

Jean Phillips, Deputy Administrator
Division of Medical Assistance Programs

Authorized Signature

Number: DMAP-IM-08-200
Issue Date: 12/29/2008

Topic: Medical Benefits

Subject: Provider Announcement: DME Reimbursement reminder for Jan.1, 2009

Applies to (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |

Message:

DMAP will post the attached letter to DME providers. The letter is a reminder to providers why they will not receive a cost of living adjustment (COLA) increase on January 1, 2009. The funds attributable to a portion of the 2008 and all of the 2009 cost-of-living increases were applied to the savings needed as a result of the funding reduction imposed by the 2007 Legislative Assembly for the 2007/2009 biennium.

If you have any questions about this information, contact:

Contact(s):	Rosanne Harksen, DMAP Policy Analyst		
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December 19, 2008



To: DMAP Providers of Durable Medical Equipment
Prosthetics Orthotics and Supplies (DMEPOS)

From: Jean S. Phillips, Deputy Administrator
Division of Medical Assistance Programs

Subject: Reimbursement for DMEPOS under the Oregon Health Plan

As you may recall, the funds attributable to a portion of the 2008 and all of the 2009 cost-of-living increases were applied to the savings needed as a result of the funding reduction imposed by the 2007 Legislative Assembly for the 2007/2009 biennium. The COLA offset was a component of the alternative reduction plan developed by the industry and DMAP staff. This action eliminates the COLA scheduled for 1/2009.

As most of you are aware, in response legislation, a Medicare DME competitive bidding program that was to have been implemented in July 2008, was delayed 18 months. As a condition of the program delay, all suppliers will sustain a 9.5% Medicare payment reduction in January 2009 for the equipment that would have been subject to the bidding program. DMAP will not implement corresponding DME payment reductions in the Oregon Health Plan for this equipment.

The Department appreciates your continued service to Oregon Health Plan clients and will continue to explore and implement strategies that benefit the industry including identifying and reducing administrative burdens for providers where possible.

If you have any questions, please contact me at (503) 945-6552 or e-mail jean.s.phillips@state.or.us.

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