

## Oregon Medicaid CCO Reimbursement to Indian Health Care Providers

Effective 1/1/2023, Coordinated Care Organizations (CCOs) will 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.

This policy is not applicable when a CCO has entered into a contract with an IHCP specifying an alternate rate for payment of services.

### 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 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 2022, this rate is \$640. The IHS MOU Rate is the same (\$640) for all IHCPs that use this rate.
  - The two IHS facilities, and eight 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.
  - Four Tribal 638 Clinics, 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 per Oregon Administrative Rules [410-146-0085](#) and [410-147-0120](#).

Further information about services that receive reimbursement at the encounter rate can be located within 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 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.

## **Alternative Payment Arrangements**

CCOs and IHCPs may mutually agree upon alternative payment arrangements. This policy does not apply to those CCOs and IHCPs who have entered into contractual agreements for alternative payment arrangement.

## **Applicability to non-American Indian/Alaska Native (AI/AN) Clients**

Per OAR [410-146-0440\(13\)](#), this policy does not apply to non-AI/AN clients, when the CCO does not have a contract with the IHCP (except for family planning services or HIV/AIDS prevention services).

## **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. When the 2023 IHS MOU Rate is available, OHA will share this information.

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