

**AGENDA COVER MEMO**

---

**AGENDA DATE:** March 31, 2004

**TO:** BOARD OF COUNTY COMMISSIONERS

**DEPT:** Health & Human Services

**PRESENTED BY:** Rob Rockstroh

**AGENDA TITLE:** In the Matter of Accepting Funding in the Form of Billing Authority from Lane Individual Practice Association for the Federally Qualified Health Clinic

---



**I. MOTION**

TO ACCEPT FUNDING IN THE FORM OF BILLING AUTHORITY FROM LANE INDIVIDUAL PRACTICE ASSOCIATION FOR THE FEDERALLY QUALIFIED HEALTH CLINIC

**II. ISSUE OR PROBLEM**

The Lane County Department of Health & Human Services has negotiated with Lane Individual Practice Association (LIPA) for billing authority for Oregon Health Plan clients served by the Community Health Centers of Lane County (CHC), the County's Federally Qualified Health Clinic. In order to do so, the funding must be accepted and the County Administrator must be delegated authority to sign the agreement.

**III. DISCUSSION**

**A. Background**

On August 26, 2003, the U.S. Department of Health and Human Services announced that Lane County had been awarded grant funding and designated as a federally qualified health center. This project, Community Health Centers of Lane County (CHC) targets area residents whose incomes fall below 200 percent of the Federal Poverty Guidelines; uninsured, underinsured, "working poor"; migrant and seasonal farm workers, resident Latinos needing bilingual care; chronically homeless families with children; emancipated homeless and at-risk youth; Medicare/Medicaid patients who cannot access local primary health care; single mothers with children under 18 years old; and residents of public housing. Some of these clients will be covered by the Oregon Health Plan.

**B. Analysis**

The County is able to bill the Oregon Medical Assistance Program (OMAP) for clients served by the CHC who are enrolled in the Oregon Health Plan (OHP). The

County is reimbursed at a Prospective Payment System (PPS) rate because services are provided through a Federally Qualified Health Clinic. The County's PPS rate is \$228 per encounter. These PPS funds are used to supplement federal funding so that the CHC is able to provide services to non-insured clients as well as OHP and privately insured clients. The actual amount paid by OMAP will be dependent on the service reimbursement rates from LIPA. The total reimbursement per encounter, including reimbursement from LIPA and OMAP, will be \$228.

Per OAR 410-147-0080, Lane County will not receive the PPS rate for eligible OHP clients if arrangements are not made with the managed care organization (MCO) prior to the service being provided. As LIPA is the MCO for physical health, it is in the County's best interest to enter into a contract with LIPA so that we are eligible for the PPS rate for OHP clients seen at the clinic.

The contract with LIPA will be in effect March 1, 2004 through December 31, 2004, with the ability to be renewed for two additional years. The amount of billing for this period is estimated to be over \$50,000, which is why the County Administrator must be delegated authority to sign the agreement. As LIPA is the only MCO for physical health, this is a sole source agreement and no competitive selection is required.

**C. Alternatives / Options**

1. To accept funding, through billing authority, from Lane Individual Practice Association for the period March 1, 2004 through December 31, 2004.
2. Not to accept funding, through billing authority, from Lane Individual Practice Association for the period March 1, 2004 through December 31, 2004. This will prevent Lane County from billing OMAP for the PPS rate for OHP eligible clients.

**D. Recommendation**

To approve number one above.

**IV. IMPLEMENTATION / TIMING**

Upon board approval, the revenue agreement with LIPA for billing authority will be forwarded to the County Administrator for signature.

**V. ATTACHMENT**

Board Order

**THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

RESOLUTION ) IN THE MATTER OF ACCEPTING FUNDING IN THE FORM  
AND ORDER: ) OF BILLING AUTHORITY FROM LANE INDIVIDUAL  
                  ) PRACTICE ASSOCIATION FOR THE FEDERALLY  
                  ) QUALIFIED HEALTH CLINIC

WHEREAS, Lane County through the Department of Health & Human Services, Human Services Commission has been awarded funding for, and been designated as, a Federally Qualified Health Clinic; and

WHEREAS, Lane County is able to be paid a Prospective Payment System (PPS) rate of \$228 per encounter for Oregon Health Plan clients; and

WHEREAS, in order to receive the PPS rate Lane County must have a relationship with the managed care organization responsible for physical health (Lane Individual Practice Association - LIPA); and

WHEREAS, LIPA has agreed to enter into a contractual billing services relationship with Lane County for services provided to Oregon Health Plan clients at the Federally Qualified Health Clinic.

NOW THEREFORE, IT IS HEREBY RESOLVED AND ORDERED that Lane County accept funding as billed to Lane Individual Practice Association for services provided to Oregon Health Plan clients at the Federally Qualified Health Clinic; and

IT IS FUTHER ORDERED the County Administrator be delegated authority to sign an agreement with Lane Individual Practice Association for billing authority for the period March 1, 2004 through December 31, 2004.

DATED this \_\_\_\_\_ day of March 2004.

---

Bobby Green Sr., Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 3/22/04 lane county  
Chaidlaw  
OFFICE OF LEGAL COUNSEL