



DIVISION OF MEDICAL ASSISTANCE PROGRAMS

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Date: October 2, 2015

To: Oregon DRG hospitals
Coordinated care organizations (CCOs)
Physical health plans

From: Don Ross, Manager
Operations and Policy Section

Subject: Oregon DRG hospital reimbursement under the Oregon Health Plan

Oregon DRG hospitals are reimbursed as follows for services to Oregon Health Plan (OHP) clients.

Services subject to Ambulatory Payment Classification

All outpatient services follow Medicare Ambulatory Payment Classification under the Outpatient Prospective Payment System.

Services subject to Diagnosis-Related Group (DRG) reimbursement

All inpatient services follow DRG reimbursement.

All inpatient services follow DRG reimbursement. OHA fee-for-service (FFS) reimbursement includes Oregon-unique DRGs. For non-contracted hospitals, CCOs and plans also reimburse using Oregon-unique DRGs.

Why is this happening?

Effective January 1, 2012, Senate Bill 204 (2011 Regular Session) required physical health plans to adopt Medicare payment methodology.

What should you do?

To learn more about outpatient reimbursement, see Oregon Administrative Rule 410-125-0195 (*Outpatient Services In-State DRG Hospitals*) in the [Hospital Services guidelines](#).

To learn more about CCO/plan reimbursement, see OAR 410-141-0420(9)(d) and 410-141-3420(9)(e) (*Billing and Payment*) in the [OHP \(MCO and CCO\) guidelines](#).

Questions?

If you have any questions about this announcement, contact the Provider Services Unit at dmap.providerservices@state.or.us or call 1-800-336-6016. We are available Monday through Friday, anytime between 8 a.m. to 5 p.m. (including lunch hours).

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.