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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 12-08 NIRT

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Dr. Garth Splinter
State Medicaid Director
Oklahoma Health Care Authority
4545 North Lincoln Blvd., Suite 124
Oklahoma City, Oklahoma 73105
Attention: Cindy Roberts

JUL 19 2012

RE: TN 12-08

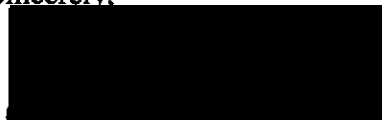
Dear Dr. Splinter:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-08. This amendment proposes changes to the reimbursement methodology for Children's Sub-Acute Long Term Care Hospitals.

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 and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-A. Based upon the assurances provided, Medicaid State plan amendment 12-08 is approved effective July 1, 2012. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,



Cindy Mann
Director
Center for Medicaid and CHIP Services

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 1 2 - 0 8	2. STATE Oklahoma
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2012
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5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

8. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.10, 42 CFR 440.50, 42 CFR 440.60, 42 CFR 440.166	7. FEDERAL BUDGET IMPACT a. FFY <u>2012</u> \$91,445 b. FFY <u>2013</u> \$322,029
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT See Attachment	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) See Attachment
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10. SUBJECT OF AMENDMENT


Children's Sub-Acute Long Term Care Hospital Methodology Change

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material.
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Oklahoma Health Care Authority Attn: Cindy Roberts 4545 N. Lincoln Blvd., Suite 124 Oklahoma City, OK 73105
13. TYPED NAME Mike Fogarty	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED June 29, 2012	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED 29 June, 2012	18. DATE APPROVED JUL 19 2012

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL JUL - 1 2012	20. SIGNATURE OF REGIONAL ADMINISTRATOR 
21. TYPED NAME Bill Brooks	22. TITLE Associate Regional Administrator Division of Medicaid & Children's Health

23. REMARKS

c: Mike Fogarty
Cindy Roberts
Tywanda Cox
Traylor Flains
Rodney Ikard

Attachment Oklahoma SPA 12-08

Box 8.

Attachment 4.19-A, Page 06

Attachment 4.19-A, Page 07

Attachment 4.19-A, Page 08

Box 9.

Same Page, Revised 04-01-10, TN # 10-21

Same Page, Revised 04-01-10, TN # 11-11

Same Page, Revised 05-01-01, TN # 09-06

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 marketbasket increase in rehabilitation, psychiatric and long term care facilities (RPL) marketbasket 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%.

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 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 07-01-12

TN# 12-08 Approval Date JUL 19 2012 Effective Date 07-01-12

Supersedes TN# 10-21

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES

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

A. Definitions (continued)

- 5. Sub-acute Level of Care. Skilled care provided by a long term care hospital to patients with medically complex needs. Patients receiving treatment include: children with complex pulmonary problems; children requiring long term care to improve or maintain their physical condition or prevent deterioration; children who are terminally ill; and children who are experiencing severe developmental disabilities and multi-handicaps.

B. Eligible Providers

To be eligible for reimbursement, a long term care hospital must:

- 1. be Medicare certified and have a current contract on file with the Oklahoma Health Care Authority;
- 2. be designated as a long term care facility by the CMS and be licensed by the Oklahoma State Health Department as a Children's Specialty Hospital.
- 3. be engaged in providing sub-acute nursing and rehabilitative services to children.
- 4. maintain an average daily census of 85% children to remain eligible for reimbursement rate. The census must be based on the entire facility and not a distinct part.

C. Reimbursement

- 1. Base Rate - Effective July 1, 2012, LTCH-C will be paid an Interim rate based on the previous year's cost report (CMS 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.
- 2. Hospital Leave and Therapeutic Leave - LTCH-Cs providing sub-acute routine level of care services will not be eligible for acute hospital leave or therapeutic leave.
- 3. Ancillary Services - May be billed separately to the Oklahoma Medicaid Program, unless reimbursement is available from Medicare or other insurance or benefits programs.

Revised 07-01-12

TN# 12-08 Approval Date JUL 19 2012 Effective Date 07-01-12

Supersedes TN# 11-11

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL SERVICES

V. APPEALS – PER DIEM PAYMENTS

- A. Any hospital wishing to appeal its prospective rate shall submit a written request to the OHCA within 30 days of receipt of the letter notifying the hospital of its level of care rate. This time period may be extended: (i) upon agreement between the OHCA and the hospital or (ii) by the OHCA upon the hospital's submission of a request for an extension of time, within the thirty-day period, showing good cause for the extension.
- B. The request must specify: (i) the nature of the adjustment sought; (ii) the amount of the adjustment sought; and (iii) the reasons or factors that the hospital believes justify an adjustment.
- C. In addition, the request must include an analysis demonstrating the extent to which the hospital is incurring or expects to incur a marginal loss as defined below in providing covered services to Title XIX Medicaid clients.
- D. "Marginal loss" as used in this plan means the amount by which the hospital's marginal cost exceeds the total Title XIX Medicaid reimbursement (excluding any disproportionate share payment adjustments) paid to the hospital for inpatient services. For purposes of this plan, "marginal cost" means a hospital's total variable costs incurred in providing covered inpatient services to Title XIX Medicaid clients. In calculating marginal cost, a hospital shall assume that the ratio of variable costs to total allowable costs is 70%.
- E. The written request for an exception or other rate adjustment must contain the information specified in paragraph V.B. The OHCA will acknowledge receipt of the written request within 30 days after actual receipt. The OHCA may request additional documentation or information from the hospital as may be necessary for the OHCA to render a decision. The OHCA shall make a decision upon the hospital's request for an exception or adjustment within 90 days after receipt of all additional documentation or information requested.

Revised 07-01-12

TN# 12-08 Approval Date JUL 19 2012 Effective Date 07-01-12

Supersedes TN# 09-06