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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 14-19

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

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

December 22, 2014

Dr. Garth Splinter
State Medicaid Director
4345 N. Lincoln
Oklahoma City, Oklahoma 73105

Our Reference: SPA OK 14-029

Dear Dr. Splinter:

We have reviewed the State's proposed amendment to the Oklahoma State Plan submitted under Transmittal Number OK 14-029, dated September 30, 2014. This state plan amendment requests a rate freeze for Licensed Behavioral Health Professionals (LBHP) and independent psychologists.

Based on the information submitted, we have approved the amendment OK 14-029 for incorporation into the official Oklahoma State Plan with an effective date change of August 13, 2014. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Lynn Ward at (214) 767-6327.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

cc: Tywanda Cox
Joel Nico Gomez

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 1 4 - 1 9	2. STATE Oklahoma
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2014	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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 440.10, 42 CFR 440.50, 42 CFR 440.60, 42 CFR 440.166	7. FEDERAL BUDGET IMPACT a. FFY <u>2014</u> (\$3,522,856) b. FFY <u>2015</u> (\$13,506,088)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 1 Attachment 4.19-B, Page 1a Attachment 4.19-B, Page 1b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Same Page, Revised 04-01-10, TN # 10-22 Same Page, Revised 04-01-10, TN # 10-22 Same Page, Revised 01-15-13, TN # 13-08

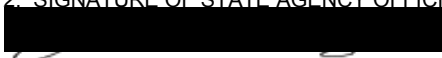
10. SUBJECT OF AMENDMENT

7.75% reduction in reimbursement for Outpatient Hospital Services

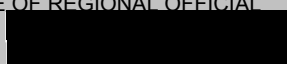
11. GOVERNOR'S REVIEW (*Check One*)

☐ 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 4345 N. Lincoln Oklahoma City, OK 73105
13. TYPED NAME Joel Nico Gomez	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED September 29, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 29-Sep-14	18. DATE APPROVED 12/22/2014
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL 31-Aug-14	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Bill Brooks	22. TITLE Associate Regional Administrator Division of Medicaid & Children's Health

23. REMARKS

c: Joel Nico Gomez
Cindy Roberts
Tywanda Cox

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

I. Outpatient Hospital Reimbursement**General**

The agency's fee schedule rate was set as of December 1, 2008, and is effective for service provided on or after that date. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of outpatient hospital services and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency's website. These provisions apply to all hospitals approved for participation in the Oklahoma SoonerCare program. In no case can reimbursement for outpatient hospital services exceed the upper payment limits as defined under 42 CFR 447.321. Laboratory services will not exceed maximum levels established by Medicare. Clinical diagnostic lab services (not laboratory services) do not exceed the maximum levels.

Effective February 1, 2010, payment for outpatient services will not be made 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 on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

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

A. Emergency Room Services

1. Payment will be made based on Medicare APC groups for Type A and Type B Emergency Departments. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

2. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

3. Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

B. Outpatient Surgery

1. Payment will be made for certain outpatient surgical procedures provided in hospitals and ambulatory surgery centers based on the Medicare Ambulatory Surgery Center (ASC) facility services payment system. The surgical procedures are classified into payment groups based on Current Procedural Terminology (CPT). All procedures within the same payment group are paid at a single payment rate. For purposes of specifying the services covered by the facility rate, the OHCA hereby adopts and incorporates herein by reference the Medicare ASC procedures. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

Revised 07-01-14

TN# OK 14-19 Approval Date 12/22/2014 Effective Date ~~7/1/2014~~ 8/31/14
Supersedes
TN # OK_10-22_and 13-08

State: Oklahoma
Date Received: 09/29/2014
Date Approved: 12/22/2014
Date Effective: 8/31/2014
Transmittal Number: OK-14-19

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

I. Outpatient Hospital Reimbursement (continued)**B. Outpatient Surgery (continued)**

2. Facility fees for surgical procedures not covered as ASC procedures and otherwise covered under Medicaid will be reimbursed according to a state-specific fee schedule based on APC pricing. Bilateral or multiple procedures performed in one day will be subject to discounting. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

3. Separate fees for outpatient surgery services are not payable to the hospital if the patient is admitted to the same hospital within 72 hours.

4. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

5. Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

C. Dialysis Services

1. Dialysis visits will be reimbursed at the provider's Medicare composite rate for dialysis services determined by Medicare under 42 CFR 413 subpart H. The facility's composite rate is a comprehensive prospective payment for all modes of facility and home dialysis and constitutes payment for the complete dialysis treatment, except for a physician's professional services, separately billable laboratory services and separately billable drugs.

2. The provider must furnish all of the necessary dialysis services, equipment and supplies. Reimbursement for dialysis services and supplies is further defined in the Medicare Provider Reimbursement Manual, HCFA Pub. 15 (referred to as "Pub. 15"). For purposes of specifying the services covered by the composite rate and the services that are separately billable, the agency hereby adopts and incorporates herein by reference Pub. 15. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

3. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

4. Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

D. Ancillary Services, Imaging and Other Diagnostic Services

Ancillary services, imaging services, and other diagnostic services will be reimbursed on a prospective basis by paying the lower of usual and customary charges or a fee basis.

1. Services such as physical, occupational, and speech therapy services are reimbursable at a flat statewide fee schedule rate. The rate is based on APC group 0600.

2. For each imaging service or procedure, the fee will be the technical component of the Medicare resource-based relative value scale (RBRVS).

3. For each diagnostic service or procedure, the fee will be the technical component of the RBRVS. For those services where there is no technical component under RBRVS, the fee will be 100 percent of the global value.

4. A facility fee will be reimbursed to the hospital for the services listed in D.2-3 in accordance with the methodology described in I.F. below. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

5. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

6. Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

Revised 07-01-14

TN# OK 14-19 Approval Date 12/22/2014 Effective Date 7/1/2014

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8/31/14

TN # OK-10-22 and OK-13-08

State: Oklahoma
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
 OTHER TYPES OF CARE

I. Outpatient Hospital Reimbursement (continued)

E. Therapeutic Services

1. Payment is made for drugs and supplies for outpatient chemotherapy. A separately billable facility fee payment is made for administration based on Medicare APC group 0117. Claims cannot be filed for an observation room, clinic, or ER visits on the same day.
2. For each therapeutic radiology service or procedure, payment will be the technical component of the Medicare RBRVS. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.
3. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.
4. Effective for services provided on or after 07-01-14, the rates in effect on 06-30-14 will be decreased by 7.75%.

F. Clinic Services and Observation/Treatment Room

A fee will be established for clinic visits and certain observation room visits. Reimbursement is limited to one unit per day per patient, per provider. The payment rates are based on APC groups 601 and 0339, respectively. Separate payment will not be made for observation room following outpatient surgery. All rates are published on the agency's website at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

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

G. Hospital-based Community Mental Health Centers (CMHCs) Operated by Units of Government

1. CMHCs will be paid on the basis of cost in accordance with the following methodology: An overall outpatient cost- to- charge ratio (CCR) for each hospital will be calculated using the most recently available cost reports, with data taken from Worksheet C, Part 1. The overall CCR for each hospital will be applied to the Medicaid charges for the state fiscal year to determine the Medicaid costs for the year.
2. The agency's fee schedule rates are set as of July 1, 2006 and in effect for services provided on or after that date. 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.
3. Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%

H Partial Hospitalization Services (PHP)

PHP services are provided in accordance with 42CFR 410.43

Any child 0-20 that is an eligible member and who meets the medical necessity and programmatic criteria for behavioral health services qualifies for PHP. Treatment is time limited and must be offered a minimum of 3 hours per day, 5 days a week. Therapeutically intensive clinical services are limited to 4 billable hours per day. Services are prior authorized for 1-3 months based on medical necessity criteria.

The service must be ordered by a physician, licensed psychologists, physician's assistant or nurse vendor. An initial prior authorization will be required by OHCA or its designated agent. This initial prior authorization will ensure that the level of service is appropriate and concurrent reviews will determine the ongoing medical necessity for the service or the need to move up or down the continuum of services to another level of care.

Revised 07-01-14

TN# OK 14-19 Approval Date 12/22/2014 Effective Date ~~7/1/2014~~ 8/31/14
 Supersedes TN # OK_10-22_and 13-08