



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX-43
Seattle, Washington 98121

February 18, 2011

Bruce Goldberg, MD, Director
Division of Human Services
Human Services Building
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1097

RE: Oregon State Plan Amendment 10-017

Dear Dr. Goldberg:

The Centers for Medicare & Medicaid Services (CMS) National Institutional Reimbursement Team (NIRT) recently approved Oregon State Plan Amendment (SPA) 10-017.

Although the NIRT Team has already sent the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, amended page(s), and copy of the approval letter from the NIRT Team for your records. In addition, you will find a copy of a CMS companion letter dated February 15, 2011, which requires specific action from Oregon on or before May 16, 2011.

If you have any questions concerning the Seattle Regional office role in the processing of this state plan amendment, please contact Jan Mertel at (206) 615-2317 or Jan.Mertel@cms.hhs.gov.

Sincerely,

Barbara K. Richards
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

Enclosure

Cc: Judy Mohr Peterson, Administrator, Division of Medical Assistance Programs

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

Bruce Goldberg, MD, Director
Division of Human Services
Human Services Building
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1097

FEB 15 2011

RE: TN 10-17

Dear Secretary Goldberg:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-17. The purpose of this amendment is to update the State plan by disallowing Medicaid reimbursement for the same Hospital Acquired Conditions that are not reimbursed by Medicare.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process, the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A. Based upon your assurances, Medicaid State plan amendment 10-017 is approved effective January 1, 2011. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Joe Fico of the National Institutional Reimbursement Team at (206) 615-2380.

Sincerely,

 Cindy Mann
Director, CMCS

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 10-17	2. STATE Oregon
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Medical Assistance	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE 1/1/11
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT


COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 1903 of the Act	7. FEDERAL BUDGET IMPACT: a. 2011 \$(58,327) b. 2012 \$(77,770)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, page 6	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, page 6

10. SUBJECT OF AMENDMENT: This transmittal is being submitted to implement changes to prevent the payment of health care acquired conditions. These are conditions that would have been reasonably avoided through the application of evidence-based practices.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Division of Medical Assistance Programs Department of Human Services 500 Summer Street NE E-35 Salem, OR 97301 ATTN: Jesse Anderson, State Plan Manager
13. TYPED NAME: Judy Mohr Peterson Bruce Goldberg, MD	
14. TITLE: Administrator, DMAP Director, DHS	
15. DATE SUBMITTED: 8-13-10	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: AUGUST 13 2010	18. DATE APPROVED: FEB 15 2011
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2011	20. SIGNATURE OF REGIONAL OFFICIAL: 
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21. TYPED NAME: Barbara K. Richards	22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program
State: OREGON

METHODS AND STANDARDS FOR PAYMENT OF INPATIENT MEDICAL HOSPITAL
SERVICES

Inpatient hospital rates are not applicable for Hospital-Acquired Conditions (HAC) that are identified as non-payable by Medicare. This policy applies to all Medicaid reimbursement provisions contained in section 4.19-A, including supplemental payments and Medicaid disproportionate share hospital payments.

1. TYPE A AND TYPE B RURAL OREGON HOSPITALS

The definition of Type A and Type B hospitals is contained in ORS 442.470. The responsibility for designating Type A and Type B hospitals was assigned to the Office of Rural Health, Department of Higher Education. Type A and Type B hospitals receive retrospective cost-based reimbursement for all covered inpatient services effective with admissions occurring on or after July 1, 1991.

Costs are derived from the most recent audited Medicare Cost Report and are adjusted to reflect the Medicaid mix of services.

Type A and B hospitals are eligible for disproportionate share reimbursements, but do not receive cost outlier, capital, or medical education payments.

2. HOSPITALS PROVIDING SPECIALIZED INPATIENT SERVICES

Some hospitals provide specific highly specialized inpatient services by arrangement with DMAP. Reimbursement is made according to the terms of a contract between DMAP and the hospital. The rate is negotiated on a provider-by-provider basis and is a rate sufficient to secure necessary services. When the service is provided by an out-of-state hospital, the rate is generally the rate paid by the Medicaid program of the state in which the provider is located. In all instances, the negotiated rate is a discounted rate.

3. FREE-STANDING INPATIENT PSYCHIATRIC FACILITIES (IMDS)

Free-standing inpatient psychiatric facilities (Institutions for Mental Diseases), including Oregon's state-operated psychiatric and training facilities, are reimbursed according to the terms of an agreement between the Division of Addiction and Mental Health (AMH) and the hospital. The reimbursement for a unit of service is sourced from the departmental fee schedule and paid as a daily rate.