

Organized Health Care Delivery System (OHCDS)

The DDP contractor must operate as an Organized Health Care Delivery System(OHCDS). The term "organized health care delivery system" is a term of art appearing in a federal regulation, 42 C.F.R. ' 447.10(b), concerned with the payment of Medicaid monies to providers of services. In order to be an OHCDS the contractor must provide at least one Medicaid funded health care service to its consumers directly through its own employees. The OHCDS designation allows for the contractor to bill on behalf of individual providers for the payment of Medicaid payable services if the subsumed providers have a contract with the OHCDS providing for the billing arrangement.

DDP contractors of services may subcontract for the delivery of services if the contractor has been designated as an Organized Health Care Delivery System in their DDP contract. In this case, the provider with a DDP contract has the option of reimbursing another waiver service provider at a rate equal to or less than the approved Medicaid rate for the service to be delivered. The provider with the DDP contract is responsible for processing claims, maintenance of documentation, and the verification of the credentials of the subcontracting entity. The provider with the DDP contract is responsible for ensuring the subcontracted service is delivered in accordance with the plan of care, the individual cost plan, and the applicable qualified provider standards for the service. The provider with the DDP contract is responsible for the establishment and maintenance of a "funding and service delivery paper trail," enabling auditors and DDP reviewers to verify the delivery of services in accordance with funding documentation requirements.

Therefore, if a qualified provider wishes to subcontract for services under an OHCDS model, the qualified provider must:

- Be designated an OHCDS in the DDP contract;
- Report all expenses associated with subcontractor payments on the monthly invoices;
- Ensure that the rate for the Medicaid service is paid at a rate equal to or less than the rate established for that service;
- Maintain the documentation verifying the credentials of the subcontracting entity;
- Maintain the funding and service delivery documentation; and

- The subcontract must contain a sign-off clause stating that the subcontractor understands that the subcontractor has the option of becoming a qualified provider and contracting directly with the DDP.

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