**Provider Reimbursement Notice**

**SHOPP Directed Payments**

**OHCA PRN 2023-07**

October 13, 2023

**Dear Hospital Administrators,**

The Supplemental Hospital Offset Payment Program (SHOPP) State Directed Payments (SDP) allocation file has been posted to the website and can be found at [SHOPP Forms and Reports (oklahoma.gov)](https://oklahoma.gov/ohca/providers/types/hospitals/shopp-forms-and-reports.html). The SHOPP SDP program provides supplemental funding to SoonerSelect participating hospitals for inpatient and outpatient covered services. Key elements of the SHOPP SDP:

* **Program Year:** The first program year will span the initial 15-month managed care contract period, April 1, 2024 - June 30, 2025.
* **Classes:** The program is structured to include two provider classes: (1) In-network critical access hospitals and (2) all other in-network eligible hospitals.
* **Funding Pool:** The dollar amount of the funding pool is $1,262,703,035, which is calculated as the difference between (modeled) base managed care payments and 90% of the Average Commercial Rate (ACR) equivalent.
* **Services and Payment Method:** Uniform dollar increase per discharge for inpatient services and Uniform percentage increase for outpatient services.
* **Interim Distribution:** OHCA will direct the managed care organizations to distribute quarterly interim payments to each hospital based on the hospital’s projected Medicaid managed care utilization.
* **Reconciliation:** Payments will be subject to a reconciliation calculation based on actual in-network utilization during the rating period. Payments may be re-allocated across hospitals within each inpatient or outpatient class of providers.

SHOPP Fee-for-service (FFS) supplemental payments for inpatient and outpatient services covered under Oklahoma’s FFS program will be distributed directly by the Oklahoma Health Care Authority (OHCA) and in addition to the SHOPP SDP program payments. SHOPP FFS program payment amounts are expected to be posted in December.

If you have any questions or require additional information, please contact Provider Reimbursement by email at ProvReimb@okhca.org.

Thank you for your continued service to Oklahoma’s SoonerCare members.