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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 16-0023

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

April 5, 2017

Our Reference: SPA OK 16-23

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

Dear Ms. Pasternik-Ikard:

Enclosed is a copy of approved Oklahoma State Plan Amendment (SPA) No. 16-23, with an effective date of September 1, 2016. This amendment was submitted to implement a rate reduction and change in methodology for the reimbursement of eyeglasses.

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 modifications for eyeglasses on the Oklahoma Health Care Authority (OHCA) website on June 17, 2016. The proposed rate reductions were presented to the State Plan Rate Committee on June 27, 2016. Tribal consultation was held on July 5,

2016, and the proposed changes were presented to the Member Advisory Task Force on August 6, 2016. The state reported it received three written comments throughout the public process, offering alternative solutions to the rate changes. The state made modifications to its initial rate reduction proposal based on input from providers and stakeholders.

2. With respect to the access review requirements at 42 CFR 447.204(b), Oklahoma submitted an analysis of the effect of the change in payment rates on access, and an analysis of the information and concerns expressed through stakeholder input. The state relied on significant provider input, which included communications with providers around the state, in determining the proposed reimbursement approach. Based on the extent of provider input in how rates were modified, the state does not believe that access will be negatively impacted since the implementation of the rate changes.
3. The state established procedures to monitor continued access to care after implementation of these rate reductions, consistent with 42 CFR 447.203(b)(6). The state will use MMIS data to monitor beneficiary utilization of the impacted services against established baseline data and thresholds. OHCA's monitoring will include an analysis of clients receiving eyeglasses as a percentage of total Medicaid eligible clients. Variances of five percent in expenditures or utilization will be considered significant and will prompt follow up and analyses. The state has procedures that require immediate notification to the Director of Provider Services if any provider requests to terminate a contract. The state has not received any such notifications. Additionally, OHCA will provide to CMS a semi-annual summary of its monitoring activities, related to this rate reduction, for a three-year period from approval of the SPA.
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. Additionally, the Provider Services Department is continually making site visits for the purpose of recruitment and education, which allows the state to identify potential access issues and initiate interventions where appropriate.

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.

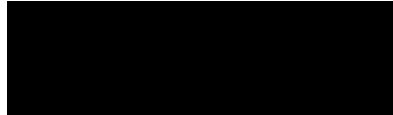
This letter affirms that the Oklahoma Medicaid state plan amendment 16-23 is approved effective September 1, 2016 as requested by the state.

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

- Attachment 4.19-B, Page 10
- Attachment 4.19-B, Page 10.1

If you have any questions regarding this matter you may contact Stacey S. Shuman at (214) 767-6479 or by email at stacey.shuman@cms.hhs.gov

Sincerely,



Bill Brooks
Associate Regional Administrator

Cc: Billy Bob Farrell, DMCH
Jessica Hickey, DMCH
Jeremy Silanskis, CMS Baltimore
Linda Tavener, CMS Baltimore
Mark Pahl, CMS Baltimore

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

1. TRANSMITTAL NUMBER

1 6 - 2 3

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

September 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

42 CFR 440.120

7. FEDERAL BUDGET IMPACT

a. FFY 2016 (\$200,490)

b. FFY 2017 (\$2,364,465)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Page 10
Attachment 4.19-B, Page 10.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)

Attachment 4.19-B, Page 10, TN # 16-10
New Page

10. SUBJECT OF AMENDMENT

Eyeglasses and Materials Rate Restructure

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 Signature]

13. TYPED NAME

Joel Nico Gomez

14. TITLE

Chief Executive Officer

15. DATE SUBMITTED

September 28, 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

29-Sep-16

18. DATE APPROVED

05-Apr-17

PLAN APPROVED - ONE COPY

19. EFFECTIVE DATE OF APPROVED MATERIAL

01-Sep-16

20. SIGNATURE

[Redacted Signature]

21. TYPED NAME

Bill Brooks

22. TITLE

Associate Regional Administrator -- Division of
Medicaid and Children's Health (DMCH)

23. REMARKS

c: Nico Gomez
Becky Pasternik-Ikard
Tywanda Cox

**METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE**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. Effective October 1, 2014, if manual pricing is used, the provider is reimbursed the documented Manufacturer's Suggested Retail Price (MSRP) less 30% or the provider's documented invoice cost plus 30%, whichever is less.
- (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, e.g., 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 01/01/10. 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.
- (6) Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

(b) Eyeglasses

Reimbursement for eyeglasses 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 01/01/10. 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.

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

Effective for services provided on or after 01-01-16, the rates in effect on 12-31-15 will be decreased by 3%.

Revised 07-01-16

TN # 16-0023Approval Date 04/05/17Effective Date 09/01/16Supersedes TN # 16-0010

State: OKLAHOMA
Date Received: 29 SEPTEMBER, 2016
Date Approved: 5 APRIL, 2017
Effective Date: 1 SEPTEMBER, 2016
Transmittal Number: 16-0023

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

9. Payment for other services and supplies (continued)

(b) Eyeglasses (continued)

Effective 09-01-16, reimbursement for eyeglass materials will be set at a flat rate for the frame and the single vision and bifocal vision lenses. All lenses will be made of polycarbonate material except in those instances where polycarbonate materials are not appropriate due to the refraction requirements. Polycarbonate will not be reimbursed separately. Refraction and fitting fee are reimbursed separately. Reimbursement rates can be found on the Agency's website (www.okhca.org). The fee schedules will be reviewed and updated annually; any changes will be posted to the Agency's website (www.okhca.org).

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).

State: OKLAHOMA
Date Received: 29 SEPTEMBER, 2016
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New Page 07-01-16

TN # 16-0023Approval Date 04/05/17Effective Date 09/01/16Supersedes TN # NONE -- NEW PAGE