

## **Table of Contents**

**State/Territory Name: Oklahoma**

**State Plan Amendment (SPA) #: OK 23-0024**

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 AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

October 24, 2023

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

RE: Oklahoma State Plan Amendment (SPA) 23-0024

Dear Director Rains:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 23-0024 effective for services on or after July 1, 2023. The proposed amendment will increase the base rate for standard nursing facilities, nursing facilities serving patients with Acquired Immune Deficiency Syndrome (AIDS), and standard private and specialized private intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs).

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. We hereby inform you that Medicaid State plan amendment 23-0024 is approved effective July 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Diana Dinh at [Diana.Dinh@cms.hhs.gov](mailto:Diana.Dinh@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

Enclosure

**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>4</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 July 1, 2023
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR § 440.155	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>\$26,415,324.00</u> b. FFY <u>2024</u> \$ <u>\$105,661,296.00</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-D, Page 3 Attachment 4.19-D, Page 5 Attachment 4.19-D, Page 11 Attachment 4.19-D, Page 25 Attachment 4.19-D, Page 38	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19-D Page 3; TN # 22-0017 Attachment 4.19-D Page 5; TN # 22-0017 Attachment 4.19-D Page 11; TN # 22-0017 Attachment 4.19-D Page 25; TN # 22-0017 Attachment 4.19-D Page 38; TN # 22-0017
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9. SUBJECT OF AMENDMENT  
Annual rate re-basing for regular nursing facilities (including those serving AIDS residents) & acute and regular Intermediate Care Facilities for Individuals with an Intellectual Disability (ICF/IIDs)

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The governor's office does not review state plan material.
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<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: Kasie McCarty; Heather Cox
12. TYPED NAME Traylor Rains	
13. TITLE State Medicaid Director	
14. DATE SUBMITTED 7/31/2023	

**FOR CMS USE ONLY**

16. DATE RECEIVED July 31, 2023	17. DATE APPROVED October 24, 2023
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL July 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  
FOR NURSING FACILITIES**

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**STANDARD NURSING FACILITIES SERVING ADULTS** *(continued)***B. RATE SETTING PROCESS**

**Beginning July 1, 2007, the Oklahoma Health Care Authority uses the following method to adjust rates of payment for nursing facilities:**

**1. DEFINITIONS:**

Base Rate Component is the rate in effect on June 30, 2005, defined as \$103.20 per day. Included in the base rate is the QOC Fee. Any changes to the base rate will be made through future Plan changes if required. For the rate period beginning September 01, 2012, the base rate will be \$106.29. For the rate period beginning July 1, 2013, the base rate will be \$107.24. For the rate period beginning July 1, 2016, the base rate will be \$107.57 per patient day. For the rate period beginning July 1, 2017, the base rate will be \$107.79 per patient day. For the rate period beginning July 1, 2018, the base rate will be \$107.98 per patient day. For the rate period beginning October 1, 2018, the base rate will be \$108.12 per patient day. For the rate period beginning July 1, 2019, the base rate will be \$108.31 per patient day. For the rate period beginning October 1, 2019, fifty percent (50%) of new funding shall be allocated toward an increase of the existing base rate and distributed accordingly. For the rate period beginning October 1, 2019, the base rate will be \$120.57 per patient day. For the rate period beginning July 1, 2020, the base rate will be \$121.30 per patient day. For the rate period beginning July 1, 2021, the base rate will be \$123.22 per patient day. For the rate period beginning July 1, 2022, the base rate will be \$123.47 per patient day. For the rate period beginning July 1, 2023, the base rate will be \$158.56 per patient day.

Direct Care Cost Component is defined as the component established based on each facilities' relative expenditures for Direct Care which are those expenditures reported on the annual costs reports for salaries (including professional fees and benefits), for registered nurses, licensed practical nurses, nurse aides, and certified medication aides.

Other Cost Component is defined as the component established based on monies available each year for all costs other than direct care and incentive payment totals, i.e., total allowable routine and ancillary costs (including capital and administrative costs) of nursing facility care less the Direct Care Costs and incentive payment totals.

Incentive Rate Component is defined as the component earned each quarter under the Pay-for-Performance (PFP) program.

Rate Period is defined as the period of time between rate calculations.

**2. GENERAL:**

The estimated total available funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Regular Nursing facilities, the effect is \$.32 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

Individual rates of payment will be established as the sum of the Base Rate plus add-ons for Direct Care, Other Costs, and the Pay-for-Performance (PFP) Quality of Care Rating System.

Revised 07-01-23

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
FOR NURSING FACILITIES**

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**STANDARD NURSING FACILITIES SERVING ADULTS** *(continued)*

For new facilities beginning operations in the current rate period, the rate will be the median of those established rates for the year.

For the rate period beginning 01/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is \$102,318,569.

For the rate period beginning 09/01/12, the total available pool amount for establishing the rate components described in 1 and 2 is \$147,230,204.

For the rate period beginning 07/01/13, the total available pool amount for establishing the rate components described in 1 and 2 is \$162,205,189.

For the rate period beginning 07/01/14, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,391,182.

For the rate period beginning 07/01/16, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,741,836.

For the rate period beginning 07/01/17, the total available pool amount for establishing the rate components described in 1 and 2 is \$160,636,876.

For the rate period beginning 07/01/18, the total available pool amount for establishing the rate components described in 1 and 2 is \$158,938,847.

For the rate period beginning 10/01/18, the total available pool amount for establishing the rate components described in 1 and 2 is \$174,676,429.

For the rate period beginning 07/01/19, the total available pool amount for establishing the rate components described in 1 and 2 is \$186,146,037.

For the rate period beginning 10/01/19, the total available pool amount for establishing the rate components described in 1 and 2 is \$220,482,316.

For the rate period beginning 07/01/20, the total available pool amount for establishing the rate components described in 1 and 2 is \$250,302,699.

For the rate period beginning 07/01/21, the total available pool amount for establishing the rate components described in 1 and 2 is \$251,196,155.

For the rate period beginning 07/01/22, the total available pool amount for establishing the rate components described in 1 and 2 is \$242,806,077.

For the rate period beginning 07/01/23, the total available pool amount for establishing the rate components described in 1 and 2 is \$251,077,470.

3. Since July 1, 2007, Nursing Facilities Serving Adults and AIDS Patients have been able to earn additional reimbursement for “points” earned in an Oklahoma Quality Rating Program. This program, which was originally called “Focus on Excellence,” was revised by statute in 2019, and is now called “Pay-for-Performance”.

**Pay-for-Performance (PFP) Program**

For the period beginning October 1, 2019 and until changed by amendment, qualifying facilities participating in the pay-for-performance program have the potential to earn an average of the \$5.00 quality incentive per Medicaid patient per day. Facility(s) baseline is calculated annually and will remain the same for a 12-month period. Facility(s) will meet or exceed five-percent (5%) relative improvement or the CMS national average each quarter for the following metrics:

- (1) Decrease percent of high risk/unstageable pressure ulcer for long stay residents;
- (2) Decrease percent of unnecessary weight loss for long stay residents;
- (3) Decrease percent of use of anti-psychotic medications for long stay residents; and
- (4) Decrease percent of urinary tract infection for long stay residents.

*If either quality metric listed above is substituted or removed by CMS; an alternative CMS Long Stay quality metric may be chosen.*

Payment to nursing facilities for meeting the metrics will be awarded quarterly as follows:

- A facility may earn a minimum of \$1.25 per Medicaid patient per day for each qualifying metric.
- A facility receiving a scope and severity tag deficiency of “I” or greater from the Oklahoma State Department of Health will forfeit the PFP incentive for the quarter out of compliance.
- Funds that remain as a result of payment not earned, shall be pooled and redistributed to facilities who achieve the metrics each quarter based on facilities’ individual performance in the PFP program.

Revised 07-01-23

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
FOR NURSING FACILITIES**

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**STANDARD NURSING FACILITY SERVING AIDS PATIENTS** *(continued)***B. RATE SETTING PROCESS****1. DEFINITIONS AND METHODOLOGY**

*Base Rate Component* is the rate component representing the allowable cost of the services rendered in an AIDS nursing facility and for the period beginning November 1, 2010 is \$178.64, the difference in the costs reported for aids facilities and regular nursing facilities plus the average rate for November 1, 2010 for regular nursing facilities, not including the incentive payment component (\$193.79 less \$138.17 plus \$123.02); or \$178.64 per patient day. For the rate period beginning September 1, 2012, the Base Rate Component will be \$192.50. For the rate period beginning July 1, 2013, the Base Rate Component will be \$196.95. For the rate period beginning July 1, 2014, the Base Rate Component will be \$197.49. For the rate period beginning July 1, 2016, the Base Rate Component will be \$199.19 per patient day. For the rate period beginning July 1, 2017, the Base Rate Component will be \$200.01 per patient day. For the rate period beginning July 1, 2018, the Base Rate Component will be \$201.32 per patient day. For the rate period beginning October 1, 2018, the Base Rate Component will be \$207.86 per patient day. For the rate period beginning July 1, 2019, the Base Rate Component will be \$209.50 per patient day. For the rate period beginning October 1, 2019, the Base Rate Component will be \$213.10 per patient day. For the rate period beginning July 1, 2020, the Base Rate Component will be \$215.00 per patient day. For the rate period beginning July 1, 2021, the Base Rate Component will be \$224.05 per patient day. For the rate period beginning July 1, 2022, the Base Rate Component will be \$229.76 per patient day. For the rate period beginning July 1, 2023, the Base Rate Component will be \$265.16 per patient day.

- (A) *56 Okla. Stat. § 2002* requires that all licensed nursing facilities pay a statewide average per patient day *Quality of Care assessment fee* based on maximum percentage allowed under federal law of the average gross revenue per patient day. Gross revenues are defined as Gross Receipts (i.e., total cash receipts less donations and contributions). *The assessment is an allowable cost as it relates to Medicaid services and a part of the base rate component.*

Revised 07-01-23

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

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**STANDARD PRIVATE INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICFs/IID) (continued)**

**A. COST ANALYSES (continued)**

**4. RATE ADJUSTMENTS BETWEEN REBASING PERIODS**

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Standard Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) the effect is \$22 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.32%.

For the rate period beginning July 1, 2008, the statewide rate will be increased by 4.57%.

For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.81%.

For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.93%.

For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.56%.

For the rate period beginning July 1, 2016, the statewide rate will be increased by 0.2951%, resulting in a rate of \$122.32 per patient per day.

For the rate period beginning July 1, 2017, the statewide rate will be increased by 0.3104%, resulting in a rate of \$122.77 per patient per day.

For the rate period beginning October 1, 2018, the statewide rate will be increased by 3.47%, resulting in a rate of \$127.49 per patient per day.

For the rate period beginning July 1, 2020, the statewide rate will be increased by 0.2024% resulting in a rate of \$128.72 per patient per day.

For the rate period beginning July 1, 2021, the statewide rate will be increased by 0.6046% resulting in a rate of \$129.79 per patient per day.

For the rate period beginning July 1, 2022, the statewide rate will be increased by 3.45% resulting in a rate of \$135.61 per patient per day.

For the rate period beginning July 1, 2023, the statewide rate will be increased by 12.36% resulting in a rate of \$154.53 per patient per day.

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Revised 07-01-23

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

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**SPECIALIZED PRIVATE ICFs/IID 16 BED OR LESS****A. COST ANALYSES** *(continued)***4. RATE ADJUSTMENTS BETWEEN REBASING PERIODS**

Beginning January 1, 2010, the rates will be adjusted annually on January 1, in an amount equal to the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the Federal Register and the resulting effect to the spend-down required of the recipients. The estimated total funds will include the estimated savings or loss to the program as a result of the automatic cost of living adjustment on Social Security benefits as published in the federal register and the resulting effect to the spend-down required of the recipients. For Specialized Private Intermediate Care Facilities for Individuals with Intellectual Disabilities 16 Bed or Less, the effect is \$.20 per day for each one (1) percent change in the SSI determined from the average effect of SSI increases from CY 2004 to CY 2009.

For the rate period beginning July 1, 2006, the statewide rate will be increased by 10.90%.

For the rate period beginning July 1, 2008, the statewide rate will be increased by 3.90%

For the rate period beginning April 1, 2010, the statewide rate will be decreased by 2.93%.

For the rate period beginning September 1, 2012, the statewide rate will be increased by 1.86%.

For the rate period beginning July 1, 2013, the statewide rate will be increased by 0.30%.

For the rate period beginning July 1, 2016, the statewide rate will be increased by 0.2048%, resulting in a rate of \$156.51 per patient per day.

For the rate period beginning July 1, 2017, the statewide rate will be increased by 0.2937%, resulting in a rate of \$157.03 per patient per day.

For the rate period beginning October 1, 2018, the statewide rate will be increased by 3.56%, resulting in a rate of \$163.04 per patient per day.

For the rate period beginning July 1, 2020, the statewide rate will be increased by 0.0122% resulting in a rate of \$163.94 per patient per day.

For the rate period beginning July 1, 2021, the statewide rate will be increased by 0.2557% resulting in a rate of \$164.62 per patient per day.

For the rate period beginning July 1, 2022, the statewide rate will be increased by 0.4885% resulting in a rate of \$166.61 per patient per day.

For the rate period beginning July 1, 2023, the statewide rate will be increased by 10.49% resulting in a rate of \$186.00 per patient per day.

**The state has a public process in place which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.**