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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 16-0012

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form
3) Approved Page(s)

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 16-12

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. 16-12, with an effective date of January 1, 2016. This amendment was submitted to implement a three percent reduction for reimbursements for Anesthesiologists, Anesthesiologist Assistants, and Certified Registered Nurse Anesthetists. This resulted in a decrease in provider payments, creating a budget impact of ($250,859) for Federal Fiscal Year (FFY) 2016 and ($594,263) 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.

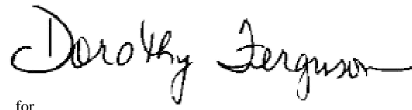
This letter affirms that OK 16-12 is approved effective January 1, 2016 as requested by the State.

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

- Attachment 4.19-B, Page 20
- Attachment 4.19-B, Page 20a

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: 1 6 – 1 2

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 440.50 & 42 CFR 440.60

7. FEDERAL BUDGET IMPACT
   a. FFY 2016 ($250,859)
   b. FFY 2017 ($594,263)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
   Attachment 4.19-B Page 20
   Attachment 4.19-B Page 20a

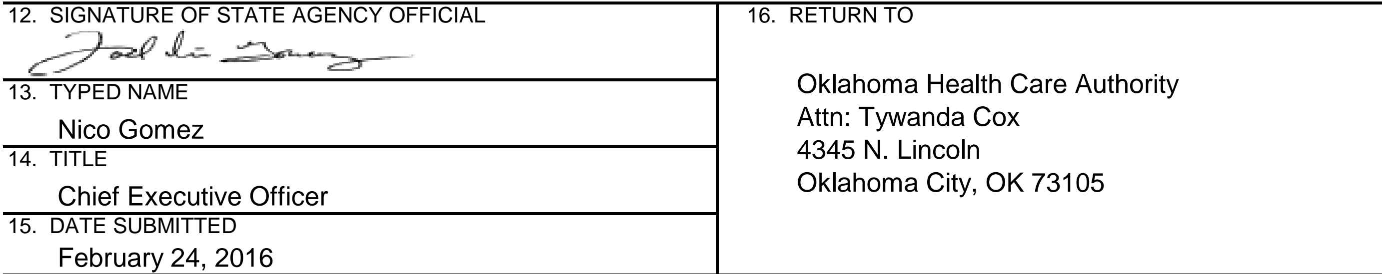
9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
   Attachment 4.19-B Page 20, TN# 14-17
   Attachment 4.19-B Page 20a, TN# 14-17

10. SUBJECT OF AMENDMENT

Three percent rate reduction for anesthesiologists, anesthesiologist assistants, & CRNA

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

13. TYPED NAME: Nico Gomez

14. TITLE: Chief Executive Officer

15. DATE SUBMITTED: February 24, 2016

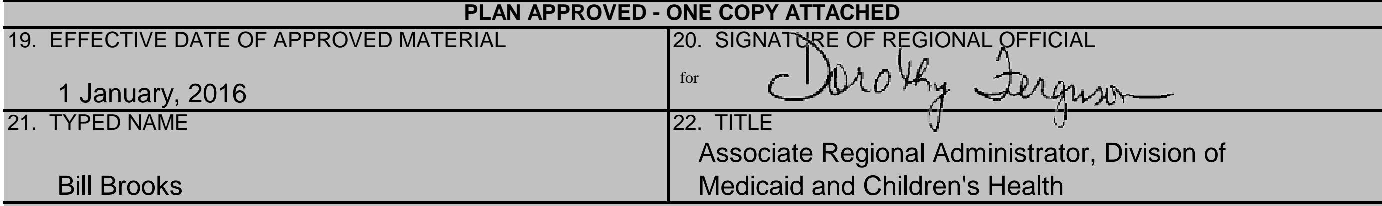
16. RETURN TO
Oklahoma Health Care Authority
Attn: Tywanda Cox
4345 N. Lincoln
Oklahoma City, OK 73105

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 Dorothy Ferguson

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)

State: Oklahoma
Date Received: 24 February, 2016
Date Approved: 26 July, 2016
Effective Date: 1 January, 2016
Transmittal Number: 16-12

Anesthesiologists

The agency's rates were set as of January 1, 2014 and are effective for services on or after that date. All rates are published on the agency's website. Effective January 1, 2014, the anesthesia procedure codes listed in the 2014 CPT Code Book (CPT Codes 00100 through 01966 and 01968 through 01999) are eligible for reimbursement based on a formula involving base units and time units multiplied by a conversion factor approved by the agency's internal rate setting committee. The CPT Codes are subject to published clinical edits and will be updated concurrently with the annual publication of the American Medical Association's CPT Code Book (CPT ® is a registered trademark of the American Medical Association).

Anesthesia CPT Code 01967 will be reimbursed at a maximum reimbursement amount set by agency's internal rate setting committee for one unit of service regardless of the base and time units involved in the procedure. All rates are published on the agency's website located at www.okhca.org.

Anesthesia CPT Code 01996 will be reimbursed at a maximum reimbursement amount based on a formula involving base units and multiplied by the current conversion factor regardless of the time units involved in the procedure.

For services rendered effective January 1, 2008, the base unit values for the anesthesia codes (CPT Codes 00100 through 01966 and 01968 through 01999) were taken from the 2008 American Association of Anesthesiologist (ASA) Relative Value Guide. Additional units are not eligible to be added to the ASA base value for additional difficulty. 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 between 04-01-10 and 12-31-13, the rates in effect on 03-31-10 were decreased by 3.25%.

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

Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

Anesthesia time means the time during which the anesthesia provider (physician or CRNA) providing anesthesia is present (face to face) with the patient. It starts when the anesthesia provider begins to prepare the patient for induction of anesthesia in the operating room or equivalent area and ends when the anesthesia provider is no longer furnishing anesthesia services to the patient. The anesthesia time must be documented in the medical record with begin and end times noted.

Physicians and CRNAs should report a quantity of one (1) for each minute of anesthesia time. For example, if anesthesia time is thirty-seven (37) minutes, the quantity would be reported as 37. The program will convert the actual minutes reported to anesthesia time units. One anesthesia time unit is equivalent to 15 minutes of anesthesia time.

The following formula provides an example of how an anesthesiologist will be reimbursed:

> If the ASA RVU (base) for an anesthesia procedure is 4.00 and the surgery lasts 90 minutes (time = 6 units) with a maximum allowable CF of $39.00 the reimbursement is calculated as follows:

$$(4b+6u) \times \$39.00 = \$390.00$$

Time is reported in "units" where each unit is expressed in 15 minute increments and will be

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Anesthesiologists (continued)

State: Oklahoma
Date Received: 24 February, 2016
Date Approved: 26 July, 2016
Effective Date: 1 January, 2016
Transmittal Number: 16-12

Time (in Minutes)	Unit(s) Billed
1-15	1.0
16-30	2.0
31-45	3.0
46-60	4.0
61-75	5.0
76-90	6.0
91-105	7.0
106-120	8.0
Etc.	

Effective January 1, 2008, Anesthesia Healthcare Common Procedure Coding System (HCPC) modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. The modifiers are as follows:

2014 Published HCPC Modifier	Description	Payment Rate
AA	Anesthesia services performed personally by Anesthesiologist.	100%
AD	Medical supervision by a physician: more than four concurrent anesthesia procedures	Current Flat Rate; no time units
QK	Medical direction of two, three, or four concurrent anesthesia procedures involving qualified individuals	50%
QX	CRNA or AA service: with medical direction by a physician	50%
QY	Anesthesiologist medically directs one CRNA or AA	50%
QZ	CRNA or AA services	80%

Certified Registered Nurse Anesthetists

Modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. Payment is made to Certified Registered Nurse Anesthetists at a rate of 80 percent of the allowable for physicians for anesthesia services without medical direction and at a rate of 50 percent of the allowable when medically directed.

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

Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

Anesthesiologist Assistants

Modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. Payment is made to Anesthesiologist Assistants at a rate of 80 percent of the allowable for physicians for anesthesia services without medical direction and at a rate of 50 percent of the allowable when medically directed.

Effective February 1, 2010, payment will not be made to anesthesiologists, CRNAs or AAs for three national coverage determinations which relate to serious, preventable errors in medical care. These errors include surgery performed on wrong body part, surgery performed on wrong patient, and wrong surgery performed on patient.

Effective for services provided between 04-01-10 and 12-31-13, the rates in effect on 03-31-10 were decreased by 3.25%.

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

Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.