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**State/Territory Name: Oklahoma**

**State Plan Amendment (SPA) #: 21-0047**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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February 2, 2022

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

Re: Oklahoma State Plan Amendment (SPA) 21-0047

Dear Director Anthony:

The Centers for Medicare & Medicaid Services (CMS) completed review of Oklahoma's State Plan Amendment (SPA) Transmittal Number 21-0047 submitted on December 27, 2021. The purpose of this SPA is to revise the language describing the methodology used to calculate the capitation rate payment for PACE organizations. The SPA will remove the Medicare Economic Index (MEI) adjustment from the rate methodology, as the PACE capitation rate is based on the amount that would otherwise be paid (AWOP) which is reviewed annually and adjusted as needed, without regard to the MEI.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that Oklahoma Medicaid SPA Transmittal Number 21-0047 is approved effective November 3, 2021.

If you have any questions regarding this amendment, please contact John Kivisaari at (312) 353-0508 or via email at [john.kivisaari@cms.hhs.gov](mailto:john.kivisaari@cms.hhs.gov).

Sincerely,



Bill Brooks  
Director  
Division of Managed Care Operations

cc: Sandra Puebla  
Kasie McCarty  
Angela Cimino

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

1. TRANSMITTAL NUMBER  
2 1 — 0 0 4 7

2. STATE  
OK

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
November 3, 2021

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 460.182

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 0  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Supplement 3 to Attachment 3.1-A Enclosure 7, Page 5  
  
Supplement 3 to Attachment 3.1-A Enclosure 7, Page 6


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Supplement 3 to Attachment 3.1-A Enclosure 7, Page 5; TN#14-08  
  
Supplement 3 to Attachment 3.1-A Enclosure 7, Page 6; TN#14-08

9. SUBJECT OF AMENDMENT  
Removing the Medicare Economic Index (MEI) adjustment from the PACE capitation rate methodology as the PACE capitation rate is based on the the amount that would otherwise have been paid (AWOP), which is reviewed annually, and adjusted as needed without regard to the MEI; other minor language updates are included as well.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL  


12. TYPED NAME  
Melody Anthony

13. TITLE  
State Medicaid Director

14. DATE SUBMITTED  
December 27, 2021

15. RETURN TO  
Oklahoma Health Care Authority  
Attn: Traylor Rains  
4345 N. Lincoln Blvd.  
Oklahoma City, OK 73105

**FOR CMS USE ONLY**

16. DATE RECEIVED December 28, 2021

17. DATE APPROVED February 2, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
November 3, 2021

19. \$ 

20. TYPED NAME OF APPROVING OFFICIAL  
Bill Brooks

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Managed Care Operations

22. REMARKS

community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A) \_\_\_ The following standard included under the State plan (check one):

1. \_\_\_ SSI
2. \_\_\_ Medically Needy
3. \_\_\_ The special income level for the institutionalized
4. \_\_\_ Percent of the Federal Poverty Level: \_\_\_%
5. \_\_\_ Other (specify): \_\_\_\_\_

(B) \_\_\_ The following dollar amount: \$ \_\_\_\_\_

Note: If this amount changes, this item will be revised.

(C) \_\_\_ The following formula is used to determine the needs allowance:

\_\_\_\_\_  
\_\_\_\_\_

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

\_\_\_\_\_  
\_\_\_\_\_

## II. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

1.  Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
2.  Experience-based (contractors/State's cost experience or encounter date) (please describe)
3.  Adjusted Community Rate (please describe)
4.  Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.

C. The State will submit all capitated rates to the CMS Regional Office for prior approval and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

The capitation rate development for PACE involves setting a baseline per member per month (PMPM) expenditure rate. A base year is established, and a data extract of claims processed for the PACE target population during this period. The target population is limited to persons ages 55 and older certified as nursing facility level of care. This data was used to establish the amount that would otherwise have been paid (AWOP). The data from the base year will be reviewed annually and updated as needed, and consistent with CMS regulation and guidance. The rate developed through this process will be below the AWOP.

## III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.