

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))

The proposed hospice policy revisions remove hospice services from the ADvantage, Medically Fragile, and Money Follows the Person programs, as these services will now be covered under the State Plan, and update certification requirements to align with federal standards.

Legal authority: The Oklahoma Health Care Authority Act, Section 5007 (C)(2) of Title 63 of Oklahoma Statutes; The Oklahoma Health Care Authority Board; Section 1915 of the Social Security Act, and Sections 418.22 and 440.180 of Title 42 of the Code of Federal Regulations.

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

The Oklahoma Health Care Authority proposes policy revisions to remove hospice services from the 1915(c) Home and Community-Based Services (HCBS) waivers, including the ADvantage and Medically Fragile waivers, as well as the Money Follows the Person demonstration. Hospice services will instead be provided under the State Plan. The revisions also update hospice certification requirements to align with federal standards, requiring statements from both the member's attending physician and the hospice provider's physician. Additional revisions clarify the length of the hospice benefit election.

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

Classification: ☒ Nonmajor

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)):

The budget impact of the proposed rule is estimated to be budget neutral, as hospice services will continue to be provided under existing Medicaid authority through the State Plan rather than under 1915(c) waivers or the Money Follows the Person demonstration. The proposed revisions do not add new services or expand benefit scope beyond what is already authorized under federal Medicaid law.

Internal implementation and compliance costs were not separately calculated because development of this project began prior to the effective date of the state statute requiring detailed cost estimates. Based on the limited scope of the policy changes and the absence of new provider types, reimbursement methodologies, system modifications, or staffing

requirements, any associated administrative costs are expected to be minimal and absorbed within existing resources.

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 may have minor indirect impacts for Hospice providers and SoonerCare members related to billing pathway changes.

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 is likely to benefit SoonerCare members, by ensuring consistent access to hospice services through the Medicaid State Plan rather than waiver-specific coverage, reducing complexity and potential service disruption.

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 proposed rule is expected to be budget neutral. No new or increased fees are created by this rule.

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

The proposed rule benefits OHCA by ensuring compliance with federal regulations regarding waiver services. There is no expected cost.

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))

This rule does not have an economic impact on political subdivisions, including counties, municipalities, or school districts. No cooperation or implementation actions by political subdivisions are required.

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

The proposed rule is not expected to impact small businesses, as it does not introduce new licensure, enrollment, or reimbursement requirements. Updated certification standards reflect existing federal requirements and apply uniformly across providers.

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))

A formal rule was necessary to remove hospice services from waiver authorities, consistent with federal Medicaid requirements.

OHCA considered maintaining hospice coverage within waiver programs or addressing the changes solely through operational guidance. These alternatives were rejected because hospice is more appropriately administered under State Plan authority.

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 supports public health by ensuring consistent, statewide access to hospice services under the Medicaid State Plan and reinforcing federally required clinical certification standards.

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

If the proposed rule is not implemented, members may experience confusion in accessing hospice services, and providers may face inconsistent billing and certification expectations.

Failure to implement the rule could expose OHCA to audit findings or compliance risks.

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

The proposed rule implements and aligns with federal Medicaid hospice requirements under Sections 418.22 and 440.180 of Title 42 of the Code of Federal Regulations.

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

OHCA considered addressing the changes through informal guidance. This alternative was rejected because it would not adequately reflect federal Medicaid hospice requirements.

Adopting a formal rule was determined to be the most appropriate approach to ensure clarity, enforceability, and consistency across programs.

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

Development of the proposed rule required staff time from policy, legal, and administrative personnel, including research, drafting, coordination, and review activities. OHCA estimates approximately 70 staff hours were expended.

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

Prepared date: November 20, 2025

Modified date: December 22, 2025