NOTICE OF PUBLIC COMMENT PERIOD FOR SOONERCARE 2.0

Pursuant to Section 431.408 (a) of Title 42 of the Code of Federal Regulations, the Oklahoma Health Care Authority (OHCA) is required to provide public notice of its intent to submit a request to the Centers for Medicare and Medicaid Services (CMS) for approval of SoonerCare 2.0 under the Healthy Adult Opportunity (HAO) Demonstration provided under 1115 authority. This notice provides details about the waiver submission and serves to open the 30-day public comment period, which closes on April 15, 2020. In addition to the 30-day public comment period in which the public will be able to provide written comments to the OHCA, the OHCA will host public hearings in which the public may provide oral comments. Due to CDC COVID-19 social distancing recommendations, these meetings will be virtual only. Visit www.okhca.org/SoonerCare2 for the most up to date SoonerCare 2.0 information.

VIRTUAL MEETING
March 20, 2020 at 3:00 p.m.
Register for Zoom
Meeting: https://okhca.zoom.us/webinar/register/WN_v6HmJv0TQIGffw7EathJcA

VIRTUAL MEETING
March 24, 2020 at 1:30 p.m.
Register for Zoom
Meeting: https://okhca.zoom.us/webinar/register/WN_0bzxX6VgQ_CDXAnTY4WDEA

Prior to finalizing the proposed HAO waiver, the OHCA will consider all written and verbal public comments received. The comments will be summarized and addressed in the final version to be submitted to CMS.

SOONERCARE 2.0 PROPOSAL SUMMARY AND OBJECTIVES
Effective July 1, 2021, and contingent upon CMS approval, SoonerCare 2.0 will provide the coverage avenue for individuals made newly eligible for SoonerCare as of the state's July 1, 2020, expansion. This includes individuals with income up to 133% of the federal poverty level (FPL) and applicable income disregards who are not otherwise eligible for SoonerCare services provided by OHCA. SoonerCare 2.0 will implement policies to align with commercial market coverage and will:

• Introduce private insurance concepts like premiums and commercial-like benefit packages to prepare members to transition from SoonerCare into private coverage.
• Incentivize members to access services when and where appropriate and disincentivize inappropriate use of the emergency room with an $8 copay for non-emergency use of the ER.
• Encourage individuals to address additional facets of their health by requiring participation in activities that are positively correlated with good health, including work, volunteering, and educational/vocational activities.
• Encourage individuals to obtain and maintain health coverage before they are sick by eliminating retroactive coverage.
• Leverage care coordination and managed care strategies to improve health outcomes and member satisfaction through better coordinated services.
• Ensure appropriate coverage for eligible individuals by eliminating hospital presumptive eligibility.
ELIGIBILITY
Individuals eligible under SoonerCare 2.0 include the newly eligible adult expansion population age 19 through 64 with income under 133% of the federal poverty level, with applicable income disregards.

Community Engagement Program
SoonerCare 2.0 will implement a community engagement (CE) initiative that will require non-exempt members between the ages of 19 and 60 to provide verification of at least 80 hours per month of qualified activities via phone, online, or by mail within 13 months of enrollment. This requirement will be implemented via a phase-in period to allow for familiarization with the requirement. In addition, individuals recently released from incarceration will have a 9-month grace period in reporting.

<table>
<thead>
<tr>
<th>Hourly Requirement Phase-in of the Community</th>
<th>Required Participation Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 months (grace period)</td>
<td>No verification needed</td>
</tr>
<tr>
<td>4-6 months</td>
<td>Verify at least 10 hours per week</td>
</tr>
<tr>
<td>7-9 months</td>
<td>Verify at least 15 hours per week</td>
</tr>
<tr>
<td>10-12 months</td>
<td>Verify at least 20 hours per week</td>
</tr>
<tr>
<td>13 months - ongoing</td>
<td>Verify at least 80 hours per month</td>
</tr>
</tbody>
</table>

Activities that count towards the required hours include:
1. Employment that is paid, in-kind, or unpaid;
2. All state-run Workforce Innovation and Opportunity Act (WIOA) programs;
3. Complying with a work registration requirement under the federal-state unemployment compensation system;
4. Attendance at least part-time in any school, General Education Development/Diploma (GED) education and certification class, vocational education or training program, or institution of higher education; and/or
5. Volunteer work activities (e.g., classroom volunteer, faith-based, or community service programs).

Leveraging available administrative data sources as well as information collection and retention tools, OHCA will identify members who already meet CE requirements and will exempt members who qualify for certain standard or hardship/good cause exemptions; those individuals will not need to report activities. SoonerCare 2.0 members will also have multiple ways to self-report an exemption or their compliance with CE requirements, including online, by mail, and in person. Non-exempt SoonerCare 2.0 members who do not comply with the CE reporting requirement will lose SoonerCare 2.0 coverage effective the first day of the month following the month in which OHCA determined the member did not comply with CE requirements unless an appeal is timely filed or the member requests good cause.

Members or new applicants meeting and reporting one or more of the following exemptions to OHCA will not be required to complete CE related activities during any month(s) in which the exemption applies to maintain continued eligibility.
1. Adults over 60 years of age;
2. Individuals who are pregnant;
3. Individuals who are medically certified as physically or mentally unfit for employment;
4. A parent or caretaker responsible for the care of a dependent child under the age of 6;
5. A parent or caretaker personally responsible for the care of an incapacitated person (as attested to by a medical or mental health provider);
6. A person currently subject to and complying with Temporary Assistance for Needy Families (TANF) or SNAP work registration requirements;
7. Individuals participating in a drug addiction or alcohol treatment and rehabilitation program;
8. Individuals diagnosed with Serious Mental Illness (SMI) and actively receiving behavioral health treatment services;
9. Students enrolled at least part time in any recognized school, training program, or institution of higher education;
10. Persons currently subject to and complying with a work registration requirement under title IV of the Social Security Act, as amended (42 U.S.C. 602) or federal-state unemployment compensation system;
11. Persons with a disability under the definitions of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, or Section 1557 of Affordable Care Act; however, these members will have the opportunity for voluntary reporting if that is their preference
12. Individuals who have membership, enrolled or otherwise, in an American Indian/Alaska Native federally recognized tribe.

Members who lose eligibility for non-compliance with the CE requirements may re-apply for SoonerCare 2.0 benefits under the following conditions:
1. If the member complies with CE activities for at least the specified number of hours in Table 1 in a 30-day period, the member may regain eligibility;
2. If the member participates in and complies with the requirements of a program under Section 2029 of title 7 U.S.C. 2015 or a comparable program established by a state or political subdivision of a state;
3. If the member meets an exemption status, their eligibility would begin in the current month when the state receives notification of the exemption; or
4. If the member becomes pregnant, eligibility could be retroactive to a prior month per established state policy.

ENROLLMENT AND FISCAL PROJECTIONS
The SoonerCare 2.0 demonstration expects to enroll up to 151,624 individuals at an annual cost of up to $976.6 million per year over the five-year demonstration period from July 1, 2021 through June 30, 2026. SoonerCare 2.0 is expected to be the sole coverage avenue for the expansion adult eligibility group, and enrollment under this program is to be considered an increase in Medicaid enrollment that would not otherwise be available. Funding to cover the projected cost is expected at 90% federal share and 10% state share for the expansion adult population.

Table 2: Target Population Enrollment

<table>
<thead>
<tr>
<th>Targeted Population Enrollment</th>
<th>Demonstration Year (DY) 01</th>
<th>DY02</th>
<th>DY03</th>
<th>DY04</th>
<th>DY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion Adults</td>
<td>144,285</td>
<td>151,624</td>
<td>151,624</td>
<td>151,624</td>
<td>151,624</td>
</tr>
</tbody>
</table>

*Enrollment figures assume 5% enrollment reduction as compared to non-demonstration expansion, anticipated from implementation of premiums and community engagement requirements.*

Table 3: Target Population Expenditures

<table>
<thead>
<tr>
<th>Targeted Population Expenditures</th>
<th>DY01</th>
<th>DY02</th>
<th>DY03</th>
<th>DY04</th>
<th>DY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion Adults</td>
<td>$954.0M</td>
<td>$976.6M</td>
<td>$976.6M</td>
<td>$976.6M</td>
<td>$976.6M</td>
</tr>
</tbody>
</table>
BENEFITS, COST SHARING, AND DELIVERY SYSTEM

Covered Benefits
The state proposes to use the Medicaid state plan benefits within the Alternative Benefit Plan template (ABP 5) but to exclude non-emergency transportation (NEMT), long-term care services, and Early and Periodic Screening Diagnostic and Treatment (EPSDT) services to more closely align with the benefits offered via commercial coverage. OHCA may cover NEMT in limited cases based on an individualized assessment of need and in accordance with a care coordination plan.

Premiums and Copays
In addition to state plan cost sharing, the SoonerCare 2.0 proposal includes required premiums for enrollees with income above the low-income parent caretaker standard (approximately 45% of the FPL) but below 133% of the FPL, plus applicable disregards. Premiums are tiered by individual and family enrollment and income level as displayed below in Table 4.

Table 4: Monthly premium amounts, by tier and household composition

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Single</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1- $0 up to the Parent/Caretaker Income Standard</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Tier 2- &gt;Parent/Caretaker income standard to 100% FPL</td>
<td>$5</td>
<td>$7.50</td>
</tr>
<tr>
<td>Tier 3- &gt;100% to 133% FPL (+ 5% income disregard)</td>
<td>$10</td>
<td>$15</td>
</tr>
</tbody>
</table>

The coverage start date for individuals who do not have a premium obligation will start according to the approval date of their application. The State currently conducts real-time eligibility determinations. Therefore, this policy will not delay enrollment but will encourage greater alignment with commercial insurance policies. If the application is approved:
- **1st-14th of the month:** Coverage starts the first day of the month after their application is approved.
- **15th-end of the month:** Coverage starts the first day of the second following month.

Individuals with a premium obligation will have their coverage start based on when they pay their first premium, aligning with the Health Insurance Marketplace. If the first premium occurs:
- **1st-14th of the month:** Coverage starts the first day of the following month.
- **15th-end of the month:** Coverage starts the first day of the second following month.

Once enrolled, members have a 90-day payment grace period prior to disenrollment for non-payment. There is no exclusion period for individuals disenrolled for non-payment.

Except for members who are exempt from cost sharing, all SoonerCare 2.0 members will be subject to an $8 copayment for non-emergency use of the emergency room. Additionally, members will be charged copays consistent with those allowable in the state plan.

Cost Sharing Exemptions
Some members will be exempt from the monthly premium. Members exempt from premiums include those diagnosed with HIV/AIDS, substance use disorder (SUD), and/or serious mental illness (SMI). Aligning with federal guidance, American Indians/Alaska Natives and members who become pregnant will be exempt from all cost sharing, including premiums. Individuals who are incarcerated and receiving inpatient hospital services will also be exempt from premiums. When one member in the household is exempt from premiums, the entire household will be exempt.

OHCA will evaluate the impact of premiums on enrollment and behaviors and requests from CMS the flexibility to adjust premiums in later years based on the results of those evaluations. Flexibility to adjust
premiums as high as 5% of the individual’s household income, consistent with federal out-of-pocket cost limitations may be requested. The OHCA may also temporarily adjust or pause premium policies in response to unforeseen and acute challenges, such as natural disasters and state/national emergencies. Advanced public notice will be issued prior to changes in premiums.

Delivery System
The OHCA requests flexibility to develop a unique managed care solution to deliver coordinated, timely, and high-quality care to our members. The OHCA will build on the primary care case management (PCCM) system established in the State’s approved SoonerCare 1115(a) demonstration by expanding it to include other areas of focus such as behavioral health integration and care coordination. The OHCA will continue to work closely with providers to coordinate and manage member access to appropriate levels of care and services. OHCA will also seek flexibilities through the HAO waiver demonstration to implement new value-based payment methodologies for providers throughout the SoonerCare provider network to focus on quality services and outcomes.

OHCA will continue to modify and enhance its customized care delivery system to identify and address unique challenges as they arise. As changes are made to the delivery system, the OHCA will ensure appropriate consultation with key stakeholders and will continue to comply with state and federal notice requirements. The State hopes to achieve the following objectives:

- Improve health outcomes by rewarding high quality care;
- Focus on quality improvement in specific population health goals;
- Integrate physical and behavioral healthcare and increase care coordination;
- Better coordinate care for SoonerCare members using modern technology and methods; and
- Contain program costs by utilizing payment methodologies that incentivize quality over quantity.
HYPOTHESES AND EVALUATION
The SoonerCare 2.0 program will be subject to an independent evaluation that investigates the outcomes of the following goals and hypotheses.

Table 5: Hypotheses and Evaluation Methodology

<table>
<thead>
<tr>
<th>Objective/Goal</th>
<th>Hypothesis</th>
<th>Evaluation Parameters/Methodology</th>
</tr>
</thead>
</table>
| **GOAL 1. Improve access to high-quality, person-centered services that produce positive health outcomes for individuals** | **Hypothesis 1.** Enrollment in managed care will increase the use of preventive, primary, urgent, and specialty care. | **Data Sources:** Claims data; member survey  
**Analytic Approach:**  
- Descriptive quantitative analysis  
- Difference-in-differences regression analysis  
- Qualitative analysis |
|                                                                                | **Hypothesis 2.** SoonerCare 2.0 members will report higher levels of satisfaction with health care access in managed care than Medicaid enrollees who participate(d) in a fee-for-service delivery system. | **Data Sources:** Member survey  
**Analytic Approach:**  
- Descriptive quantitative analysis  
- Difference-in-differences regression analysis  
- Qualitative analysis |
| **GOAL 2. Strengthen beneficiary engagement in their personal health care plan, including incentive structures that promote responsible decision-making** | **Hypothesis 1.** Implementation of an $8 copay for non-emergency use of the ER will reduce non-emergency use of the ER. | **Data Sources:** Claims data; member survey  
**Analytic Approach:**  
- Descriptive quantitative analysis  
- Difference-in-differences regression analysis  
- Qualitative analysis |
|                                                                                | **Hypothesis 2.** SoonerCare 2.0 members with a monthly premium will gain familiarity with common feature of commercial health insurance. | **Data Sources:** Member survey; eligibility system  
**Analytic Approach:**  
- Descriptive quantitative analysis  
- Qualitative analysis |
|                                                                                | **Hypothesis 3.** SoonerCare 2.0 members will be more likely than other Medicaid members to enroll in coverage before they experience an acute health care need (retroactive coverage policy and elimination of hospital presumptive eligibility). | **Data Sources:** State administrative enrollment data; member survey; claims data  
**Analytic Approach:**  
- Difference-in-differences regression analysis |
|                                                                                | **Hypothesis 4.** SoonerCare 2.0 member access to care will not be adversely impacted by the elimination of the non-emergency medical transportation benefit. | **Data Sources:** Member survey  
**Analytic Approach:**  
- Qualitative analysis |
WAIVER AND EXPENDITURE AUTHORITY

The Medicaid program flexibilities requested by the State in this HAO demonstration application are designed to be provided specifically pursuant to expenditure authority under Section 1115(a)(2) of the Act, without the need for Section 1115(a)(1) waiver authorities. No other authorities are requested. Under the flexibility outlined by the Healthy Adult Opportunity guidance, the following flexibilities are requested.

<table>
<thead>
<tr>
<th>Objective/Goal</th>
<th>Hypothesis</th>
<th>Evaluation Parameters/Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOAL 4. Support coordinated strategies to address certain health determinants that promote upward mobility, greater independence, and improved quality of life among individuals</td>
<td><strong>Hypothesis 1</strong>: SoonerCare 2.0 members subject to CE requirements will transition out of SoonerCare due to increased income at a greater rate than SoonerCare members not subject to the requirements.</td>
<td><strong>Data Sources</strong>: Member survey; state workforce or tax data; state administrative enrollment data <strong>Analytic Approach</strong>: • Difference-in-differences regression analysis</td>
</tr>
<tr>
<td></td>
<td><strong>Hypothesis 2</strong>: SoonerCare 2.0 members subject to CE requirements will have higher employment rates compared to SoonerCare members not subject to the requirements.</td>
<td><strong>Data Sources</strong>: Member survey; state workforce or tax data <strong>Analytic Approach</strong>: • Difference-in-differences regression analysis</td>
</tr>
<tr>
<td></td>
<td><strong>Hypothesis 3</strong>: SoonerCare 2.0 members subject to CE requirements will have higher household income compared to SoonerCare members not subject to the requirements.</td>
<td><strong>Data Sources</strong>: Member survey; state workforce or tax data; state administrative enrollment data <strong>Analytic Approach</strong>: • Difference-in-differences regression analysis</td>
</tr>
<tr>
<td>GOAL 5. Promote efficiencies that ensure Medicaid’s sustainability for beneficiaries over the long term</td>
<td><strong>Hypothesis 1</strong>: Eliminating hospital presumptive eligibility will ensure that individuals are accurately assessed as eligible for SoonerCare using the real-time eligibility application.</td>
<td><strong>Data Sources</strong>: State administrative enrollment data <strong>Analytic Approach</strong>: • Descriptive quantitative analysis • Difference-in-differences regression analysis • Qualitative analysis</td>
</tr>
</tbody>
</table>

Section 1902(a)(8); 42 CFR 435.911(c)(1) and Section 1902(a)(10); 42 CFR 435.119

Ability to impose additional eligibility requirements to further the objectives of Medicaid program.

Section 1902(a)(8); 42 CFR 435.915(c)(1)

Flexibility to establish prospective enrollment for eligible applicants.

Section 1902(a)(10) and (34); 42 CFR 435.915

Flexibility to eliminate retroactive eligibility.

Section 1902(a)(47)(B); 42 CFR 435.1110

Flexibility to eliminate hospital presumptive eligibility.
REVIEW OF DOCUMENTS AND SUBMISSION OF COMMENTS
Interested persons may visit www.okhca.org/SoonerCare2 to view a copy of the proposed waiver, full and abbreviated public notices, location and times of public hearings, a link to provide public comments on the proposal, supplemental information, and updates. Persons wishing to present their views in writing or obtain copies of the proposed waiver may do so at the following address: Oklahoma Health Care Authority, Federal Authorities Unit, 4345 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105, or by email at federal.authorities@okhca.org. Written and/or oral comments or requests for copies of the proposed waiver will be accepted during regular business hours by contacting OHCA as indicated. Comments submitted will be available for review by the public Monday-Friday, 9 a.m.-4:30 p.m. at OHCA located at the above address, or viewed online at www.okhca.org/PolicyBlog. Comments will be accepted beginning March 16, 2020, through April 15, 2020.