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State/Territory Name: OK

State Plan Amendment (SPA) #: 23-0020

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

June 13, 2023

Traylor Rains, Director
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

RE: Oklahoma State Plan Amendment (SPA) 23-0020

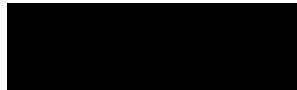
Dear Mr. Rains:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 23-0020 which proposes an enhanced payment for intermediate care facilities for individuals with intellectual disabilities that provide vocational services or day program services or both.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of March 1, 2023. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Diana Dinh at Diana.Dinh@cms.hhs.gov.

Sincerely,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER <u>2</u> <u>3</u> — <u>0</u> <u>0</u> <u>2</u> <u>0</u>	2. STATE <u>O</u> <u>K</u>
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE March 1, 2023
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 483.440	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>23</u> \$ <u>2,856,370.00</u> b. FFY <u>24</u> \$ <u>4,896,634.00</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, Page 39 Attachment 4.19-D, Page 40 Attachment 4.19-D, Page 41	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D Page 39; TN # 18-12 Attachment 4.19-D Page 40; TN # 18-12 Attachment 4.19-D Page 41; TN # 18-12
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9. SUBJECT OF AMENDMENT
Establish an enhanced payment for intermediate care facilities for individuals with intellectual disabilities that provide vocational services or day program services or both.

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	The governor's office does not review state plan material.
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Oklahoma Health Care Authority Attn: Traylor Rains 4345 N. Lincoln Blvd. Oklahoma City, OK 73105 cc: Sandra Puebla
12. TYPED NAME Traylor Rains	
13. TITLE State Medicaid Director	
14. DATE SUBMITTED 3/30/2023	

FOR CMS USE ONLY

16. DATE RECEIVED March 30, 2023	17. DATE APPROVED June 13, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL March 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Enhanced Payment Program**A. Overview**

This program provides enhanced payment for private ICFs/IID that provide vocational services or day program services or both. The purpose of the enhanced payment is to offset the costs incurred by ICFs/IID in the provision of vocational services or day program services or both. Residents who qualify for the enhanced program cannot receive the same services or reimbursement under another program.

B. Definitions

For this section, the following definitions shall apply.

1. Vocational Services

Provides paid employment in a structured vocational training program for residents outside of the resident's home. The type of work will vary but each provider must meet the specific program qualifications for participation. Vocational service programs provide pre-vocational services training, that prepare the residents for employment in a structured educational program. These programs will utilize either a certified job coach or a designated staff, to assist a resident 18 years and older in achieving gainful employment. Other achievements may include, sheltered employment, ongoing employment support, job skills training and/or workshop experience in the community. Vocational services must be provided on an hourly or daily basis, but less than on a 24-hour basis.

2. Day Program Services

A Day Services program is a life enrichment program that is conducted in a dedicated service location. The organized scheduled programming will vary but must meet the specific program qualifications for participation. Day services programs provide diverse opportunities for residents to participate in the broader community based on the resident's specific care plan. Day program services must be provided on an hourly or daily basis, but less than on a 24-hour basis.

3. Direct costs

Direct costs are the costs for activities or items associated with day services and/or vocational services programs. These items include salaries and wages of activities staff, day services and vocational staff, and job coaches.

4. Other costs

Other costs are overhead costs attributable to the provision of day and vocational services. For example, rent, utilities, etc. not already paid for by Medicaid.

C. Care Criteria

Facilities will comply with the following care criteria to receive the enhanced payment:

1. Vocational Services

Facilities will provide 20 hours of vocational services to at least 40% of their residents each week. Residents must participate at least 9 out of 12 weeks.

2. Day Services

Facilities will provide 20 hours of day services to at least 60% of the facility's residents who do not participate in the facility's vocational program. Residents must participate at least 9 out of 12 weeks.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Enhanced Payment Program *(continued)***D. Performance Review**

Performance reviews will be completed quarterly to ensure the integrity and accountability of the vocational and/or day treatment services provided. Each facility will be reviewed at the least annually. Payments will be withheld from facilities that are not in compliance with reviews.

E. Reimbursement Methodology

1. Initial Payment Rates

Initial payment rates for ICF/IIDs providing day and vocational services will be established using SFY2021 cost data (inflated to SFY2023).

2. Subsequent payment Rates

After year one of the program, payment rates will be determined using costs data reported on the most recent cost report of each participating facility. New payment rates will be calculated annually.

3. Payment Allocation

- (i). Seventy percent (70%) of available funds is allocated to Vocational Services
- (ii). Thirty percent (30%) of available funds is allocated to Day Services.

4. Rate Components

Payment will consist of direct cost and other cost rate components for day services and vocational services programs.

(i). Vocational Services Rate

This rate consists of two components: Direct Cost Rate Component and Other Cost Rate Component.

a. Direct Cost Rate Component

Seventy percent (70%) of available funds for vocational services will be paid on per day basis to eligible providers that meet the care criteria to help pay for direct program costs. This rate component will be different for each facility. The pool of funds available for this component will be allocated based on the relative direct vocational services costs of all facilities on per day basis capped at the 90th percentile or at a percentile determined by OHCA based on cost trends. For the first year of the program this component will be the same for all providers.

b. Other Cost Rate Component

Thirty percent (30%) of available funds for vocational services will be paid on per day basis to all eligible providers that meet the care criteria to help pay for overhead costs attributable to the program. This rate component is the same for all eligible facilities.

Revised 03-01-23

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Enhanced Payment Program *(continued)***E. Reimbursement Methodology** *(continued)*4. Rate Components *(continued)*

(ii). Day Services Rate

This rate consists of two components: Direct Cost Rate Component and Other Cost Rate Component.

a. Direct Cost Rate Component

Seventy percent (70%) of available funds for day services will be paid on per day basis to eligible providers that meet the care criteria to help pay for direct program costs. This rate component will be different for each facility. The pool of funds available for this component will be allocated based on the relative direct day services costs of all facilities on per day basis capped at the 90th percentile or at a percentile determined by OHCA based on cost trends. For the first year of the program this component will be the same for all providers.

b. Other Cost Rate Component

Thirty percent (30%) of available funds for day services will be paid on per day basis to all eligible providers that meet the care criteria to help pay for overhead costs attributable to the program. This rate component is the same for all eligible facilities.

F. Payment

Payment will be in the form of a lump sum payment made to facilities on a quarterly basis. The total enhanced payment shall not exceed any applicable federal upper payment limit. If the supplemental payments for eligible ICF/IID result payments that exceed the federal upper payment limit for each respective rate year, each provider's total supplemental payment must be reduced pro-rata so that total payments would be equal to the amount available in the federal upper payment limit.

G. Cost Audit

Each facility will be audited annually as part of the annual cost report reviews to ensure only allowable costs prescribed by Medicare/Medicaid cost reporting principles. As part of the annual audit OHCA will ensure that there are no duplicative costs attributable to base rate and the enhanced payments.

Payments will be recouped from facilities that report unallowable costs. Additional audits can be conducted anytime at the discretion of the OHCA.