daily limit should pay \$0. Consistent with OHA's FFS claims processing, CCOs may require IHCPs to submit separate claims.

OHA maintains a list of services **excluded** from encounter rate reimbursement. This list is called the PPS Exclusion List and can be accessed [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 rate.) For codes included on this list, an IHCP accepts OHA's [fee schedule](#) (not encounter rates) as payment in full.

- For purposes of CCO reimbursement requirements, services billed with procedure code H0020 or an HG modifier are **excluded** from encounter rate reimbursement. IHCPs are required to submit such claims to OHA for payment through the wraparound payment process.

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

**Reminder:** Services provided by IHCPs to CCO Members covered under the Non-Medicaid Contract are not required to be reimbursed at the encounter rate.

## 5. Pharmacy & Durable Medical Equipment

The two IHS facilities and five Tribal 638 Health clinics are eligible for pharmacy reimbursement at the IHS rate. This rate is only applicable for AI/AN Members and only for outpatient covered drugs; the IHS rate applies whether or not the CCO has a contract with the IHCP. Reimbursement for outpatient covered drugs at the IHS rate is not subject to the five encounter daily limit.

Per Oregon's [Medicaid State Plan](#), Durable Medical Equipment (DME) provided through tribal pharmacies is not eligible for reimbursement at the IHS rate.

The Urban Indian Health Program is not eligible for the IHS rate.

Medications with the following therapeutic class codes are **excluded** from IHS encounter rate reimbursement at tribal pharmacies:

M3A	M3B	M4A	R3U	R3V	R3W	R3Y	R3Z
X0A	X1I	X1A	X1F	X1G			

For contracted IHCPs not eligible for pharmacy reimbursement at the IHS rate, then reimbursement for outpatient covered drugs is a matter between the CCO and the IHCP. For non-contracted IHCPs, the IHCP accepts OHA's fee schedule as payment in full by the CCO.

## 6. 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. OHA adjusts the PPS rates for the annual MEI adjustment and then provides the rates to IHCPs and CCOs.

The IHS rate is usually published in April of each year, retroactive to dates of service beginning January 1<sup>st</sup> of the year. CCOs must automatically reprocess claims back to January 1<sup>st</sup> if the IHS rate is published after January 1<sup>st</sup>.

CCO-IHCP agreements must be structured to automatically pay the current IHS or PPS rate for the date of service, if the parties have agreed to pay the IHCP at the encounter rate. The CCO cannot require the IHCP to amend the contract as a condition of applying the annual update to the encounter rate. Refer to Exh. B, Pt. 8, Sec. 5, Para. g in the contracts.

## 7. Additional IHCP Payment Information

CCOs must pay IHCPs promptly, within the same timeframes as their payments to other providers. Refer to Exh. B, Pt. 8, Sec. 5, Paras. e and i in the contracts.

An IHCP has the right under federal law to take legal action if they are not reimbursed consistent with the applicable CCO contract and Applicable Laws. Refer to Exh. C, Sec. 1, Para. c in the contracts.

## 8. Frequently Asked Questions

### ***Where are the PPS rates published?***

Please contact Jason Stienen, Tribal Policy & Program Analyst at [jason.stienen@oha.oregon.gov](mailto:jason.stienen@oha.oregon.gov) to request this information.

### ***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?***

AI/AN individuals 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.

### ***For encounters beyond the 5 per day allowed for reimbursement, would additional encounters paid at \$0 need to generate an NOABD to the Member and the Provider?***

No.

### ***How does this policy apply for Fully Dual Eligible Members or Members with other coverage?***

This policy requires CCOs to reimburse non-contracted IHCPs at the encounter rate the IHCP would receive if the patient were enrolled with OHP FFS. Services for Fully Dual Eligible Members and Members with other coverage, that are not reimbursed FFS at the encounter rate, are not subject to this policy.

### ***For AI/AN Members with dental (CCOF) or behavioral health (CCOE) benefits with the CCO but who may have had physical health encounters on the same day payable by OHA, how does the CCO determine which 5 encounters it should pay vs. which ones should be paid by OHA?***

OHA has advised IHCPs that they cannot be paid more than the reimbursement specified in this policy. Payments received by IHCPs in excess of the limits described in this policy will

be considered overpayments. Claims submitted in excess of the five encounter per day limit should be billed \$0 by the IHCP.

***Where can I find information regarding IHCP impact in capitation rate development and the related risk corridor?***

OHA's Office of Actuarial and Financial Analytics oversees capitation rate development and the IHCP risk corridor. Please contact [actuarial.services@odhsoha.oregon.gov](mailto:actuarial.services@odhsoha.oregon.gov).