

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

September 19, 2024

Emma Sandoe
Medicaid Director
Oregon Health Authority
500 Summer Street NE, E35
Salem, OR 97301

Dear Director Sandoe,

The Centers for Medicare & Medicaid Services (CMS) is approving the climate-support payment methodology document that the state submitted January 26, 2024, in accordance with special term and condition (STC) 9.14. This document reflects the payment methodologies Oregon will use for providing climate-support devices and the associated Community Care Organization (CCO) administrative payments for operating this Health-Related Social Needs (HRSN) benefit, as authorized by Oregon's section 1115 demonstration project entitled, "Oregon Health Plan (OHP)" (Project No. 11-W-00415/10; 21-W-00073/10).

The state may claim federal financial participation (FFP) for services back to the date of payment, so long as the state conducted adequate state-level public notice consistent with 42 CFR 447.205 prior to using that methodology to pay for HRSN services. The two-year timely claims filing provisions under section 1132 of the Social Security Act and 45 CFR Part 95 continue to apply to all payments and claims under this demonstration. The state must reconcile payments to providers and federal claims to match those rates permitted by the approved payment methodology. This approval is conditioned upon compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

We look forward to our continued partnership on the OHP section 1115 demonstration. If you have any questions, please contact your CMS project officer, Felicia Pailen. Felicia can be reached by email at Felicia.Pailen@cms.hhs.gov.

Sincerely,

9/19/2024

X Andrea J. Casart

Signed by: PIV

Andrea J. Casart
Director
Division of Eligibility and Coverage Demonstrations

Enclosure

cc: Nikki Lemmon, State Monitoring Lead, CMS Medicaid & CHIP Operations Group

**HRSN Devices Fee Schedule:
Climate-Related Supports
Climate Devices Fee Schedule (Version 10, September 9, 2024)**

| Procedure Code | Modifiers | Service Description | Unit | OHA Expected Unit Costs | Rate ^{1,2} |
|--|--|--|----------------|-------------------------|---|
| S5165 - Home modifications; per service | U1 - HRSN Waiver Program V1 - Air conditioner | Medically necessary - Air conditioner, including delivery | Per Item | \$ 680.00 | Actual cost, subject to maximum allowable |
| T2029 - Specialized medical equipment, NOS, waiver | U1 - HRSN Waiver Program | Medically necessary - Air filtration device, including delivery | Per Item | \$ 500.00 | Actual cost, subject to maximum allowable |
| T2028 - Specialized supply, NOS, waiver | U1 - HRSN Waiver Program TS - Follow up service | Medically necessary - Air filter replacement, including delivery | Per Item | \$ 70.00 | Actual cost, subject to maximum allowable |
| S5165 - Home modifications; per service | U1 - HRSN Waiver Program V3 - Generator | Medically necessary - Portable power supply, including delivery | Per Item | \$ 1,590.00 | Actual cost, subject to maximum allowable |
| S5165 - Home modifications; per service | U1 - HRSN Waiver Program V4 - Heater | Medically necessary - Heater, including delivery | Per Item | \$ 290.00 | Actual cost, subject to maximum allowable |
| S5165 - Home modifications; per service | U1 - HRSN Waiver Program V2 - Refrigeration | Medically necessary - Mini refrigerator, including delivery | Per Item | \$ 170.00 | Actual cost, subject to maximum allowable |
| S5165 - Home modifications; per service | U1 - HRSN Waiver Program NU - New Equipment | Medically necessary climate device installation | Per 15 Minutes | \$ 12.50 | \$ 12.50 |
| T1017 - Targeted case management, each 15 minutes | U1 - HRSN Waiver Program UD - Outreach and engagement | Outreach and Engagement by CBO or HRSN provider ³ | Per 15 Minutes | \$ 20.00 | \$ 20.00 |
| N/A | N/A | CCO variable administrative load ⁴ | Per Device | NA | \$ 78.00 |

Footnotes:

1. Rates listed as "Actual cost, subject to maximum allowable" will have an upper payment limit of 150% of the OHA Expected Unit Costs. The 150% factor is to allow for variation in device and shipping costs over time and across geographies.
2. A 2% MCO tax load will be added to all payments included in the fee schedule.
3. Billable Outreach and Engagement services are performed by HRSN Service Providers. This activity is billable for OHP members that are presumed eligible for HRSN services.
4. Must be billed in conjunction with a climate device.

CY24 HRSN CCO Admin Load

Climate Device Admin Summary (Version 4, January 8, 2024)

| CY24 CCO NML Tier | Fixed PMPM |
|------------------------------|-----------------------|
| Tier 1 | \$ 0.12 |
| Tier 2 | \$ 0.26 |
| Tier 3 | \$ 0.53 |

Notes:

- All calculations currently exclude 2.0% MCO Tax.
- Total CCO HRSN admin for climate device services is estimated at \$3.0M inclusive of fixed PMPM plus \$78 variable admin load per device.
- Includes provision for:
 - Case Management, Outreach & Engagement, Screenings
 - CBO/HRSN Provider Network Management
 - Climate Devices Storage Fees
 - Payment and Claims Processing
 - Member Services
 - General Administrative Expenses & Overhead
- Mercer estimates that fixed plus variable HRSN climate device admin funding will allow for approximately 1.1 to 3.9 FTEs (based on Tier) to accommodate: Case Management, Outreach & Engagement, Screenings; CBO/HRSN Provider Network Management; and Member Services functions; plus a 30% to 40% load (based on Tier) in addition to FTE staffing estimates for Climate Devices Storage Fees, Payment and Claims Processing, and General Administrative Expenses & Overhead.
- Fixed PMPM will increase when HRSN Housing and Nutrition services go into effect. Mercer projects future PMPMs will represent a lower percentage of HRSN service costs than those reflected in climate device admin loads.
- Variable admin load will be updated when HRSN Housing and Nutrition services go into effect.