Reimbursement Policy

Reimbursement Methodologies and All-Inclusive Rates

REIMBURSEMENT POLICY NUMBER: 4

Effective Date: 7/1/2023

Last Review Date: 6/2023

Next Annual Review: 6/2024

INSTRUCTIONS FOR USE: Company reimbursement policies serve as guidance for the administration of plan benefits. Reimbursement policies do no not constitute medical advice nor a guarantee of coverage. Company reimbursement policies are reviewed annually. The Companies reserve the right to determine the application of reimbursement policies and make revisions to reimbursement policies at any time. The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Reimbursement Policy will be resolved in favor of the coverage agreement.

SCOPE AND APPLICATION

Provider Type:

☒ Providence Health Plan Participating Providers

Plan Product:

☒ Commercial
☒ Medicare
☒ Medicaid/Oregon Health Plan (OHP)

POLICY STATEMENT

I. Methods of reimbursement are established through the contracting process upon mutual agreement between Company and the provider.

SCOPE: Providence Health Plan, Providence Health Assurance, and Providence Plan Partners as applicable (referred to individually as "Company" and collectively as "Companies").

II. As a reimbursement methodology, “all-inclusive payment rates” encompass a range of services provided for a particular condition, for a determined length of time, or for a specific level of care.

III. One payment rate is established and covers all services regardless of the number or type of services provided. Exceptions are specifically listed in provider contracts.

POLICY GUIDELINES

DEFINITIONS

Per Diem

A per-day, all-inclusive payment rate. Includes all services provided for one day (24 hours) of care. An example is per-day rates for Skilled Nursing Facility care.

Per Medicare Severity - Diagnostic Related Groupings (MS-DRG)

A per-hospital-admission inclusive payment rate that includes all services from inpatient admission through discharge. Rates vary by classification of MS-DRG. Payment rates are established for each MS-DRG admission.

Per Visit

A per-visit payment rate of certain services provided during a visit or a combination of visits on a given day. Examples include: Emergency Department care; outpatient rehabilitation visits which may include several modalities such as physical therapy, speech therapy, or occupational therapy. These may be combined for a per-visit payment rate.

Per Global Payment/Per Case

Includes services provided for a specific condition, treatment, or procedure. Examples are: Comprehensive payment rate for maternity care; ambulatory surgery center rates; end-stage renal disease (ESRD) payments; radiology services that include supplies necessary to perform the procedure.

Per Global Surgical Package: See Coding Policy 12.

CROSS REFERENCES

Coding Policies

- Global Surgical Package, CP12

The full Company portfolio of current Reimbursement Policies is available online and can be accessed here.

REFERENCES

1. Provider Manual
2. Provider Contracts
3. Centers for Medicare & Medicaid Services (CMS) / Medicare Rules and Regulations

POLICY REVISION HISTORY

Date	Revision Summary
7/2023	New reimbursement policy (previously Coding Policy 2.0, *Reimbursement Methodologies, All-Inclusive Rates*)