April 5, 2012

As a result of 2009 and 2011 statutory changes (Oregon Revised Statutes 441.021 (1) - (4)) hospitals are now required to pay separate fees for complaint investigations performed by the Oregon Health Authority. These fees are in addition to annual licensing fees and only apply to those hospitals that have had complaint investigations. The Division worked closely with the Oregon Association of Hospitals and Health Systems (OAHHS) and other stakeholders to ensure that the additional fees were fair and reasonable. Thus, there are several factors used to determine whether an individual complaint is eligible for fees. Please refer to our Appendix A document for details and examples.

Our records for the calendar year of 2012 shows that eligible complaint related surveys were conducted. Your hospital is being charged a fee for these investigations. We have attach an invoice for processing.

For a summary and detailed explanations of invoicing structure, please refer to Appendix A.

If you have any questions please feel free to contact our office at 971-673-0540.

Sincerely,

Dana Selover MD, MPH
Section Manager

If you need this information in an alternate format, please call our office at (971) 673-0540 or TTY (971) 673-0372.
Appendix A
Complaint Investigation Invoice Summary

As a result of 2009 and 2011 statutory changes [Oregon Revised Statutes 441.021 (1) - (4)] hospitals are now required to pay separate fees for complaint investigations performed by the Oregon Health Authority.

These fees are in addition to annual licensing fees and only apply to those hospitals that have had complaint investigations. The Authority worked closely with the Oregon Association of Hospitals and Health Systems (OAHHS) and other stakeholders to ensure that the additional fees were fair and reasonable. Thus, there are several factors used to determine whether an individual complaint is eligible for fees.

The new charges begin in January 2010, therefore, hospitals will receive two separate invoice letters (for 2010 and for 2011) in this first year of implementation. Please see below for details and examples.

Additional Complaint Investigation Fees:

Under ORS 441.021, Health Care Regulation and Quality Improvement (HCRQI) may charge hospitals, in addition to licensure fees, for the following complaint survey types:

- Complaint investigation survey
- Full-compliance survey
- On-site follow-up survey to verify compliance with a plan of correction
- Off-site follow-up survey to verify compliance with a plan of correction

Specific Exclusions and Limitations for Additional Complaint Investigation Charges:

A. There is a limit to how much HCRQI can charge a hospital for each type of survey.
Maximum amount per survey

<table>
<thead>
<tr>
<th>Survey Type</th>
<th>Maximum Charge per Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint investigation survey</td>
<td>$850.00</td>
</tr>
<tr>
<td>Full-compliance survey</td>
<td>$7520.00</td>
</tr>
<tr>
<td>On-site follow-up survey to verify compliance with a plan of correction</td>
<td>$225.00</td>
</tr>
<tr>
<td>Off-site follow-up survey to verify compliance with a plan of correction</td>
<td>$85.00</td>
</tr>
</tbody>
</table>

B. HCRQI has an **annual budget maximum** that can be collected for all surveys at all hospitals.

Annual Maximum

<table>
<thead>
<tr>
<th>Survey Type</th>
<th>Maximum Amount Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint investigation surveys</td>
<td>$91,000.00</td>
</tr>
<tr>
<td>Full-compliance surveys</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Follow-up surveys</td>
<td>$6,700.00</td>
</tr>
</tbody>
</table>

C. HCRQI cannot charge for surveys that are a result of a **current employee’s complaint**. Former employees are not included in this limitation.

D. For complaint investigation survey types only: There is an **annual maximum amount for each hospital**, depending on hospital size and the hospital’s historical rolling average of number of complaints over a three year period. The limit is the greater of the two numbers. For the purpose of this limitation, please note that a small hospital has less than or equal to 50 beds, and a large hospital has more than 50 beds.

Annual Limit:

Whichever is greater of these 2 factors is used to determine the upper annual limit for any individual licensed hospital:

<table>
<thead>
<tr>
<th>Hospital Size</th>
<th>Limit by Size</th>
<th>Limit by Rolling Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (&lt; or = 50 beds)</td>
<td>2</td>
<td>Average of the previous three years</td>
</tr>
<tr>
<td>Large (&gt; 50 beds)</td>
<td>5</td>
<td>Average of the previous three years</td>
</tr>
</tbody>
</table>
EXAMPLES:

**Ex. 1-Large Hospital**
Hospital A is a large hospital with 56 beds. For their 2010 charges, their 2007, 2008 and 2009 complaint data was averaged, and they had a rolling average of 7 complaints. In 2010, they had 13 complaints. Hospital A will be charged for 7 complaint surveys. Why? The size limit for this hospital is 5, but since their rolling average is 7; they would be charged for 7 complaint surveys (the greater of the two numbers). We cannot charge for all 13 complaints, because of the annual limitation.

**Hospital A (over 50 beds):**
Rolling Average for 2010: 7
Size Limitation: 5
2010 Complaints: 13
Charge amount for complaint investigations: 7

In 2011, they had 3 complaints. The size limitation is still 5, but their rolling average is now 9. The amount of complaints they will be charged for is 3. The annual limitation is only used only when the amount of complaints in a year supersede the rolling average and the size limit.

**Hospital A (over 50 beds):**
Rolling Average for 2011: 9
Size Limitation: 5
2011 Complaints: 3
Charge amount for complaint investigations: 3

**Ex. 2-Large Hospital**
Hospital B is a large hospital with 53 beds. For their 2010 charges, their 2007, 2008 and 2009 complaint data was averaged, and they had a rolling average of 2 complaints. In 2010, they had 10 complaints. Hospital B will be charged for 5 complaint surveys. Why? The rolling average for this hospital is 2, but since their size limitation is 5; they would be charged for 5 complaint surveys (the greater of the two numbers). We cannot charge for all 10 complaints, because of the annual limitation.

**Hospital B (over 50 beds):**
Rolling Average for 2010: 2
Size Limitation: 5
2010 Complaints: 10
In 2011, they had 0 complaints. The size limitation is still 5, but their rolling average is now 8. The amount of complaints they will be charged for is 0. The facility is not charged based on the rolling average or size limitation. If a facility does not have any complaint surveys for a specific calendar year, they will not be charged for complaint surveys.

**Hospital B (over 50 beds):**
Rolling Average for 2011: 8
Size Limitation: 5
2011 Complaints: 0
Charge amount for complaint investigations: 0

**Ex. 3-Small Hospital**
Hospital C is a small hospital with 23 beds. For their 2010 charges, their 2007, 2008 and 2009 complaint data was average and they had a rolling average of 3 complaints. In 2010, they had 4 complaints. Hospital C will be charged for 3 complaints. Why? The size limitation is 2, but their rolling average is 3; they would be charged for 3 complaint surveys (the greater of the two numbers).

**Hospital C (under 50 beds):**
Rolling Average for 2010: 3
Size Limitation: 2
2010 Complaints: 4
Charge amount for complaint investigations: 3

In 2011, they had 3 complaints. Their size limitation is still 2, but their rolling average is now 1. The amount of complaints they will be charged for is 2 (the greater of the two numbers).

**Hospital C (under 50 beds):**
Rolling Average for 2011: 1
Size Limitation: 2
2011 Complaints: 3
Charge amount for complaint investigations: 2

**Exact Language from Oregon Revised Statute 441.021:**

**441.021 Additional fees for investigation and compliance activities.**
(1) In addition to an annual fee, the Oregon Health Authority may charge a hospital a fee for:
(a) Complaint investigation, in an amount not to exceed $850.
(b) Full compliance survey, in an amount not to exceed $7,520.
(c) On-site follow-up survey to verify compliance with a plan of correction, in an amount not to exceed $225.
(d) Off-site follow-up survey to verify compliance with a plan of correction, in an amount not to exceed $85.

(2) During one calendar year, the authority may charge to all hospitals a total amount not to exceed:
(a) $91,000 for complaint investigations.
(b) $15,000 for full compliance surveys.
(c) $6,700 for follow-up surveys.

(3)(a) The authority shall apportion the total amount charged under subsection (2) of this section among hospitals at the end of each calendar year based on the number of complaint investigations, full compliance surveys and follow-up surveys performed at each hospital during the calendar year.
(b) The authority may not include investigations of employee complaints in a hospital’s total number of complaint investigations.
(c) A hospital may not be charged fees in any calendar year under subsection (2) of this section for more complaint investigations than the greater of:
   (A) The rolling average for the hospital for the previous three years; or
   (B) Two complaint investigations for a small hospital and five complaint investigations for a large hospital.
(d) Notwithstanding paragraph (c) of this subsection, the authority may not charge a hospital for a number of complaint investigations that exceeds the number of complaint investigations actually conducted at the hospital during the calendar year.

(4) As used in this section, “full compliance survey” means a survey conducted by the authority following a complaint investigation to determine a hospital’s compliance with the Centers for Medicare and Medicaid Services Conditions of Participation. [2009 c.792 §4b; 2009 c.792 §54; 2011 c.720 §195a]

Please contact our office if you have additional questions:

Oregon Health Authority
Public Health
Health Care Regulation and Quality Improvement
Email: mailbox.hclc@state.or.us
Phone: 971-673-0540