

January 4, 2021

Melody Anthony Chief State Medicaid Director Oklahoma Health Care Authority 4345 N. Lincoln Blvd Oklahoma City, OK 73105

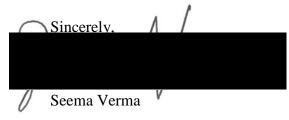
Dear Ms. Anthony:

Your state currently operates at least one Medicaid section 1115 demonstration. These demonstrations have proven to be a cornerstone of state innovation from which new best practices can emerge and next generation program design be fostered. They expresses one of the most critical elements of our commitment to state flexibility and building a state and federal partnership centered on accountability and results.

By their nature, section 1115 demonstrations represent a contract b tween the state and federal government, governed by established terms and conditions and only approved after a determination by the Secretary of the Department of Health and Human Services (HHS) that such a demonstration would advance the objectives of the Medicaid program. In the rare event that CMS makes a determination that it must terminate, amend, or without waiver authority, the standard terms and conditions in each demonstration generally provide for a process in which CMS will notify the state in writing and afford the state an opportunity to inquest a hearing prior to effective date.

Your terms and conditions describe this process at only a high level, without describing the advance notice or the specific timeline in ch such an opportunity to be heard would occur. While a decision to terminate or w idraw waive authority would likely only be made as a last measure, ess over that decision as well as adequate notice to prepare to states have the right to d e pr transition their progr new Rate of authority. That is why I am sending to you today a letter of agreement out dditic details of the process, which CMS commits to applying prior to ing the effective date indment or withdrawal of a demonstration.

By signing the letter or agreement, you are agreeing to abide by this process should CMS in the future take any such relevant action against an existing 1115 demonstration operating in your state. If you would like to commit to adhering to this process, I ask that you return this agreement, signed by the state Medicaid director or appropriate authority, as soon as possible. Please send to me directly or email the signed agreement to <u>1115demorequests@cms.hhs.gov</u>.



Enclosure

## **CENTERS FOR MEDICARE & MEDICAID SERVICES**

## PROCEDURES FOR WITHDRAWING OR MODIFYING A SECTION 1115 DEMONSTRATION

CMS regulations state that each Section 1115 demonstration's Terms and Conditions "will detail any notice and appeal rights for the State for a termination, suspension or withdrawal of waivers or expenditure authorities." 42 CFR § 431.420(d) (3). While the precise language in each demonstration's Terms and Conditions varies slightly, these documents set forth only a general outline of the procedure to apply, for example: "CMS will promptly notify the State in writing of the determination and the reasons for the amendment and withdrawal, together with the effective date, and afford the State an opportunity to request a hearing to challenge cMS determination prior to the effective date." This letter agreement sets forth the procedures that CMS commits to applying prior to the effective date of any amendment or withdrawal of a temporation.

stration in whole or in part If CMS determines that it will either (1) suspend or terminate a d because the State has materially failed to comply with the f th d honstration project, or (2)withdraw waivers or expenditure authorities based on a iding the demonstration project is not likely to achieve the statutory purposes, see 42 CFR §131. 20(d))–(2), CMS will promptly notify the affected State in writing of its determination and the or the suspension, termination, aso amendment, or withdrawal. CMS will also provide an ve date for its determination and a schedule for a hearing to challenge CMS' determina on.

In order to ensure that affected states have adequate notice and opportunity to be heard, CMS shall make the effective date for its determination no sooner than 9 months after the date on which CMS transmits its determination to the affected state. The hearing and associated briefing shall adhere to the following schedule:

- Within 15 days of the date of CMS' determination, the affected State shall provide notice in writing to CMS that it also grees with CMS' determination and plans to invoke its right to a hearing as particle a, reliminary appeal.
- Within 9 days of the date of CMS' determination, the affected State shall submit a written brief to CM, outlining the bases for its disagreement.
- Within 90 days of the date the State submits its written brief, CMS shall send a written response to the affected State responding to the major arguments raised by the State.
- Within 60 days of the date that CMS sends its written response, the State shall submit a written rebuttal responding to the major arguments raised by CMS.
- Within 45 days of the date that the State sends its written rebuttal, CMS shall hold a hearing and provide the State with an opportunity to be heard regarding its disagreement with CMS' determination.
- Following the hearing, CMS shall issue a written decision either modifying or finalizing its initial determination.

The decision resulting from this preliminary appeals process shall be appealable to the Departmental Appeals Board using the procedures at 45 CFR Part 16. *See* Appendix A to 45 CFR Part 16, C. (b). Monetary damages cannot remedy a breach of this preliminary appeals process. Any breach constitutes irreparable harm and final agency action.

The preliminary appeals process set forth above applies to the following demonstrations:

## Institutions for Mental Diseases Waiver for Serious Mental Illness/Substance Use Disorder Oklahoma SoonerCare

