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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 19-0020

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  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

November 20, 2019

Kevin S. Corbett  
Chief Executive Officer  
4345 N. Lincoln Blvd.  
Oklahoma City, Oklahoma 73105

Our Reference: SPA OK 19-0020

Dear Mr. Corbett:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 19-0020. The SPA proposes to reinstate the cost-based reimbursement to a State-owned Psychiatric Residential Treatment Facility (PRTF) rendering inpatient psychiatric services to individuals under the age of twenty-one.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

Based upon the information provided by the State, Medicaid State plan amendment 19-0020 is approved effective July 1, 2019. We are enclosing the Form CMS-179 and the new plan pages.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A black rectangular redaction box covering the signature of Kristin Fan.

A handwritten signature in blue ink, appearing to be "K. Fan".

Kristin Fan  
Director

cc:  
Tia Lyles  
Tamara Sampson

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>1</u> <u>9</u> — <u>0</u> <u>0</u> <u>20</u>	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, 2019
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5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS 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 440.160	7. FEDERAL BUDGET IMPACT a. FFY 2019 \$ 2,860 b. FFY 2020 \$ 3,027
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-A, Page 35 Attachment 4.19-A, Page 36 Attachment 4.19-A, Page 37	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19-A, Page 35; TN # 18-02 Attachment 4.19-A, Page 36; TN # 18-02 Attachment 4.19-A, Page 37; TN # 18-02
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10. SUBJECT OF AMENDMENT

Re-establish cost-based reimbursement to State-owned PRTFs rendering inpatient psychiatric services to individuals under the age of twenty-one (21)

11. GOVERNOR'S REVIEW (Check One)

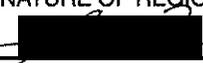
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Oklahoma Health Care Authority Attn: Nicole Nantois 4345 N. Lincoln Blvd. Oklahoma City, OK 73105
13. TYPED NAME Becky Pasternik-Ikard	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED 08/02/2019	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED August 2, 2019	18. DATE APPROVED NOV 20 2019
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL  for
21. TYPED NAME Kristin Fan	22. TITLE Director, FMG

23. REMARKS

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

**16. Inpatient Psychiatric Services for individuals under age 21 (42 CFR 440.160) (continued)**

**16.b. Residential Level of Care in a Psychiatric Residential Treatment Facility (PRTF)**

**(A) Payment to State-owned Government Providers**

State-owned PRTFs will be paid an interim rate based on the previous year's cost report (HCFA 2552) data and settled to total allowable costs determined by usual and customary charges. The agency may pay the customary charges of the provider but must not pay more than the prevailing charges in the locality for comparable services under comparable circumstances in accordance with 42 CFR 447.325.

**(B) Payment to PRTFs with 17 beds or more**

**i. Base Rate.**

A prospective per diem payment is made based on the facility peer group for a comprehensive package of services and room and board which requires 24-hour nursing care supervised by an RN. An RN or LPN must be onsite to meet the ratio of 1:30 during routine waking hours and 1:40 during times residents are asleep.

**ii. The following services will not be reimbursed outside of the base rate:**

- Dental (excluding orthodontia);
- Vision;
- Prescription drugs;
- Practitioner services; and
- Other medically necessary services not otherwise specified.

Refer to paragraph 16.a.(C)iii.(a)-(b) for add-on payment and 16.b.(E). for services provided under arrangement.

The rates listed below are effective as of 05-01-2016 and are equivalent to a 15 percent rate reduction from the rates in effect on 04-30-2016 for private, in-state PRTFs with 17 beds or more.

Facility Peer Group	Base Rate
Special Populations (Developmental Delays, Eating Disorders)	\$340.04
Standard	\$286.08
Extended	\$271.61

**iii. Outlier Intensity Adjustment**

- (A) An outlier payment adjustment may be made on a case by case basis for complex cases. The intent of the outlier payment is to promote access to inpatient psychiatric services for individuals under 21 for those patients who require services beyond the cost of services provided by ITS and Prospective Complexity add-on payments.
- (B) The outlier adjustment may be a short stay outlier adjustment or a high cost outlier adjustment.
- (C) In order to be eligible for the short stay outlier adjustment:
1. The facility must submit an annual cost report in a format prescribed by the agency and request the outlier adjustment only upon the member's discharge; and
  2. The total length of stay must be less than 6 days.
  3. The outlier adjustment will be the lessor of the following:
    - a. 100% of the facility's cost; or
    - b. 120% of the peer group per diem multiplied by the LOS.

Revised 07-01-19

TN# 19-0020

Approval Date NOV 20 2019

Effective Date 7-1-2019

Supersedes TN# 18-02

State: Oklahoma  
 Date Received: August 2, 2019  
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 Transmittal Number: 19-0020

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

**16. Inpatient Psychiatric Services for individuals under age 21 (42 CFR 440.160) (continued)**

**16.b. Residential Level of Care in a PRTF (continued)**

**(B) Payment to PRTFs with 17 beds or more (continued)**

**iv. Outlier Intensity Adjustment (continued)**

(D) In order to be eligible for the high cost outlier adjustment:

1. The facility must submit an annual cost report in a format prescribed by the agency and request the outlier adjustment only upon the member's discharge; and
2. The outlier payment will be made if the facility's total cost of care exceeds 115% of the Medicaid payment.
3. The appropriate outlier amount will be determined by comparing the total cost and 115% of the Medicaid payment for the entire stay, and multiplying the difference by a loss sharing ratio of .20 to the facility and .80 to the state, if the stay is less than or equal to 90 days, and .40 to the facility and .60 to the state for a stay > 90 days.

**(C) Payment to Private, in-state PRTFs with 16 beds or less**

**i. Base Rate**

The rate listed below is effective as of 05-01-2016 and is equivalent to a 15 percent rate reduction from the rate in effect on 04-30-2016 for private, in-state PRTFs with 16 beds or less.

A prospective per diem payment of \$187.42 is made for a comprehensive package of services provided under the direction of a physician, as well as and room and board.

Refer to paragraph 16.a.(C)iii(a)-(b) for add-on payment and 16.b.(E). for services provided under arrangement.

**ii. Physician and Other Ancillary Services**

All other medically necessary services, i.e., EPSDT services, are arranged by the PRTF with 16 beds or less and billed separately. The reimbursement for the EPSDT service does not duplicate billing for inpatient psychiatric services under section 1905(a)(16)(A) of the Act by the PRTF with 16 beds or less or a provider furnishing inpatient psychiatric services under arrangement with the PRTF with 16 beds or less. Payment for the EPSDT service is made in accordance with the applicable State plan payment methodologies and fees. Claiming of such expenditures for federal financial participation (FFP) are in accordance with the CMS-64 form claiming guidance for EPSDT services

**(D) Payment for Out-of-State Services**

Reimbursement for out-of-state placements for individuals under the age of 21 shall be made in the same manner as in-state providers. In the event that comparable services cannot be purchased from an out-of-state provider using Medicaid established rates, a rate may be negotiated that is acceptable to both parties. The rate will generally be the lesser of usual and customary charges or the Medicaid rate in the state in which services are provided. Reimbursement shall not be made for private PRTF services provided in out of state unless the services are medically necessary and are not available within the State and prior authorization has been granted.

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
INPATIENT HOSPITAL SERVICES**

**16. Inpatient psychiatric services for individuals under (42 CFR 440.160) (continued)**

**6.b. Residential Level of Care in a PRTF (continued)**

**(E) Services Provided under Arrangement**

Separate payment may be made directly to individual practitioners or suppliers for services provided under arrangement using existing State plan methodologies and fees. The State assures there is no duplication of payment between the PRTF base rate and the items paid for separately. The State also assures that no duplication of payment will be made for transitioning services to both a community Case Manager provider and a Health Home provider for the same person.

- i. Case Management Transitioning Services** – Transitional case management services are considered to be PRTF services, when services exceed and do not duplicate PRTF discharge planning during the last 30 days of a covered stay. Case management transitioning services to assist children transitioning from a PRTF to a community setting will not duplicate PRTF discharge planning services. Case management transitioning services will be billed by the PRTF as PRTF services and claimed as PRTF services. Payment for Case Management transition services provided under arrangement with the PRTF will be directly reimbursed to a qualified community-based Case Management provider. Payment is made to Outpatient Behavioral Health Agencies with qualified case managers in accordance with the methodology in Attachment 4.19-B, Page 22.
- ii. Health Home Transitioning Services** – Health Home services are considered to be PRTF services, when services exceed and do not duplicate PRTF discharge planning during the last 30 days of a covered stay. Payment for Health Home transitioning services provided under arrangement with the PRTF will be directly reimbursed to the Health Home. Payment is made to certified Health Homes at the Tier 2 Resource Coordination level of care rate, in accordance with the methodology in OK HHA Page 22.
- iii. Evaluation and psychological testing by a licensed Psychologist** - Payment is made in accordance with the methodology in Attachment 4.19-B, Page 8.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of inpatient psychiatric services for individuals under 21. The agency's fee schedule rate was set as of May 1, 2016 and is effective for services provided on or after that date. All rates are published on the Agency's website [www.okhca.org/feeschedules](http://www.okhca.org/feeschedules).

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