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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 20-0017

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
601 East 12th Street, Suite 355
Kansas City, Missouri 64106-2898



Medicaid and CHIP Operations Group

August 12, 2020

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

Dear Ms. Anthony:

On March 30, 2020, the Centers for Medicare & Medicaid Services (CMS) received Oklahoma State Plan (SPA) No. 20-0017. This SPA was submitted to revise coverage and reimbursement methodology for Durable Medical Equipment (DME), supplies and appliances.

We are pleased to inform you that SPA 20-0017 was approved on July 29, 2020, with an effective date of August 1, 2020, as requested by the state. Enclosed is a copy of the CMS 179 summary form, as well as the approved pages for incorporation into the Oklahoma State Plan.

If you have any questions regarding this matter you may contact Deborah Read (816) 426-5925 or by e-mail at Deborah.read@cms.hhs.gov.

Sincerely,

8/12/2020

A black rectangular redaction box covers the signature of James G. Scott.

James G. Scott, Director
Division of Program Operations

Signed by: James G. Scott -S

Enclosures

cc: Kasie McCarty, Oklahoma Health Care Authority
Megan Buck, Program Branch Manager

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

1. TRANSMITTAL NUMBER

2 0 — 0 0 17

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

August 1, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS 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 § 440.70

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ 431,607

b. FFY 2021 \$ 1,777,943

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Page 23
Attachment 3.1-A, Page 3
Attachment 3.1-A, Page 3a-2
Attachment 3.1-A, Page 3a-3, NEW PAGE
Attachment 3.1-A, Page 5a-2
Attachment 4-19-B, Introduction Page 1

(Continued in Remarks)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Page 23, TN# 03-07
Attachment 3.1-A, Page 3, TN# 92-03
Attachment 3.1-A, Page 3a-2, TN# 05-21
Attachment 3.1-A, Page 3a-3, NEW PAGE
Attachment 3.1-A, Page 5a-2, TN# 10-02
Attachment 4.19-B, Introduction Page 1, TN# 19-0036

(Continued in Remarks)

10. SUBJECT OF AMENDMENT

Update reimbursement methodology for Durable Medical Equipment, Supplies, and Appliances to comply with CURES Act

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

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

13. TYPED NAME

Melody Anthony

14. TITLE

State Medicaid Director

15. DATE SUBMITTED

March 30, 2020

16. RETURN TO

Oklahoma Health Care Authority

Attn: Traylor Rains

4345 N. Lincoln Blvd.

Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

March 30, 2020

18. DATE APPROVED

July 29, 2020

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

August 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

[Redacted Signature]

Digitally signed by James G. Scott -S

Date: 2020.08.12 09:57:54 -05'00'

21. TYPED NAME

James G. Scott

22. TITLE

Director, Division of Program Operations

23. REMARKS

Block 8 continued

Attachment 4.19-B, Page 4
Attachment 4.19-B, Page 4a, NEW PAGE
Attachment 4.19-B, Page 10
Attachment 4.19-B, Page 10.1

Block 9 continued

Attachment 4.19-B, Page 4, TN 18-026
Attachment 4.19-B, Page 4a, NEW PAGE
Attachment 4.19-B, Page 10, TN# 16-0023
Attachment 4.19-B, Page 10.1, TN# 18-026

State: Oklahoma

Citation

42 CFR Part
440, Subpart B
42 CFR 441.15

3.1 (b) Home health services are provided in accordance with the requirements of 42 CFR 441.15

(1) Home health services are provided to all categorically needy individuals 21 years of age or over.

Yes.

(2) Home health services are provided to all categorically needy individuals under 21 years of age.

Yes.

Not applicable. The State plan does not provide for skilled nursing facility services for such individuals.

(3) Home health services are provided to the medically needy:

Yes, to all.

Yes, to individuals age 21 or over; SNF services provided.

Yes, to individuals under 21; SNF services provided.

No; SNF services are not provided.

Not applicable; the medically needy are not included under this plan.

Revised 08-01-2020

TN# 20-0017Approval Date July 29, 2020Effective Date August 1, 2020Supersedes TN# 03-07

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORIALLY NEEDY

b. Optometrists' services.

Provided: No limitations with limitations*

Not provided.

c. Chiropractors' services.

Provided: No limitations with limitations*

Not provided.

d. Other practitioners' services.

Provided: identified on attached sheet with description of limitations, if any.

Not provided.

7. Home health services.

a. Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area.

Provided: No limitations with limitations*

b. Home health aide services provided by a home health agency.

Provided: No limitations with limitations*

c. Medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place, other than a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or any setting in which payment is or could be made under Medicaid for inpatient services that include room and board.

Provided: No limitations with limitations*

Physical therapy, occupational therapy, or speech pathology and audiology services are not covered when provided by a home health agency.

Revised 08-01-2020

TN# 20-0017

Approval Date July 29, 2020

Effective Date August 1, 2020

Supersedes TN# 92-03

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

7. Home Health Services

After January 1, 1998, all Home Health Agencies requesting an initial Medicaid provider agreement with this agency must meet the capitalization requirements as set forth in 42 CFR 489.28 and 42 CFR 440.70(d).

The home health agency providing home health services must be certified to participate as a home health agency under Title XVIII (Medicare) of the Social Security Act, and comply with all applicable state and federal laws and requirements.

Home health services are provided in accordance with 42 CFR 440.70 and include nursing services, home health aide services provided by a home health agency, and medical supplies, equipment and appliances.

Home health services must be provided in accordance with the beneficiary's physician's orders as part of a written plan of care, which must be reviewed every sixty (60) days, as specified in 42 CFR 440.70(a)(2). The beneficiary's physician must document that a face-to-face encounter, in accordance with 42 CFR 440.70(f), occurred no more than ninety (90) days before or thirty (30) days after the start of home health services.

Recipients do not have to be homebound in order to receive home health services. In accordance with 42 CFR 440.70(c)(1), home health services can be provided in any non-institutional setting in which normal life activities take place, other than a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities (ICF/IID), or any setting in which payment is or could be made under Medicaid for inpatient services that include room and board.

Medical supplies, equipment, and appliances are covered when prescribed by a physician; some items may require prior authorizations. Prior authorizations, when applicable, are reviewed by the Oklahoma Health Care Authority or its contractor or designee. Medical supplies, equipment, and appliances may be provided regardless of whether a beneficiary is receiving services from a home health agency. Services must meet medical necessity criteria.

For the initial ordering of certain medical equipment, the prescribing physician or allowed non-physician practitioner must document that a face-to-face encounter occurred no more than six (6) months prior to the start of services. The face-to-face encounter must be related to the primary reason the beneficiary requires the medical equipment. An allowed non-physician practitioner that performs the face-to-face encounter must communicate the clinical findings of the face-to-face encounter to the ordering physician. Those clinical findings must be incorporated into a written/electronic document included in the beneficiary's medical record.

Revised 08-01-2020

TN# 20-0017Approval Date July 29, 2020Effective Date August 1, 2020Supersedes TN # 05-21

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

7. Home Health Services *(continued)*

Medical supplies, equipment, and appliances are covered if they:

1. Are relevant to the beneficiary's plan of care;
2. Are medically necessary;
3. Primarily serve a medical purpose; and,
4. Are appropriate for use in the non-institutional setting where the beneficiary's normal life activities take place, other than a hospital, nursing facility, ICF/IID, or any setting in which payment is or could be made under Medicaid for inpatient service that include room and board.

The beneficiary's need for medical supplies, equipment, and appliances must be reviewed by the beneficiary's physician annually.

Medical equipment and appliances must be provided through qualified DME providers. Medical supplies may be provided through a qualified home health agency or DME provider.

NEW 08-01-2020

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

12.c. Prosthetics and Orthotics

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.

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

Revised 08-01-2020

DATES FOR ESTABLISHING PAYMENT RATES FOR ATTACHMENT 4.19-B SERVICES**Effective Dates for Reimbursement Rates for Specified Services:**

Reimbursement rates for the services listed on this introduction page are effective for services provided on or after that date with two exceptions:

1. Medicaid reimbursement using Medicare rates are updated annually based on the methodology specified in Attachment 4.19-B, Methods and Standards for Establishing Payment Rates.
2. Medicaid reimbursement using Medicare codes are updated and effective on the first of each quarter based on the methodology specified in Attachment 4.19-B, Methods and Standards for Establishing Payment Rates.

Payment methods for each service are defined in Attachment 4.19-B, Methods and Standards for Establishing Payment Rates, as referenced. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient services. The fee schedule is published on the agency's website at www.okhca.org/feeschedules.

Service	State Plan Page	Effective Date
Outpatient Hospital Services	Attachment 4.19-B, Page 1	October 1, 2019
A. Emergency Room Services		October 1, 2019
B. Outpatient Surgery	Attachment 4.19-B, Page 1a	October 1, 2019
C. Dialysis Services		October 1, 2019
D. Ancillary Services, Imaging and Other Diagnostic Services		October 1, 2019
E. Therapeutic Services	Attachment 4.19-B, Page 1b	October 1, 2019
F. Clinic Services and Observation/Treatment Room		October 1, 2019
H. Partial Hospitalization Program Services		April 1, 2019
Clinical Laboratory Services	Attachment 4.19-B, Page 2b	October 1, 2019
Physician Services	Attachment 4.19-B, Page 3	October 1, 2019
Home Health Services	Attachment 4.19-B, Page 4	August 1, 2020
Free-Standing Ambulatory Surgery Center-Clinic Services	Attachment 4.19-B, Page 4b	October 1, 2019
Dental Services	Attachment 4.19-B, Page 5	October 1, 2019
Transportation Services	Attachment 4.19-B, Page 6	October 1, 2019
Eyeglasses	Attachment 4.19-B, Page 10.1	October 1, 2019
Prosthetics	Attachment 4.19-B, Page 10.1	August 1, 2020
Nurse Midwife Services	Attachment 4.19-B, Page 12	October 1, 2019
Family Planning Services	Attachment 4.19-B, Page 15	October 1, 2019
Renal Dialysis Facilities	Attachment 4.19-B, Page 19	October 1, 2019
Other Practitioners' Services		
• Anesthesiologists	Attachment 4.19-B, Page 20	October 1, 2019
• Certified Registered Nurse Anesthetists (CRNAs) and Anesthesiologist Assistants	Attachment 4.19-B, Page 20a	October 1, 2019
• Physician Assistants	Attachment 4.19-B, Page 21	October 1, 2019
Nutritional Services	Attachment 4.19-B, Page 21-1	October 1, 2019
4.b. EPSDT		
• Partial Hospitalization Program Services	Attachment 4.19-B, Page 17	April 1, 2019
• Emergency Hospital Services	Attachment 4.19-B, Page 28.1	October 1, 2019
• Speech and Audiologist Therapy Services, Physical Therapy Services, and Occupational Therapy Services	Attachment 4.19-B, Page 28.2	October 1, 2019
• Hospice Services	Attachment 4.19-B, Page 28.4	October 1, 2019

Revised 08-01-2020

TN# 20-0017Approval Date July 29, 2020Effective Date August 1, 2020Supersedes TN # 19-0036

METHODS AND STANDARDS OF REIMBURSEMENT FOR INPATIENT HOSPITAL SERVICES

Payment is made at the fee schedule amount for skilled visits and home health aide visits.

Payment for Durable Medical Equipment, Supplies, and Appliances:

For items of DME provided in Medicare Competitive Bidding Areas (CBAs) where rates for specific items have been competitively bid under the Medicare program, the rate is set at the lower of the following:

1. The percent listed below of the Medicare single payment amount specific to the geographic area where the item is being provided, that are in effect as of Jan. 1 each year, and updated on a quarterly basis (April 1, July 1, October 1) as needed;
2. The provider's charge; or
3. The non-rural and rural DMEPOS fee schedule rate.

If there is no competitively bid payment rate for an item of DME in a CBA, then one of two methodologies will apply:

1. Reimbursement for DME provided in non-rural areas is set at the lower of the following:
 - a. The percent listed below of the Medicare DMEPOS fee schedule rate for Oklahoma geographic, non-rural areas, that are in effect as of Jan. 1 each year; or
 - b. The provider's charge.
2. For items of DME provided in rural areas, the rate is set at the lower of the following:
 - a. The percent listed below of the Medicare DMEPOS fee schedule rate for Oklahoma geographic, rural areas, set as of Jan. 1 each year; or
 - b. The provider's charge.

The percentage of Medicare is as follows:

1. Durable medical equipment, oxygen, purchase equipment that Medicare only rents, and Complex Rehab Technology accessories will be reimbursed at 100 percent of the Medicare prices;
2. Complex Rehab Technology power wheelchairs will be reimbursed at 70 percent of Medicare prices;
3. Enteral food will be reimbursed at 125 percent of the Medicare prices;
4. Supplies will be reimbursed at 100 percent of the Medicare prices;
5. Parenteral equipment and food will be reimbursed at 70 percent of Medicare prices;

For items of durable medical equipment, supplies, and appliances not paid at the Medicare fee or when there is no fee schedule available, the provider will be reimbursed either by a fee determined by OHCA or through manual pricing, as follows:

1. The fee determined by OHCA will be determined from cost information from providers or manufacturers, surveys of the Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information;
2. Manual pricing is reasonable when one procedure 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 procedure code, resulting in access-to-care issues. Examples include:
 - a. Procedure codes with a description of "not otherwise covered," "unclassified," or "other miscellaneous"; and
 - b. Procedure codes covering customized items.
 - c. If manual pricing is used, the provider will be reimbursed the lower of the Manufacturer's Suggested Retail Price (MSRP) less 30 percent (30%), or the provider's documented invoice cost (Average Wholesale Price (AWP)) plus 30 percent (30%).

Revised 08-01-2020

METHODS AND STANDARDS OF REIMBURSEMENT FOR INPATIENT HOSPITAL SERVICES

Payment for Durable Medical Equipment, Supplies, and Appliances (continued):

For durable medical equipment, supplies, and appliances purchased at the pharmacy point of sale, providers will be reimbursed the equivalent of Medicare Part B, ASP + 6%. When ASP is not available, an equivalent price is calculated using Wholesale Acquisition Cost (WAC). If no Medicare, ASP, or WAC pricing is available, then the price will be calculated based on invoice cost.

Payment is not made for durable medical equipment, supplies, and appliances that are not deemed as medically necessary or considered over-the-counter.

The Agency does not pay durable medical equipment providers separately for services that are included as part of the payment for another treatment program. For example, all items required at a hospital, nursing facility, or intermediate care facility for individuals with intellectual disabilities are paid through those corresponding institutional rate methodologies.

For any item subject to the DME FFP demonstration, these items will be priced at or under 100% of Medicare rural/non-rural pricing.

NEW 08-01-2020

TN# 20-0017

Approval Date July 29, 2020

Effective Date August 1, 2020

Supersedes TN # NEW PAGE

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

RESERVED PAGE

RESERVED 08-01-2020

TN # 20-0017 Approval Date July 29, 2020 Effective Date August 1, 2020

Supersedes TN # 16-0023

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

Payment for other services and supplies

(a) Prosthetics and orthotics are reimbursed at the Medicare non-rural pricing.

(b) Eyeglasses

Reimbursement for eyeglass materials is set at a flat rate for the frame and the single vision and bifocal vision lenses. All lenses are 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.

Revised 08-01-2020

TN# 20-0017

Approval Date July 29, 2020

Effective Date August 1, 2020

Supersedes TN # 18-026