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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 14-26

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Dallas Regional Office  
1301 Young Street, Suite 833  
Dallas, Texas 75202



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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December 22, 2014

Dr. Garth Splinter  
State Medicaid Director  
4345 N. Lincoln  
Oklahoma City, Oklahoma 73105

Our Reference: SPA OK 14-026

Dear Dr. Splinter:

We have reviewed the State's proposed amendment to the Oklahoma State Plan submitted under Transmittal Number OK 14-026, dated September 30, 2014. This state plan amendment requests a rate reduction for eyeglasses and establishes rate methodology for DME that have no Medicare procedure code established.

Based on the information submitted, we have approved the amendment OK 14-026 for incorporation into the official Oklahoma State Plan with an effective date change of July 1, 2014. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Lynn Ward at (214) 767-6327.

Sincerely,

for

  
Bill Brooks  
Associate Regional Administrator

cc: Tywanda Cox  
Joel Nico Gomez

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

1. TRANSMITTAL NUMBER  
**1 4 - 2 6**

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, 2014**

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)

6. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 440.120

7. FEDERAL BUDGET IMPACT  
a. FFY 2014 (847,074)  
b. FFY 2015 (3,247,552)


8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Attachment 4.19-B, Page 10

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Same Page, Revised 01-01-10, TN # 10-02

10. SUBJECT OF AMENDMENT  
  
DME rate reduction and changes to manual pricing.

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  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL  


13. TYPED NAME  
Joel Nico Gomez

14. TITLE  
Chief Executive Officer

15. DATE SUBMITTED  
September 30, 2014

16. RETURN TO  
  
Oklahoma Health Care Authority  
Attn: Cindy Roberts  
4345 N. Lincoln  
Oklahoma City, OK 73105

**FOR REGIONAL OFFICE USE ONLY**

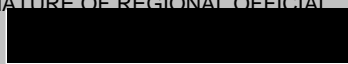
17. DATE RECEIVED  
30-Sep-14

18. DATE APPROVED  
22-Dec-14

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL  
01-Jul-14

21. TYPED NAME  
Bill Brooks

20. SIGNATURE OF REGIONAL OFFICIAL  
 for Bill Brooks

22. TITLE  
Regional Associate Administrator of Medicaid and Children's Health      Division

23. REMARKS  
c: Nico Gomez  
Cindy Roberts  
Tywanda Cox

**METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE**

State: Oklahoma  
Date Received: 9-30-14  
Date Approved: 12-22-14  
Date Effective: 7-1-14  
Transmittal Number: OK-14-26

9. Payment for other services and supplies

(a) Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

- (1) If the item of DMEPOS is covered by Medicare, the Medicaid fee will be equal to or a percentage of the Medicare fee schedule specific to Oklahoma that is available at the time of the fee review, unless there is documentation that the Medicare fee is insufficient for the items covered under the HCPCS code and the item is required by the Medicaid population.
- (2) For items of DMEPOS not paid at the Medicare fee or a percentage of the Medicare fee, the provider will be reimbursed either at a fee determined by the OHCA or through manual pricing. The fee established by OHCA will be determined from cost information for providers or manufacturers, surveys of Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information.
- (3) Manual pricing is reasonable when one HCPCS code covers a broad range of items with a broad range of costs, since a single fee may not be a reasonable fee for all items covered under the HCPCS code, resulting in access-to-care issues. Examples include: 1) HCPCS codes with a description of not otherwise covered, unclassified, or other miscellaneous items; and 2) HCPCS codes covering customized items. Effective October 1, 2014, if manual pricing is used, the provider is reimbursed the documented Manufacturer's Suggested Retail Price (MSRP) less 30% or the provider's documented invoice cost plus 30%, whichever is less.
- (4) Payment for stationary oxygen systems (liquid oxygen systems, gaseous oxygen systems and oxygen concentrators) is based on a continuous rental, i.e., a continuous monthly payment is made as long as it is medically necessary. The rental payment includes all contents and supplies, e.g., regulators, tubing, masks, etc. Portable oxygen systems are considered continuous rental. Separate payment will not be made for maintenance, servicing, delivery, or for the supplier to pickup the equipment when it is no longer necessary. Payment for oxygen and oxygen equipment and supplies will not exceed the Medicare fee for the same HCPCS code. Stationary oxygen system and portable oxygen system rates are reduced by 15 percent for all members residing in nursing facilities (Place of Service 31, skilled nursing facility, & Place of Service 32, nursing facility). For members residing in nursing facilities, oxygen will continue to be reimbursed on a continuous rental basis.
- (5) The current Medicaid fee schedule is effective for services provided on or after 01/01/2010. The fee schedule will be reviewed and changes posted to the Agency's website ([www.okhca.org](http://www.okhca.org)) in relation to the State Fiscal year beginning July 1, 2010, and updated annually.

(b) Eye glasses

Reimbursement for eye glasses will be equal to or a percentage of the Medicare allowed charge, or in the absence of a Medicare allowable, the Agency will establish an allowable. The current f4-ee schedule is effective for services provided on or after 01/01/2010. The fee schedules will be reviewed and changes posted to the Agency's website ([www.okhca.org](http://www.okhca.org)) in relation to the State Fiscal year beginning July 1, 2010, and updated annually.

Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of other services and supplies and the fee schedule and any annual periodic adjustment to the fee schedule are maintained in the Agency database and posted to the Agency's website ([www.okhca.org](http://www.okhca.org)).

Revised 07-01-14

TN # OK 14-26

Approval Date 12-22-14

Effective Date 07-01-14

Supersedes

TN # OK 10-02