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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 24-0019

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850

Financial Management Group

January 15, 2025

Traylor Rains
State Medicaid Director
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

RE: TN 24-0019

Dear Director Rains:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Oklahoma state plan amendment (SPA) to Attachment 4.19-D OK 24-0019, which was submitted to CMS on December 5, 2024. This plan amendment establishes an add-on rate for nursing facilities that serve high-acuity tracheostomy dependent patients.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of October 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Diana Dinh at 670-290-8857 or via email at diana.dinh@cms.hhs.gov.

Sincerely,

[redacted]

Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 24 — 0019

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
October 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR § 440.155

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 1,764,595.00
b. FFY 2026 $ 1,411,676.00

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D page 13(b)
Attachment 4.19-D page 13(c)
Attachment 4.19-D page 14
Attachment 4.19-D page 15

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Attachment 4.19-D page 13(b); TN # 21-0027
Attachment 4.19-D page 13(c); TN # 21-0027
Attachment 4.19-D page 14; TN # 21-0027
Attachment 4.19-D page 15; TN # 21-0027

9. SUBJECT OF AMENDMENT

State Plan Amendment to provide an add-on rate for Standard Nursing Facilities service high-acuity tracheostomy dependent patients.

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: The governor's office does not review state plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Traylor Rains

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
12/5/2024

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

cc: Kasie McCarty; Heather Cox; Lauren Johnson

FOR CMS USE ONLY

16. DATE RECEIVED
December 5, 2024

17. DATE APPROVED
January 15, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

Instructions on Back

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

4. Based on provider input, and other survey information, the estimated average hours of specialized care required by ventilator-dependent patients was 9 hours per day. Each caregiver time estimate within each task category was added together to arrive at a total time estimate to complete all identified tasks, which was 13.69 hours. The adjusted total caregiver cost is multiplied by the ratio of 9 hours divided by 13.69 hours to arrive at a specialized caregiver cost.

5. The total patient care cost from the most recently available NF cost reports was calculated. The total patient care costs include nursing personnel including nursing employee benefits, medical director including employee benefits, social and ancillary service personnel including employee benefits, contract nursing, other contract personnel, medical equipment, dietary, drugs and medical supplies.

6. The difference between 24 hours and the estimated average hours of specialized care required by ventilator-dependent patients (9 hours) is divided by 24 hours. It is then multiplied by the total patient care cost which is then added to the specialized caregiver cost to arrive at the total 24 hour cost of patient care.

7. Five percent of the total patient care cost will be allowed for the additional cost of medical supplies not reimbursed by Medicare. A $4.00 per day adjustment will be allowed for nutritional therapy. Both additional costs are added back into the total 24 hour cost of patient care.

8. The difference between the total 24 hour cost of patient care (step 6) and the total patient care cost (step 5) is the add-on for ventilator patients.

9. The add-on for ventilator patients was inflated to the midpoint of the rate year using the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast.

Cost Report Requirements – Uniform cost reports will be required of each nursing facilities and the State will provide for periodic audits of such reports. Facilities will be required to submit a separate cost report for ventilator care.

Adjustments – The add-on rate will be inflated when standard NF rates are changed by the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast to the midpoint of the State Fiscal Year of the rate change.

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

STANDARD NURSING FACILITY SERVING VENTILATOR-DEPENDENT PATIENTS *(continued)*

Rate Determination *(continued)*

The add-on rate for nursing facility serving ventilator-dependent patients will be established prospectively according to the methods described above until a reimbursement rate can be derived from the cost reports which will reasonably reimburse the cost of an economic and efficient provider for ventilator patient care.

For the period beginning January 1, 2004, no adjustment will be made to the add-on.

For the rate period beginning July 1, 2006, the statewide add-on will be increased by 9.155%.

For the rate period beginning April 1, 2010, the statewide add-on will be decreased by 3.25%.

For the rate period beginning July 1, 2021, the statewide add-on will be increased by 37.81%.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITY SERVING ACUTE TRACHEOSTOMY RESIDENTS

A statewide enhanced reimbursement rate for nursing facilities (NFs) serving acute tracheostomy residents shall be established for the rate period beginning October 1, 2024, and reviewed, at a minimum, annually on July 1.

Definitions – Reimbursement is limited to the average standard rate paid to NFs serving adults, plus an enhancement for Acute Tracheostomy residents. The enhanced payment is an amount reflecting the additional costs of meeting the specialized care needs of Acute Tracheostomy residents. To qualify for the enhanced payment, a facility must (1) not have a waiver under Section 1919(b)(4)(C)(ii) of the Social Security Act, and (2) submit a treatment plan and most recent doctor's orders and/or hospital discharge summary to the Oklahoma Health Care Authority for prior authorization.

Rate Determination – The add-on rate is determined as follows:

1. The Acute Tracheostomy add-on rate is determined using cost data provided by nursing facilities serving acute tracheostomy residents. The add-on rate for acute tracheostomy care is the difference between the total cost per day for tracheostomy care and the average standard rate paid to NFs serving adults.

2. The total cost per day for acute tracheostomy care is the sum of four components. These components include Direct Care and Allied Staff Costs, Social and Support Staff Costs, Cost of Drugs, Medical Supplies/Rentals, and General and Administrative Costs.

   Direct Care and Allied Staff Costs: These costs are associated with the staff needed to meet the care needs of acute tracheostomy residents, which may include an RN, LPN, RT, etc. It is estimated that 2.47 additional direct care and allied staff hours per day are needed to care for acute tracheostomy residents.

   Social and Support Staff Costs: These costs are associated with the staff needed to help residents meet their social and activity needs, this may include Social Services Staff, Activities Staff, etc. It is estimated that 0.24 additional Social and Support Staff hour per day is needed to care for acute tracheostomy residents.

   Cost of Drugs, Medical Supplies/Rentals: These are the cost of drugs, medical supplies/rentals needed to care for acute tracheostomy residents.

   General and Administrative Costs: These are General and Administrative Costs attributable to acute tracheostomy care.

Cost Report Requirements – Uniform cost reports will be required of each nursing facility and the state will perform periodic audits of such reports. Facilities will be required to submit a separate cost report for Acute Tracheostomy care.

Payment Rates

For the rate period beginning October 1, 2024, the enhanced payment shall be $144.79. During the period of January 1, 2025, through June 30, 2025, the enhanced payment shall be increased to $339.58

For the rate period beginning July 1, 2025, the enhanced payment shall be $144.79.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NURSING FACILITIES

STANDARD NURSING FACILITY SERVING ACUTE TRACHEOSTOMY RESIDENTS PATIENTS *(continued)*

Acute Tracheostomy Care Criteria

All of the following criteria must be present in order to be considered a high-acuity tracheostomy resident:

1. The resident is not able to breathe without the use of a tracheostomy.

2. The resident requires daily respiratory therapy intervention (i.e., oxygen therapy, tracheostomy care, chest physiotherapy, or deep suctioning). These services must be available 24 hours a day.

3. A Registered Nurse or Licensed Practical Nurse must be readily available and have primary responsibility of the unit.

In addition to the requirements above, high-acuity tracheostomy residents will need to meet at least one of the following:

1. The resident has a Brief Interview for Mental Status (BIMS) Interview score between 0-12 (moderately to severely impaired).

2. The resident sees a pulmonologist monthly and a respiratory therapist at least once every other week, with a respiratory therapist available on call 24 hours a day.

3. The resident is nonverbal, comatose, or in a vegetative state.

4. The resident has a contractures diagnosis that results in limited mobility.

5. The resident requires total dependency from staff with all aspects of daily care.

6. The resident is unable to suction themselves.

7. The resident requires tracheostomy deep suctioning at an increased frequency of at least 10 times daily due to thick, copious amounts of secretions.

8. The resident is unable to clear their own secretions and protect their airway.

9. The resident has been diagnosed with a progressive neurological disorder that results in muscle weakness; this includes, but is not limited to, Amyotrophic Lateral Sclerosis (ALS), Multiple Sclerosis (MS), Alzheimer's, head injuries, or Cerebrovascular Accident (CVA).

10. The resident requires 5 L/min of oxygen or greater than 40% Fraction of Inspired Oxygen (FIO2).

11. The resident requires breathing treatments that are at an increased frequency of three or more times daily.

12. The resident has an artificial opening in the neck for the tracheostomy, and an artificial opening in the abdomen for a gastrostomy tube.

13. The resident has multiple co-morbidities, resulting in demonstrative complications.