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State/Territory Name: Okalhoma

State Plan Amendment (SPA) #: 16-0019

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850


**Financial Management Group**

FEB 10 2017

Ms. Becky Pasternik-Ikard
State Medicaid Director
2401 NW 23rd Street, Suite 1A
Oklahoma City, Oklahoma 73107

RE: Oklahoma 16-19

Dear Ms. Pasternik-Ikard:

Enclosed is a copy of approved Oklahoma State Plan Amendment (SPA) No. 16-19 with an effective date of May 1, 2016. This amendment was submitted to implement a three percent rate reduction for freestanding psychiatric hospital services.

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 (the Act) and the implementing Federal regulations at 42 CFR 447 Subpart C.

Because the proposed SPA would reduce or restructure provider payment rates, Oklahoma is required to provide documentation in support of its determination that the payments are consistent with efficiency, economy and quality of care and sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that these services are available to the general population, as established in Section 1902(a)(30)(A) of the Act and codified in 42 CFR 447.203(b)(6) and 42 CFR 447.204. To demonstrate compliance with these requirements, the state submitted the following to the Centers for Medicare & Medicaid Services (CMS) with the proposed SPA:

1. With respect to the public process requirements at 42 CFR 447.204(a)(2), Oklahoma provided documentation to show that the state considered input from beneficiaries, providers and other affected stakeholders on beneficiary access to the affected services, and the impact of the proposed rate change. Specifically, the state posted a notification of the proposed rate change on the Oklahoma Health Care Authority (OHCA) website on March 29, 2016. A stakeholder meeting was conducted on March 21, 2016 with providers, advocates, and beneficiaries, and a Rates and Standards hearing open to the public regarding the proposed rate change for Freestanding Psychiatric Hospitals was conducted at OHCA on April 25, 2016. Additionally, the proposed rate change was

presented to the OHCA Board of Directors for approval at an open board meeting on April 28, 2016. The state reported it received one comment which was addressed by ensuring that the State would monitor provider contracting and whether any providers were lost as a result of this reduction and whether access to care was affected as a result.

2. With respect to the access review requirements at 42 CFR 447.204(b), Oklahoma relied on an analysis that included an assessment of the available provider network, number of members with a paid claim in the past calendar year, utilization of services over time, and an analysis of the information and concerns expressed through stakeholder input. The state reports it has never had a facility turn away a SoonerCare client due to insufficient rates. The state concluded that the data reflected adequate access to freestanding inpatient psychiatric hospital services.

3. The state established procedures and thresholds to monitor continued access to care after implementation of these rate reductions, consistent with 42 CFR 447.203(b)(6). The Finance Division will report to the Board any fluctuations in payments on a monthly basis. 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 visits freestanding psychiatric hospitals at least annually. Also, the OHCA meets monthly with the Oklahoma Psychiatric Hospital Association. These meetings provide an opportunity for the providers to speak openly about issues.

4. The state also demonstrated that it has ongoing mechanisms for beneficiary and provider input on access to care. The Medicaid agency has two toll-free statewide member telephone numbers which allow beneficiaries to raise access issues as needed and to assist providers with resolution of claims, policy issues, and other concerns. The state monitors calls regarding access to care beneficiaries and advocates to determine if there is an access issue so that the proper interventions can be taken to improve access.

CMS is approving this SPA as the state has reasonably substantiated its conclusion that access for these services is sufficient through a process consistent with the requirements of 42 CFR 447.203 and conducted the public process and notice described in 42 CFR 447.204 and 42 CFR 447.205. Consistent with the aforementioned regulations, the state has committed to monitoring access and CMS will be periodically contacting the state to understand how the state's monitoring activities are progressing. If access deficiencies are identified, the state will submit a corrective action plan within 90 days of identification.

This letter affirms that the Oklahoma Medicaid State plan amendment 16-19 is approved effective May 1, 2016 as requested by the state.

We are enclosing the CMS-179 and the amended plan page.

Attachment 4.19-A, Page 6

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

Sincerely,

[redacted]

Kristin Fan
Director

Enclosures

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: 16-19
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: May 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
Social Security Act § 1902(a)(30)(A)

7. FEDERAL BUDGET IMPACT
a. FFY 2016 ($104,722)
b. FFY 2017 ($209,444)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Page 6

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-A, Page 6, TN# 16-02

10. SUBJECT OF AMENDMENT
Rate Methodology Change for Freestanding Psychiatric Hospitals

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
[redacted]

13. TYPED NAME
Joel Nico Gomez

14. TITLE
Chief Executive Officer

15. DATE SUBMITTED
June 22, 2016

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

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED
22-Jun-16

18. DATE APPROVED
FEB 10 2017

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL
01-May-16

20. SIGNATURE OF REGIONAL OFFICIAL
[redacted]

21. TYPED NAME
Kristin Fan

22. TITLE
Director, FMG

23. REMARKS
c: Nico Gomez
Becky Pasternik-Ikard
Tywanda Cox

FORM CMS-179 (07/92)

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

**III. PAYMENT METHODOLOGY FOR FREESTANDING REHABILITATION, AND FREESTANDING PSYCHIATRIC HOSPITALS** (continued)

C. Updates

1. The level of care operating and fixed capital per diem rates in effect on December 31, 2006, for psychiatric hospitals will be updated by a factor of 9.76% and 22.9% for rehabilitation hospitals. The rates in effect on December 31, 2007 will be updated by a factor of 3.2%.

2. Effective 05-01-09, Valir Rehab Hospital will be paid at a fixed rate per-diem based on its reported cost per day reported on the 12-31-07 cost report brought forward to the base rate period of Calendar year 2009 by the latest available Global Insight published "2002 Based CMS Hospital Prospective Reimbursement Market Basket" forecasts.

3. The rates will be reviewed annually and any annual updates will not exceed the marketbasket increase in rehabilitation, psychiatric, and long term care facilities (RPL) marketbasket index for the current rate year.

4. Effective 04-01-10, the rate in effect as of 03-31-10 will be decreased by 3.25%.

5. Effective 07-01-14, the rate in effect as of 06-30-14 will be decreased by 7.75%.

6. Effective for services provided on or after 01-01-16, the rate in effect as of 12-31-15 will be decreased by 3% for freestanding rehabilitation hospitals only.

7. Effective for services provided on or after 05-01-16, the rate in effect as of 04-30-16 will be decreased by 3% for freestanding psychiatric hospitals only.

**IV. PAYMENT METHODOLOGY FOR LONG TERM CARE HOSPITALS SERVING CHILDREN (LTCHs-C)**

Effective for services provided on or after July 1, 2012, payment will be made to freestanding long term care hospitals serving children for sub-acute care level of services.

A. Definitions

1. Ancillary Services. Refers to those services that are not considered inpatient routine services. Ancillary services include laboratory, radiology, and prescription drugs. Ancillary services may also include other special items and services for which charges are customarily made in addition to a routine VI service charge.

2. Average Length of Stay. To be determined a long term care hospital, the hospital must have a Medicaid average length of stay of greater than 25 days.

3. Children. For the purpose of this reimbursement rate, children are defined as individuals under the age of 21.

4. Routine Services. Services include but are not limited to: regular room, dietary and nursing services, minor medical and surgical supplies, over-the-counter medications, transportation, and the use and maintenance of equipment and facilities essential to the provision of routine care. Routine services should be patient specific and in accordance with standard medical care.

State: Oklahoma
Date Received:
June 22, 2016
Date Approved:
FEB 10 2017
Date Effective:
May 1, 2016
Transmittal
Number: 16-19

Revised 05-01-16