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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 16-0009

This file contains the following documents in the order listed:

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CONSORTIUM FOR MEDICAID & CHILDREN'S HEALTH OPERATIONS

DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

June 28, 2016

Our Reference: SPA OK 16-09

Becky Pasternik-Ikard
State Medicaid Director
2401 NW 23rd Street, Suite 1A
Oklahoma City, Oklahoma 73107

Dear Ms. Pasternik-Ikard:

Enclosed is a copy of approved Oklahoma State Plan Amendment (SPA) No. 16-09, with an effective date of January 1, 2016. This amendment was submitted to implement a three percent reduction for Emergency Transportation rates. This resulted in a decrease in provider payments, creating a budget impact of ($278,425) for Federal Fiscal Year (FFY) 2016 and ($647,119) for 2017.

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.

Because the proposed SPA would reduce or restructure provider payment rates, OHCA was also required to demonstrate compliance with 42 CFR 447.204(b)(2) and 42 CFR 447.204(b)(3) by completing an analysis of the effect of the change in payment rates on access and a specific analysis of the information and concerns expressed in input from affected stakeholders. The State must adhere to the public process requirements set forth in 42 CFR 447.204 and establish monitoring plan procedures in compliance with 42 CFR 447.203(b)(6)(ii). To demonstrate compliance with these requirements, the State submitted the following to CMS with the proposed SPA:

a. The State utilized an analysis of multiple data sources that encompassed a comparative rate analysis, assessment of the available provider network, number of members with a paid claim in the past State Fiscal Year and utilization of services over time to determine that access was currently sufficient and access would not be negatively impacted by the proposed rate reduction. The State concluded that the data reflected adequate access to laboratory services across the State.

b. Several stakeholder meetings were conducted in 2015 with providers, advocates, and beneficiaries to engage in discussion regarding the extent of the agency's budget challenges, rate modifications and the reasons for the modifications. OHCA posted the proposed rate cut information on the agency web page for the entire month of December 2015 to advise providers, members, and the public of the pending rate reduction. On December 4, 2015, a public notice of the proposed rate reduction and public hearings appeared in the five major newspapers of the state. The rate reduction was addressed at the meeting of the State Plan Amendment Rate Committee held December 9, 2015, and the meeting of the Board held December 10, 2015. No comments were submitted to the posting on the agency web page and the State has not received complaints from the public regarding this rate reduction in response to any other public notifications.

c. In compliance with the regulations at 42 CFR 447.203(b)(6)(ii), the State has affirmed that all expenditures by provider type will be monitored through the Medicaid Management Information System by the Finance Division. The Finance Division will report any fluctuations in payments on a monthly basis, and if reductions in expenditures/utilization of five percent or more are noted, the State will do further analyses as to the type and location of the reductions and canvass those that do change, so that action may be taken. In addition to monitoring Helpline calls and reported expenditures, the State has implemented a process for immediate notification to the Director of Provider Services if any provider requests to terminate a contract. The Provider Services department is continually making site visits for the purposes of recruitment and education, and will continue making personal contacts with the provider community if a network decrease is noted, and recruit additional providers to ensure that the network is sufficient.

   Additionally, the agency will monitor complaints from recipients and advocates to determine whether an access problem arises in accordance with the regulation at 42 CFR 447.203(b)(6)(ii). If the analyses and reported problems from providers and recipients increase, then the agency will intensify interventions to improve access and assist with each situation on a case-by-case basis, including utilizing the methods described above.

Based on CMS's review of this information, the State has satisfactorily documented access to care consistent with the requirements of 42 CFR 447.204(b)(2) and 42 CFR 447.204b)(3); described the monitoring procedures required at 42 CFR 447.203(b)(6)(ii); and conducted the public process and notice described in 42 CFR 447.204 and 447.205. CMS will be periodically contacting the State to understand how the State's monitoring activities are progressing. CMS reminds the State that for all changes in policies or rates that could potentially affect access to care or quality of care, notifications to providers, consumers, and other stakeholders must specifically list those services and programs affected by those changes. Such public notice issued by the State should follow the guidance as described in the Center for Medicaid & Chip Services Informational Bulletin "Reminder of Federal Requirements: Notice and public process requirements for changes to Medicaid payment rates" issued June 22, 2016.

This letter affirms that OK 16-09 is approved effective January 1, 2016 as requested by the State.

We are enclosing the HCFA-179 and the following amended plan pages.

- Attachment 4.19B, Page 6

If you have any questions regarding this matter you may contact Stacey Shuman at 214-767-6479, or by email at stacey.shuman@cms.hhs.gov.

Sincerely,

for

Bill Brooks
Associate Regional Administrator

CC: Billy Bob Farrell, DMCH Dallas
Stacey Shuman, DMCH Dallas
Jeremy Silanskis, CMS Baltimore
Linda Tavener, CMS Baltimore
Mark Pahl, CMS Baltimore

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

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

1. TRANSMITTAL NUMBER: 16-09

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: January 1, 2016

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 440.170(a)

7. FEDERAL BUDGET IMPACT
a. FFY 2016 ($278,425)
b. FFY 2017 ($647,119)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Page 6

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Attachment 4.19-B, Page 6, TN # 10-19

10. SUBJECT OF AMENDMENT

Three Percent Budget Reduction for Emergency Transportation

11. GOVERNOR'S REVIEW *(Check One)*

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

12. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

13. TYPED NAME
Joel Nico Gomez

14. TITLE
Chief Executive Officer

15. DATE SUBMITTED
January 26, 2016

16. RETURN TO

Oklahoma Health Care Authority
Attn: Tywanda Cox
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
26 January, 2016

18. DATE APPROVED
28 June, 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
1 January, 2016

20. SIGNATURE OF REGIONAL OFFICIAL
[redacted] for

21. TYPED NAME
Bill Brooks

22. TITLE
Associate Regional Administrator, DMCH Dallas

23. REMARKS
c: Nico Gomez
Becky Pasternik-Ikard
Tywanda Cox

FORM CMS-179 (07/92)

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Transportation

Payment is made for the least expensive means of transportation commensurate with the patient's needs. Fee schedule rates are the same for public and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency secure website and/or public website.

Ground Ambulance Transports – Payment will be made for each level of service based on the geographically adjusted Medicare Ambulance Fee Schedule (AFS). All rates are published on the agency's website located at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers. Effective 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%. Rates are based on the urban rate, regardless of the point of pickup (POP). Effective for services provided on or after 01-01-16, the rates in effect as of 12-31-15 will be decreased by 3%.

A. Air Ambulance Transports – Reimbursement for air ambulance service is made based on the Medicare AFS. Payment will not exceed 100% of the Medicare allowable rates.

1. Rotary Wing (RW) - Payment to providers affiliated with Level I Trauma Centers is based on a blend of the urban and rural rates for both the base payment and the mileage rate. The blended ratio is .41/.59 for the POP. The rate for base and mileage for all other RW providers is based on the urban rate, regardless of the POP. All rates are published on the agency's website located at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%. Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

2. Fixed wing (FW) – Payment is calculated using the urban base rate and mileage, regardless of the POP. Effective with claims for dates of service on or after July 1, 2008, reimbursement is made based on the 2008 Medicare AFS. Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

B. Non-Emergency

1. Ground Transportation – All transportation by public carrier or private vehicle is coordinated statewide through the designated SoonerRide transportation broker. The State assures that the broker itself will not be a provider of transportation as prescribed at 42 CFR 440.170(a)(4)(i)((D)(ii)(A).

2. Airline Travel - Prior Authorization is required for commercial airline transportation. The use of airline accommodations may be authorized or approved when the individual's medical condition is such that transportation out-of-state by commercial airline is required. Officials authorizing travel by commercial airline will require the most economical fare be used to the maximum extent possible.

C. Meals and Lodging - The cost of meals and lodging are provided only when necessary in connection with transportation to and from medical care. Payment is made using a per diem fee schedule.

Revised 01-01-16