

Rule Impact Statement (2025)

A. Purpose of the proposed rule and legal authority (75 OS § 253(B)(2)(b)(1), 75 OS 303(D)(2)(a))

This rule adds Medicaid coverage for Functional Family Therapy services in order to allow for Medicaid reimbursement for services previously provided by Oklahoma Juvenile Affairs under limited grant funding.

Legal authority: The Oklahoma Health Care Authority Act, Section 5007 (C)(2) of Title 63 of Oklahoma Statutes; the Oklahoma Health Care Authority Board.

B. Brief description of the proposed rule (75 OS 253(B)(2)(b)(3))

OHCA, in collaboration with Oklahoma Juvenile Affairs (OJA) and Oklahoma Human Services (OHS), seeks to add coverage for Functional Family Therapy (FFT). FFT is a short-term, evidence-based therapeutic intervention designed to improve family functioning and address behavioral issues in adolescents who are at risk of or engaged in delinquent behavior, substance abuse, or other challenges. The therapy is rooted in a systemic approach, focusing on the relationships within the family rather than treating the individual in isolation. The proposed policy defines eligible populations, eligible providers, referral requirements, service limitations and exclusions. Additional revisions clarify acceptable accrediting bodies for outpatient behavioral health agencies.

C. Classification of proposed rule (75 OS 253(B)(2)(b)(2))

Classification: ☒ Major

Justification: (Include estimate of total implementation and compliance costs over 5 years and basis for estimate. If $\geq \$1,000,000 \rightarrow$ classified as major.)

Total annual implementation and compliance costs:

Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)):

Total cost over 5 years is estimated to be approximately \$5,000,000 based on anticipated utilization.

Estimates were calculated by the Office of Juvenile Affairs and Oklahoma Human Services

D. Description of affected classes of persons most likely to be impacted by the proposed rule (75 OS 253(B)(2)(b)(4), 75 OS 303(D)(2)(b))

The proposed rule changes will likely impact Medicaid eligible at risk youth members and their families, as well as the providers supplying FFT services to these members.

E. Description of classes who will benefit from the proposed rule (75 OS 253(B)(2)(b)(5), 75 OS 303(D)(2)(c))

The proposed rule changes will benefit Medicaid eligible at risk youth members and their families. The proposed rule changes have the potential to improve access to care and health equity.

F. Comprehensive economic impact analysis (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(d))
Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)):

The rule may result in increased revenue to some outpatient behavioral health providers through new Medicaid billing opportunities, potentially supporting job retention or expansion.

No additional FTEs are anticipated. Implementation will be absorbed within existing staff capacity.

The development of this proposed rule predates the requirement to track these measurements, so these costs have not been quantified.

G. Probable costs and benefits to OHCA and other agencies (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(e))

For state fiscal year 2027, the expected cost of services for the State of Oklahoma is \$916,856. For state fiscal year 2028, the expected cost is \$1,100,228.

In addition to the costs of Medicaid compensable services, probable costs are expected for several state agencies: both Oklahoma Office of Juvenile Affairs and Oklahoma Human Services will be covering provider mileage reimbursement and training costs, and fidelity monitoring through FFT LLC.

Oklahoma Health Care Authority will be making changes to systems, and interagency agreements, and will be developing a new report and prior authorization process.

The development of this proposed rule predates the requirement to track these measurements, so these internal costs have not been quantified.

H. Economic impact on political subdivisions and whether their cooperation is required (75 OS 253(B)(2)(b)(8), 75 OS 303(D)(2)(f))

The proposed rule changes will not have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rule changes.

I. Economic impact on small businesses (75 OS 253(B)(2)(b)(9), 75 OS 303 (D)(2)(g))

The agency does not anticipate that the proposed rule changes will have an adverse effect on small businesses. This rule is likely to have a positive impact for some outpatient behavioral health agencies.

J. Measures taken to minimize compliance costs and assessment of less costly, less intrusive, or nonregulatory alternatives (75 OS 253(B)(2)(b)(10), 75 OS 303(D)(2)(h))

The agency has taken measures to determine that there are no other legal methods to achieve the purpose of the proposed rule. Measures included a formal public comment period and tribal consultation.

K. Effect of the rule on public health, safety, and the environment (75 OS 253(B)(2)(b)(11), 75 OS 303(D)(2)(i))

The proposed rule should expand medically necessary services thereby protecting public health.

L. Detrimental effects if the proposed rule is not implemented (75 OS 253(B)(2)(b)(12), 75 OS 303(D)(2)(j))

The agency does not anticipate any detrimental effect if the proposed rule is not passed.

M. Summary of and preliminary comparison to existing or proposed federal regulations (75 OS 303(D)(2)(n))

The proposed rule change aligns with, but does not duplicate, federal regulations regarding rehabilitative services at 42 CFR 440.130

N. Analysis of alternatives to adopting the proposed rule (75 OS 303(D)(2)(l))

The alternatives to adopting the proposed rule include making no rule change and requiring that FFT be billed within the existing parameters for family therapy, which would limit the availability of services.

O. Estimates of internal OHCA employee time and other resources used to develop the proposed rule (75 OS 303(D)(2)(m))

OHCA has spent approximately 550 hours developing the proposed rule. This estimate does not include time from other state agencies.

P. Date statement prepared or modified (75 OS 253(B)(2)(b)(13), 75 OS 303(D)(2)(k))

Prepared date: December 5, 2024
Modified date: September 25, 2025
Modified date: October 6, 2025
Modified date: December 17, 2025