

This document is the written response to questions and comments related to the public hearing held by the Office of Management and Enterprise Services Employees Group Insurance Department (EGID) on Wednesday, Oct. 28, 2015, for proposed changes to EGID's outpatient facility reimbursement methodology.

EGID thanks all of the hearing attendees and individuals who provided questions and comments.

Written comments and questions

1. The proposed methodology will result in significant decreases in reimbursement.

Answer: The proposed methodology will shift outpatient facility reimbursement from a charge-based approach to a fee schedule approach. This shift will have a larger impact on facilities that have the highest charges. The proposal sought to balance out the impact as much as possible but the ability to do so for facilities with high charges was limited.

2. The proposed methodology will result in reimbursement significantly below the range of reimbursement from other commercial payers in the market.

Answer: EGID's analysis indicates that aggregate reimbursement under the revised proposal will be within close range of market levels.

3. Reductions in inpatient reimbursement were not fully implemented until October, 2015. The full negative impact of these changes cannot be measured by facilities for months to come. The new Select Network initiative will further reduce reimbursement and/or potentially volumes for facilities that choose not to participate. Either scenario presents a negative financial impact for facilities.

Answer: Both the inpatient reimbursement changes and Select Network initiative were designed to align EGID's reimbursement approaches with other Oklahoma commercial payers and industry practices.

4. The cumulative effect of all the inpatient and outpatient changes could potentially harm EGID's network of facilities. Please consider not implementing the proposed reductions in years two and three.

Answer: EGID values and appreciates its partnership with the Network Providers who serve our members. EGID is also committed to serve its members and the State of Oklahoma by providing quality insurance benefits that are competitively priced. EGID plans to implement the outpatient proposal as presented, including the reductions in years two and three. However, EGID will conduct ongoing analyses of all changes and welcomes continued dialogue with providers in the future.