

Table of Contents

State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: OK 23-0029

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

December 19, 2023

Traylor Rains, Director
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

RE: Oklahoma State Plan Amendment (SPA) 23-0029

Dear Director Rains:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0029 effective for services on or after October 1, 2023. The proposed amendment will increase acute rates for freestanding psychiatric hospitals paid on a per diem and restore the 15% rate reduction for Acute II facilities while also increasing the restored rate by 5%.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act. We hereby inform you that Medicaid State plan amendment 23-0029 is approved effective October 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Diana Dinh at Diana.Dinh@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2</u> <u>3</u> — <u>0</u> <u>0</u> <u>2</u> <u>9</u>	2. STATE <u>O</u> <u>K</u>
--	-------------------------------

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act § 1902(a)(30)(A)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ 9,592,050.00
b. FFY 2025 \$ 12,789,400.00

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT


Attachment 4.19-A, Page 6
Attachment 4.19-A, Page 33

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A, Page 6; TN# 19-0035
Attachment 4.19-A, Page 33; TN# 19-0028

9. SUBJECT OF AMENDMENT
Amendment to increase acute rates for freestanding psychiatric hospitals paid on a per diem and to restore the 15% rate reduction for Acute II facilities while also increasing the restored rate by 5%.

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	The governor's office does not review state plan material.
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Traylor Rains

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
09/28/2023

15. RETURN TO
Oklahoma Health Care Authority
Attn: Traylor Rains
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

cc: Kasie McCarty; Heather Cox


FOR CMS USE ONLY

16. DATE RECEIVED
September 28, 2023

17. DATE APPROVED
December 19, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES****III. PAYMENT METHODOLOGY FOR FREESTANDING REHABILITATION AND FREESTANDING PSYCHIATRIC HOSPITALS** *(continued)***C. Updates**

1. The level of care operating and fixed capital per diem rates in effect on December 31, 2006, for psychiatric hospitals will be updated by a factor of 9.76% and 22.9% for rehabilitation hospitals. The rates in effect on December 31, 2007 will be updated by a factor of 3.2%.
2. Effective 05-01-09, Valir Rehab Hospital will be paid at a fixed rate per-diem based on its reported cost per day reported on the 12-31-07 cost report brought forward to the base rate period of Calendar year 2009 by the latest available Global Insight published "2002 Based CMS Hospital Prospective Reimbursement Market Basket" forecasts.
3. The rates will be reviewed annually and any annual updates will not exceed the market basket increase in rehabilitation, psychiatric, and long term care facilities (RPL) market basket index for the current rate year.
4. Effective 04-01-10, the rate in effect as of 03-31-10 will be decreased by 3.25%.
5. Effective 07-01-14, the rate in effect as of 06-30-14 will be decreased by 7.75%.
6. Effective for services provided on or after 01-01-16, the rate in effect as of 12-31-15 will be decreased by 3% for freestanding rehabilitation hospitals only.
7. Effective for services provided on or after 05-01-16, the rate in effect as of 04-30-16 will be decreased by 3% for freestanding psychiatric hospitals only.
8. Effective for services provided on or after 07-01-18, the rate in effect as of 06-30-18 will be increased by 3% for freestanding psychiatric hospitals only.
9. Effective for services provided on or after 10-01-18, the rate in effect as of 09-30-18 will be increased by 3% for freestanding rehabilitation hospitals only.
10. Effective for services provided on or after 10-01-19, the rate in effect as of 09-30-19 will be increased by 5% for freestanding rehabilitation hospitals only.
11. Effective for services provided on or after 10-01-23, the rate in effect as of 09-30-23 will be increased by 11.392% for freestanding psychiatric hospitals only.

IV. PAYMENT METHODOLOGY FOR LONG TERM CARE HOSPITALS SERVING CHILDREN (LTCHs-C)

Effective for services provided on or after July 1, 2012, payment will be made to freestanding long term care hospitals serving children for sub-acute care level of services.

A. Definitions

1. Ancillary Services. Refers to those services that are not considered inpatient routine services. Ancillary services include laboratory, radiology, and prescription drugs. Ancillary services may also include other special items and services for which charges are customarily made in addition to a routine VI service charge.
2. Average Length of Stay. To be determined a long term care hospital, the hospital must have a Medicaid average length of stay of greater than 25 days.
3. Children. For the purpose of this reimbursement rate, children are defined as individuals under the age of 21.
4. Routine Services. Services include but are not limited to: regular room, dietary and nursing services, minor medical and surgical supplies, over-the-counter medications, transportation, and the use and maintenance of equipment and facilities essential to the provision of routine care. Routine services should be patient specific and in accordance with standard medical care.

Revised 10-01-23

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES**

16. Inpatient Psychiatric Services for Individuals under Age 21 (42 CFR 440.160)

The Medicaid Agency may pay the customary charges of the provider but must not pay more than the prevailing charges in the locality for comparable services under comparable circumstances in accordance with 42 CFR 447.325.

16.a. Inpatient Psychiatric Services for Individuals under Age 21

(A) General

Except as otherwise noted in the plan, all Medicaid services furnished to individuals receiving acute level 2 services in private psychiatric hospitals and general hospitals with a psychiatric unit are considered all-inclusive of the service, i.e., all medical services provided to residents of psychiatric hospital and general hospitals with psychiatric units with 17 beds or more should be billed to the psychiatric hospital and general hospitals with psychiatric units.

(B) Payment to State-owned Government Providers

State-owned psychiatric hospitals will be paid an interim rate based on the previous year's cost report (HCFA 2552) data and settled to total allowable costs based on the current year's cost report. Total allowable cost will be determined in accordance with Medicare principles of reimbursement.

(C) Payment to State-licensed, Private Psychiatric Hospitals and General Hospitals with Psychiatric Units

i. Base Rate

A prospective per diem payment is made for covered services based on facility peer group. State licensure requires RN staffing 24 hours per day for hospitals at a ratio of one RN for up to 15 patients. An additional RN must be added for more than 15 patients; however, an LPN may be substituted for 16-20 patients. A second RN is needed for 21 patients and above.

Peer Group	Psychiatric Hospital	Hospital Psychiatric Unit
Standard	\$362.30	\$362.30
Specialty	\$367.42	\$367.42

ii. The following services will not be reimbursed outside of the per diem:

- Dental (excluding orthodontia);
- Vision;
- Prescription Drugs;
- Practitioner Services; and
- Other medically necessary services not otherwise specified.