

PUBLIC NOTICE

Pursuant to 42 CFR § 447.205 the Oklahoma Health Care Authority (OHCA) is required to give public notice of any significant proposed change in methods and standards for setting payment rates for services in the SoonerCare program. The state plan amendment (SPA) proposal was presented at the March 6, 2018, May 16, 2018, and January 7, 2020 tribal consultations. Based on received public comments, the original SPA proposal's reimbursement methodology was revised after submission to the Centers of Medicare & Medicaid Services (CMS) on March 30, 2020. Therefore, the State sent a revised public notice to tribal partners on July 10, 2020. Additionally, the updated proposal will be discussed during the September 1, 2020 tribal consultation. Further, the original proposal was presented at the State Plan Advisory Committee (SPARC) meeting on January 21, 2020; the revised methodology will be presented at the SPARC meeting on September 8, 2020. Similarly, the original proposal was presented to the OHCA Board on March 30, 2020. The revised proposal will be presented at the OHCA Board of Directors meeting on September 16, 2020 at 3:00 PM at the OHCA offices located at 4345 N. Lincoln Blvd., OKC, OK 73105 in the OHCA Charles Ed McFall board room, or via teleconference if the public health emergency and related social distancing guidelines are still in effect at that time.

Durable Medical Equipment, Supplies, and Appliances; Effective date: August 1, 2020, contingent upon CMS approval.

The proposed revisions establish reimbursement methodology of durable medical equipment, supplies, and appliances. All services will be tied to the Medicare fee schedule and will be updated annually. Durable medical equipment, supplies, and appliances will be reimbursed as follows:

For items of DME provided in Medicare Competitive Bidding Areas (CBAs) where rates for specific items have been competitively bid under the Medicare program, the rate is set at the lower of the following:

1. The percent listed below of the Medicare single payment amount specific to the geographic area where the item is being provided, that are in effect as of Jan. 1 each year, and updated on a quarterly basis (April 1, July 1, October 1) as needed;
2. The provider's charge; or
3. The non-rural and rural DMEPOS fee schedule rate.

If there is no competitively bid payment rate for an item of DME in a CBA, one of two methodologies will apply:

1. Reimbursement for DME provided in non-rural areas is set at the lower of the following:
 - a. The percent listed below of the Medicare DMEPOS fee schedule rate for Oklahoma geographic, non-rural areas, that are in effect as of Jan. 1 each year; or
 - b. The provider's charge.
2. For items of DME provided in rural areas, the rate is set at the lower of the following:
 - a. The percent listed below of the Medicare DMEPOS fee schedule rate for Oklahoma geographic, rural areas, set as of Jan. 1 each year; or
 - b. The provider's charge.

The percentage of Medicare is as follows:

1. Durable medical equipment, oxygen, purchase equipment that Medicare only rents, and Complex Rehab Technology accessories will be reimbursed at 100 percent of the Medicare prices;
2. Complex Rehab Technology power wheelchairs will be reimbursed at 70 percent of Medicare prices;
3. Enteral food will be reimbursed at 125 percent of the Medicare prices;
4. Supplies will be reimbursed at 100 percent of the Medicare prices;
5. Parenteral equipment and food will be reimbursed at 70 percent of Medicare prices.

For items of durable medical equipment, supplies, and appliances not paid at the Medicare fee or when there is no fee schedule available, the provider will be reimbursed either by a fee determined by OHCA or through manual pricing, as follows:

1. The fee determined by OHCA will be determined from cost information from providers or manufacturers, surveys of the Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information;
2. Manual pricing is reasonable when one procedure code covers a broad range of items with a broad range of costs, since a single fee may not be a reasonable fee for all items covered under the procedure code, resulting in access-to-care issues. Examples include:
 - a. Procedure codes with a description of “not otherwise covered,” “unclassified,” or “other miscellaneous”; and
 - b. Procedure codes covering customized items.
 - c. If manual pricing is used, the provider will be reimbursed the lower of the Manufacturer’s Suggested Retail Price (MSRP) less 30 percent (30%), or the provider’s documented invoice cost (Average Wholesale Price (AWP)) plus 30 percent (30%).

For durable medical equipment, supplies, and appliances purchased at the pharmacy point of sale, providers will be reimbursed the equivalent of Medicare Part B, ASP + 6%. When ASP is not available, an equivalent price is calculated using Wholesale Acquisition Cost (WAC). If no Medicare, ASP, or WAC pricing is available, then the price will be calculated based on invoice cost.

Prosthetics and orthotics are reimbursed at the Medicare non-rural pricing.

Payment for durable medical equipment, supplies, and appliances will be calculated using the current Medicare rates issued by the Centers for Medicare and Medicaid Services (CMS). Payment is not made for durable medical equipment, supplies, and appliances that are not deemed as medically necessary or considered over-the-counter. Additionally, durable medical equipment and supplies will no longer be reimbursed separately when services are included as part of the payment for another treatment program.

For any item subject to the DME FFP demonstration, these items will be priced at or under 100% of Medicare rural/non-rural pricing.

The estimated budget impact for State Fiscal Year (SFY) 2021 and SFY 2022 will be an increase in the total amount of \$2,615,007; with \$912,376 state share.

Interested persons may visit www.okhca.org/PolicyBlog to view a copy of the public notice. Due to the current public health emergency and the associated social distancing guidelines, persons wishing to present their views in writing or obtain copies of the proposed state plan amendment may do so via mail by writing to: Oklahoma Health Care Authority, Federal Authorities Unit, 4345 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105, or by email at federal.authorities@okhca.org. Written comments or requests for copies of the proposed state plan amendment will be accepted by contacting OHCA as indicated. Other written comments are available upon request at federal.authorities@okhca.org.