

Table of Contents

State/Territory Name: Oregon

State Plan Amendment (SPA) #: 23-0026

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



Financial Management Group

February 9, 2024

Dana Hittle, Director
Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1079

RE: Oregon State Plan Amendment (SPA) 23-0026

Dear Director Hittle:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0026 effective for services on or after July 1, 2023. The proposed amendment reflects that client related graduate medical education (GME) is not included in the managed care organization (MCO) capitation.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act. We hereby inform you that Medicaid State plan amendment 23-0026 is approved effective July 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Diana Dinh at Diana.Dinh@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 2 6</u>	2. STATE <u>OR</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <u>7/1/23</u>
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5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR Part 412</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>4,036,749</u> b. FFY <u>2024</u> \$ <u>15,344,870</u>
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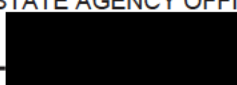
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-A, page 13, 14 and 14a</u>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Attachment 4.19-A, page 13 and 14</u>
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9. SUBJECT OF AMENDMENT
This transmittal is being submitted to reflect that client related GME is not included in the MCO capitation.

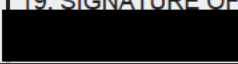
10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Oregon Health Authority Medical Assistance Programs 500 Summer Street NE E-65 Salem, OR 97301 ATTN: Jesse Anderson, State Plan Manager
12. TYPED NAME <u>Vivian Levy</u>	
13. TITLE <u>Medicaid Deputy Director</u>	
14. DATE SUBMITTED <u>9/11/23</u>	

FOR CMS USE ONLY	
16. DATE RECEIVED <u>September 11, 2023</u>	17. DATE APPROVED <u>February 9, 2024</u>

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL <u>July 1, 2023</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>Rory Howe</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, FMG</u>

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

(8) CAPITAL

The capital payment is a reimbursement to in-state hospitals for capital costs associated with the delivery of services to Title XIX, non-Medicare persons. Oregon's Medical Assistance Programs uses the Medicare definition and calculation of capital costs. Effective October 1, 2009, the Division of Medical Assistance Programs will use the current federal fiscal year Medicare reimbursement capital cost per discharge methodology and rate for Oregon Medicaid discharges.

Capital cost per discharge is calculated as follows:

- a. The capital cost reimbursement rate is established as 100% of the published Medicare capital rate for the current federal fiscal year.
- b. The capital cost is added to the Unit Value and paid per discharge. Reimbursement of capital at time of claim payment enhances hospital financial health.

(9) GRADUATE DIRECT MEDICAL EDUCATION (GDME)

The direct medical education payment is a reimbursement to in-state hospitals for direct medical education costs associated with the delivery of services to Title XIX eligible persons. The Medical Assistance Programs uses the Medicare definition and calculation of direct medical education costs. These costs are taken from the Hospital Statement of Reimbursable Cost (Medicare Report). Direct Medical Education is not included in the capitation rates paid to managed care plans under the Oregon Health Plan 1115 Demonstration Project.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

Direct Medical Education cost per discharge is calculated as follows:

The direct medical education cost proportional to the number of Title XIX non-Medicare discharges during the period from July 1, 1986 through June 30, 1987 is divided by the number of Title XIX non-Medicare. This is the Title XIX Direct Medical Education Cost per discharge.

The Title XIX Direct Medical Education cost per discharge for this period is inflated forward to January 1, 1992, using the compounded CMS DRI market basket adjustment.

Direct Medical Education Payment Per Discharge

The number of Title XIX non-Medicare discharges from each hospital for the quarterly period is multiplied by the inflated Title XIX cost per discharge. This determines the current quarter's Direct Medical Education costs. This amount is then multiplied by 85%.

The Direct Medical Education Payment per Discharge will be adjusted at an inflation factor determined by the Department in consideration of inflationary trends, hospital productivity and other relevant factors. All inflationary increases will be submitted through amendments to the State plan.

Payment is made within thirty days of the end of the quarter.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

(10) GRADUATE INDIRECT MEDICAL EDUCATION (GIME)

The indirect medical education payment is a reimbursement made to in-state hospitals for indirect medical education costs associated with the delivery of services to Title XIX non-Medicare clients. Indirect Medical Education is not included in the capitation rates paid to managed care plans under the Oregon Health Plan 1115 Demonstration Project.

Indirect medical education costs are those indirect costs identified by Medicare as resulting from the effect of teaching activity on operating costs.

Indirect medical education payments are made to in-state hospitals determined by Medicare to be eligible for such payments. The indirect medical education factor in use by Medicare for each of these eligible hospitals at the beginning of the State's fiscal year is the Medical Assistance Programs indirect medical education factor. This factor is used for the entire Oregon fiscal year.

The calculation for the Indirect Medical Education Factor is as follows:

$$\begin{array}{rcl} & \text{Total relative weights from claims paid during the quarter} & \\ \text{X} & \text{Indirect Medical Education Factor} & \\ = & \text{Indirect Medical Education Payment} & \end{array}$$

This determines the current quarters Indirect Medical Education payment. Indirect medical education payments are made quarterly to each eligible hospital. Payment for indirect medical education costs will be made within thirty days of the end of the quarter.