

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



Division of Medicaid & Children's Health, Region VI

May 5, 2010

Our Reference: SPA-OK-10-02

Dr. Lynn Mitchell, State Medicaid Director
Oklahoma Health Care Authority
4545 North Lincoln Blvd., Suite 124
Oklahoma City, Oklahoma 73105

Dear Dr. Mitchell:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 10-02. This state plan amendment updates the fee schedule for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) effective on or after January 1, 2010.

In the future, when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's tribal consultation process for that SPA. Pursuant to section 1902 (a) (73) of the Act added by section 5006 (e) of the Recovery and Reinvestment Act of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the SPA. This consultation must include all federally recognized tribes, Indian Health Service and Urban Indian Organizations within the state.

Transmittal Number 10-02 is approved with an effective date of January 1, 2010 as requested. A copy of the HCFA-179, Transmittal No. 10-02 dated February 4, 2010 is enclosed along with the approved plan pages.

If you have any questions, please contact Scott Harper at (214) 767-6564.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <div style="text-align: center;">1 0 - 0 2</div>	2. STATE <div style="text-align: center;">Oklahoma</div>
	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 <div style="text-align: center;">January 1, 2010</div>	
5. TYPE OF PLAN MATERIAL (Check One) <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div>		
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 <u>2010</u> <u>\$483,225</u> b. FFY <u>2011</u> <u>\$644,300</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 10 <i>* Attachment 3.1-A page 5a-2</i>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same Page, Revised 02-01-07, TN # 07-04 <i>Same Page, Revised 02-01-07 TN # 07-04</i>	


10. SUBJECT OF AMENDMENT


Update the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule.

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 	16. RETURN TO Oklahoma Health Care Authority Attn: Cindy Roberts 4545 N. Lincoln Blvd., Suite 124 Oklahoma City, OK 73105
13. TYPED NAME Mike Fogarty	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED February 4, 2010	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED 4 February, 2010	18. DATE APPROVED <div style="text-align: center;">5 May, 2010</div>
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL <div style="text-align: center;">1 January, 2010</div>	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Bill Brooks	22. TITLE Associate Regional Administrator Division of Medicaid & Children's Health
23. REMARKS <div style="display: flex;"> <div style="flex: 1;"> c: Mike Fogarty Cindy Roberts Tywanda Cox Traylor Rains Rodney Ikard </div> <div style="flex: 2; font-style: italic;"> * Pen + Ink Change Made per state's E-mail dated 5-10-10 to add Attachment 3.1-A page 5a-2 </div> </div>	

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

STATE	<u>Oklahoma</u>
DATE REC'D	<u>2-4-10</u>
DATE APPV'D	<u>5-5-10</u>
DATE EFF	<u>1-1-10</u>
DMEPOS 179	<u>10-02</u>

A

9. Payment for other services and supplies(a) Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

- (1) If the item of DMEPOS is covered by Medicare, the Medicaid fee will be equal to or a percentage of the Medicare fee schedule specific to Oklahoma that is available at the time of the fee review, unless there is documentation that the Medicare fee is insufficient for the items covered under the HCPCS code and the item is required by the Medicaid population.
- (2) For items of DMEPOS not paid at the Medicare fee or a percentage of the Medicare fee, the provider will be reimbursed either at a fee determined by the OHCA or through manual pricing. The fee established by OHCA will be determined from cost information for providers or manufacturers, surveys of Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information.
- (3) Manual pricing is reasonable when one HCPCS code covers a broad range of items with a broad range of costs, since a single fee may not be a reasonable fee for all items covered under the HCPCS code, resulting in access-to-care issues. Examples include: 1) HCPCS codes with a description of not otherwise covered, unclassified, or other miscellaneous items; and 2) HCPCS codes covering customized items. If manual pricing is used, the provider is reimbursed the documented Manufacturer's Suggested Retail Price (MSRP) less 20%. For those items that do not have an MSRP, the reimbursement will be based on the provider's documented invoice cost plus 20%.
- (4) Payment for stationary oxygen systems (liquid oxygen systems, gaseous oxygen systems and oxygen concentrators) is based on a continuous rental, i.e., a continuous monthly payment is made as long as it is medically necessary. The rental payment includes all contents and supplies, i.e., regulators, tubing, masks, etc. Portable oxygen systems are considered continuous rental. Separate payment will not be made for maintenance, servicing, delivery, or for the supplier to pickup the equipment when it is no longer necessary. Payment for oxygen and oxygen equipment and supplies will not exceed the Medicare fee for the same HCPCS code. Stationary oxygen system and portable oxygen system rates are reduced by 15 percent for all members residing in nursing facilities (Place of Service 31, skilled nursing facility, & Place of Service 32, nursing facility). For members residing in nursing facilities, oxygen will continue to be reimbursed on a continuous rental basis.
- (5) The current Medicaid fee schedule is effective for services provided on or after 01/01/2010. The fee schedule will be reviewed and changes posted to the Agency's website (www.okhca.org) in relation to the State Fiscal year beginning July 1, 2010, and updated annually.

(b) Eye glasses

Reimbursement for eye glasses will be equal to or a percentage of the Medicare allowed charge, or in the absence of a Medicare allowable, the Agency will establish an allowable. The current fee schedule is effective for services provided on or after 01/01/2010. The fee schedules will be reviewed and changes posted to the Agency's website (www.okhca.org) in relation to the State Fiscal year beginning July 1, 2010, and updated annually.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of other services and supplies and the fee schedule and any annual periodic adjustment to the fee schedule are maintained in the Agency database and posted to the Agency's website (www.okhca.org).

Revised 01-01-10

TN # 10-02
Supersedes
TN # 07-04

Approval Date 5-5-10Effective Date 1-1-10SUPERSEDES: TN- 07-04

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND SERVICES PROVIDED CATEGORICALLY NEEDY**

12.c. Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Durable medical equipment means equipment that can withstand repeated use, i.e., the type of item that can normally be rented and is used to serve a medical purpose, or is not useful to a person in the absence of an illness or injury, and is used in the most appropriate setting, including the home or workplace.

Prosthetics means a replacement, corrective, or supportive device (including repair and replacement parts) worn on or in the body, to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction, or support a weak or deformed portion of the body.

Orthotics means an item used for the correction or prevention of skeletal deformities.

Supplies means an article used in the cure, mitigation, treatment, prevention, or diagnosis of illness. Disposable medical supplies are medical supplies consumed in a single usage. Medical supplies do not include surgical supplies or medical or surgical equipment.

DMEPOS includes and is limited to catheters and catheter accessories, colostomy and urostomy bags and accessories, tracheostomy accessories, nerve stimulators, hyperalimentation and accessories, home dialysis equipment and supplies, oxygen/oxygen concentrator equipment and supplies, respiratory or ventilator equipment and supplies, external breast prosthesis and support accessories, devices inserted during the course of a surgical procedure, custom braces, therapeutic lenses, hospital beds, support surfaces, patient lift devices, external infusion pumps, total parenteral nutrition and supplies, pneumatic compression devices, wheelchairs and/or custom seating systems for wheelchairs, intravenous therapy supplies, and diabetic supplies.

For children, see item 4.b., EPSDT.

STATE <u>Oklahoma</u>	A
DATE REC'D <u>2-4-10</u>	
DATE APPV'D <u>5-5-10</u>	
DATE EFF <u>1-1-10</u>	
HCFA 179 <u>10-02</u>	

SUPERSEDES: TN- 07-04

Revised 01-01-10

TN # 10-02
Supersedes
TN # 07-04

Approval Date 5-5-10

Effective Date 1-1-10

Marks, Marsha L. (CMS/SC)

From: Marks, Marsha L. (CMS/SC)
Sent: Thursday, May 13, 2010 7:53 AM
To: CMS CMSO_508_SPA
Subject: Approval Pkg for OK 10-02
Attachments: Final Approval Pkg for 10-02.pdf

See Attached.

State: Oklahoma

Brief Description: The plan updates the fee schedule for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) The state indicated that the non-Federal share of the payment will be funded through appropriations made to the Medicaid agency and the State otherwise provided acceptable responses to funding questions. **This does not have a direct impact on Indians, Indian health programs or Urban Indian organizations.**

Approval Date: 5 May, 2010

Effective Date : 1 January, 2010

Marsha Marks // Dept of Health & Human Services // Centers for Medicare & Medicaid Services // Dallas Regional Office // Division of Medicaid & Children's Health // Dallas Texas 75202 // 214-767-6280 // Fax 214-767-0322 // marsha.marks@cms.hhs.gov