



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

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

OCT 29 2010

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

Dear Dr. Goldberg:

This letter is being sent as a companion to the Centers for Medicare & Medicaid Services' (CMS) approval of Oregon State Plan Amendment (SPA) Transmittal Number 10-022. This SPA was submitted to comprehensively detail the coverage and reimbursement for Personal Care Services (PCS) rendered to children in a foster care setting. Based on our review, CMS has identified additional issues that we would like to bring to your attention. We welcome the opportunity to work with you and your staff to discuss options for resolving the concerns outlined below.

The sixth paragraph within Page 1-A of Attachment 4.19-B indicates that the State uses state-wide uniform hourly rates or individually negotiated rates to reimburse for PCS rendered by individual practitioners. It also indicates that agencies which are under contract receive payments which are obtained through negotiation. Please amend Attachment 4.19-B to include information which comprehensively describes the negotiated rates for both agencies under contract and individual practitioners. This information should specify with whom the agencies are under contract and the criteria used to negotiate the dollar amounts of the rates for both agencies and independent practitioners. In addition, this language should describe the limit or ceiling for the negotiated rates, and it should describe situations where an individual practitioner would receive a negotiated rate as opposed to an hourly rate. With respect to the hourly rates, please revise the State plan language to document the last date in which the rates were updated by inserting language similar to the following:

“Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of personal care services. The agency’s rates were set as of (XX/XX/XXXX) and are effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment. All rates, including current and prior rates, are published and maintained on the agency’s website. Specifically, the fee schedule and any annual/periodic adjustments to the fee schedule are published at (website URL).”

If the state-wide uniform hourly rates are detailed within the fee schedule which is referenced at the top of page 1-a, please provide a statement indicating so and forgo insertion of the above language.

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(Please see Section 1902(a) of the Social Security Act and 42 CFR 430.10 for more information.)

Please respond to this letter on or before the 90th day from the date of this letter with a corrective action plan describing how the State will resolve the issues identified above. Failure to respond timely will result in our initiation of the formal compliance process. During the 90 days, we are willing to provide any required technical assistance.

If you have any questions, please contact me, or have your staff contact Bill Vehrs at (503-399-5682) or via email at Bill.Vehrs@cms.hhs.gov.

Sincerely,

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

cc: Judy Mohr Peterson, Administrator