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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 18-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

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 20, 2018

Our Reference: SPA OK 18-0011

Becky Pasternik-Ikard Chief Executive Officer Oklahoma Health Care Authority 4345 N. Lincoln Blvd. Oklahoma City, Oklahoma 73105

Dear Ms. Pasternik-Ikard:

Enclosed is a copy of approved Oklahoma State Plan Amendment (SPA) No. 18-0011, with an effective date of April 1, 2018. This amendment was submitted to amend the state plan allowing the discontinuation of a recovery audit contractor (RAC) for a period of two years from the approved effective date.

This letter affirms that OK 18-0011 is approved effective April 1, 2018 as requested by the State.

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

o Attachment 4.5-A, Pages 1 and 2

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

Sincerely,



Bill Brooks Associate Regional Administrator

CC: Billy Bob Farrell, DMCH Dallas Stacey Shuman, DMCH Dallas Laurie Battaglia, CMS Baltimore Wanda Pigatt-Canty, CMS Baltimore Yolanda Morris, CMS Baltimore

| | 1. TRANSMITTAL NUMBER 2. STATE | |
|---|--|--|
| TRANSMITTAL AND NOTICE OF APPROVAL OF | 1 8 - 1 1 Oklahoma | |
| STATE PLAN MATERIAL | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL | |
| FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | SECURITY ACT (MEDICAID) | |
| | | |
| TO: REGIONAL ADMINISTRATOR | 4. PROPOSED EFFECTIVE DATE | |
| CENTERS FOR MEDICARE & MEDICAID SERVICES | April 1, 2019 | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF PLAN MATERIAL (Check One) | April 1, 2018 | |
| | | |
| NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN X AMENDMENT | | |
| COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment) | | |
| 6. FEDERAL STATUTE/REGULATION CITATION | 7. FEDERAL BUDGET IMPACT | |
| 1902(a)(42)(B) of the SSA | a. FFY <u>2018</u> <u>\$0</u> b. FFY 2019 \$0 | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION | |
| 6. PAGE NUMBER OF THE FLAN SECTION OR ATTACHMENT | OR ATTACHMENT (If Applicable) | |
| | | |
| Attachment 4.5-A, Page 1 | Attachment 4.5-A, Page 1, TN#13-01 | |
| Attachment 4.5-A, Page 2 | Attachment 4.5-A, Page 2, TN#10-37 | |
| | | |
| | | |
| 10. SUBJECT OF AMENDMENT | | |
| | | |
| Discontinuation of the RAC contract | | |
| | | |
| 11. GOVERNOR'S REVIEW (Check One) | | |
| GOVERNOR'S OFFICE REPORTED NO COMMENT | X OTHER, AS SPECIFIED | |
| | The Governor does not review State Plan | |
| ☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | material. | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL | 16. RETURN TO | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL | IO. RETORN TO | |
| ÷ 5 | | |
| 13. TYPED NAME | Oklahoma Health Care Authority | |
| Becky Pasternik-Ikard | Attn: Tywanda Cox | |
| 14. TITLE | 4345 N. Lincoln Blvd Oklahoma City, OK 73105 | |
| Chief Executive Officer | | |
| 15. DATE SUBMITTED | | |
| May 22, 2018 FOR REGIONAL OFF | | |
| | DATE APPROVED | |
| May 22, 2018 | July 20, 2018 | |
| PLAN APPROVED - ONE | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL 20. | SIGNATURE OF REGIONAL OFFICIAL | |
| April 1, 2018 | | |
| April 1, 2018 22. TYPED NAME 22. | TITLE | |
| | Associate Regional Administrator, Division of Medicaid | |
| | and Children's Health (DMCH) | |
| 23. REMARKS | | |
| c: Becky Pasternik-Ikard | | |
| Tywanda Cox | | |
| | | |

FORM CMS-179 (07/92)

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

| Citation | The State has established a program under which it will contract | |
|--|---|--|
| Section 1902(a)(42)(B)(i) of the Social Security Act | with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan. | |
| | <u>X</u> The State is seeking an exception to establishing such program for the following reasons: | |
| State: Oklahoma Date Received: 22 May, 2018 Date Approved: 20 July, 2018 Effective Date: 1 April, 2018 Transmittal Number: 18-11 | The State is seeking to discontinue its RAC program because Oklahoma has robust and effective program integrity procedures in place to combat fraud, waste, and abuse (FWA) for the state's Medicaid program, including: Individual provider – claim analysis reports; Individual provider – prepayment review capabilities; Clinical provider audits – medical record review audits (21 person unit consisting of Registered Nurses, Certified Professional Coders, and a Dental Hygienist); Clinical provider audits with extended capabilities utilizing third party software applications; Behavioral health audits – record review audits (unit consists of Licensed Professional Counselors and Licensed Marital and Family Therapists); Advanced program integrity data analytics proven effective in identifying FWA; Federal Unified Program Integrity Contractor (UPIC). | |
| | The Payment Error Rate Measurement (PERM) program has shown that Oklahoma's Medicaid program error rate has been far less than the national average. The exception will be granted by CMS for a two (2) year period. | |
| Section 1902(a)(42)(B)(ii)(I) of the Act | The State/Medicaid agency will implement contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute. | |
| | Place a check mark to provide assurance of the following: | |
| | The State will make payments to the RAC(s) only from amounts recovered. | |
| Section 1902(a)(42)(B)(ii)(II)(aa) of | a)(42)(B)(ii)(II)(aa) of | |
| the Act | The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee): | |

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

| | The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to |
|--|---|
| Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act | Medicare RACs, as published in the Federal Register. The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate. |
| Section 1902 (a)(42)(B)(ii)(III) of the Act | The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee. |
| Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act | The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee). |
| Section 1902(a)(42)(B)(ii)(IV(bb) of the Act | The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s). |
| Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act | The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan. |
| State: Oklahoma Date Received: 22 May, 2018 Date Approved: 20 July, 2018 Effective Date: 1 April, 2018 Transmittal Number: 18-11 | The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share. Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS |
| | Medicaid Integrity Program. |

Revised 04-01-18