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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 16-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
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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

July 26, 2016

Our Reference: SPA OK 16-11

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. 16-11, with an effective date of January 1, 2016. This amendment was submitted to implement a three percent reduction for reimbursement to facilities providing services for End Stage Renal Disease. This resulted in a decrease in provider payments, creating a budget impact of (\$48,183) for Federal Fiscal Year (FFY) 2016 and (\$114,142) 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.

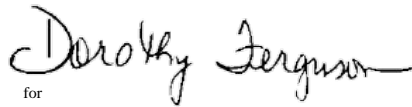
This letter affirms that OK 16-11 is approved effective January 1, 2016 as requested by the State.

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

- o Attachment 4.19B, Page 19

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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 1 6 - 1 1	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 440.120	7. FEDERAL BUDGET IMPACT a. FFY 2016 (\$48,183) b. FFY 2017 (\$114,142)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 19	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.19-B, Page 19, TN# 14-15

10. SUBJECT OF AMENDMENT

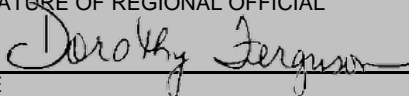
Three percent rate reduction for end stage renal dialysis facilities.

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 	16. RETURN TO Oklahoma Health Care Authority Attn: Tywanda Cox 4345 N. Lincoln Oklahoma City, OK 73105
13. TYPED NAME Joel Nico Gomez	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED February 24, 2016	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED 24 February, 2016	18. DATE APPROVED 26 July, 2016

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL 1 January, 2016	20. SIGNATURE OF REGIONAL OFFICIAL for 
21. TYPED NAME Bill Brooks	22. TITLE Associate Regional Administrator, Division of Medicaid and Children's Health

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**

Renal Dialysis Facilities

Payment is made at the Medicare allowable facility rate. This rate includes all services which Medicare has established as an integral part of the dialysis procedure.

All rates are published on the agency's website, which is www.okhca.org. These fee for service rates are paid uniformly to governmental and non-governmental providers unless otherwise indicated in the Medicaid State plan.

Effective for services provided on or after April 1, 2010, the rates in effect on March 31, 2010 are reduced by 3.25%.

Effective for services provided on or after July 1, 2012, payment is made at the Medicare wage adjusted base rate.

The ESRD PPS is a single payment to ESRD facilities that will cover all the resources used in furnishing an outpatient dialysis treatment; the supplies and equipment that administer dialysis, drugs, biological, lab tests, and training and support services. Separately billable items include: vaccines, telehealth, and blood and blood products.

Effective for services provided on or after July 1, 2014, the rates in effect on June 30, 2014 are reduced by 7.75%.

Effective 01-01-16, the rate in effect as of 12-31-15 will be decreased by 3%.

State: Oklahoma
Date Received: 24 February, 2016
Date Approved: 26 July, 2016
Effective Date: 1 January, 2016
Transmittal Number: 16-11

Revised 01-01-16

TN# 16-11 Approval Date 7/26/16 Effective Date 1/1/16

Supersedes
TN# 14-15