75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session **MEASURE: SB 37 A**
STAFF MEASURE SUMMARY

Joint Committee on Ways and Means **Carrier – House: Rep. Jenson**
Carrier – Senate: Sen. Nelson

Revenue: No revenue impact
Fiscal: Fiscal impact statement issued

Action: Do Pass the A-Eng. Bill
Vote: 21 – 0 – 1
House
Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith
Nays:
Exc:
Senate
Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett
Nays:
Exc: Winters
Prepared By: Kim To, Legislative Fiscal Office
Meeting Date: 6/22, 6/23

WHAT THE MEASURE DOES: The bill requires the Department of Human Services to (DHS) ensure that rural health clinics receive full wrap-around reimbursements within 45 days. Under current federal law, the Department reimburses rural health clinics on a quarterly basis for the difference between what they are paid by managed care health services organizations (MCO) and what they would have been paid had the rural clinic been reimbursed directly by the Department in accordance with the Medicaid Prospective Payment System encounter rate. These payments are typically made nine months in arrears of the date of services. This measure would require the Department to reduce this time from 9 months to 45 days for claims billed by rural health clinics on or after May 17, 2011.

ISSUES DISCUSSED:
- Number of clinics; number of claims; impact on workload for DHS.
- Payment process.

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Division of Medical Assistance Programs (DMAP) is required by 42 USC 1396a(bb) to make supplemental payments to rural health clinics at least every four months for services they provide to managed care plan enrollees. The supplemental payments represent the difference, if any, between the payment received by the rural health clinic from the managed care plan, and all other payers, and the payment the clinic would have received through the Division's fee-for-service payment system. Senate Bill 37 requires the division to make those supplemental payments within 45 days of receiving a completed billing form.

Currently, DMAP processes supplemental payments quarterly and up to nine months in arrears. A clinic submits data no earlier than six months from the end of the reported quarter. The time lag is to ensure all other payers have reimbursed the rural health clinics before the division provides the final payment. It also complies with encounter submission requirements in the contracts with managed care plans. DMAP currently provides expedited reimbursements to six federally-qualified health centers and two rural health clinics. The Division provides an interim payment by allowing these providers to submit their claims 60 days after the end of the month. The Division then reimburses the clinics within 30 days.