

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 rule revisions shift responsibility for determining Medicaid eligibility for TANF recipients from OKDHS to OHCA, in compliance with federal regulations and guidance determining that TANF recipients are not automatically eligible for Medicaid.

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))

The proposed rule revisions shift responsibility for determining Medicaid eligibility for TANF recipients from OKDHS to OHCA. Federal regulations no longer provide for receipt of TANF to be an automatic eligibility trigger, instead requiring TANF recipients to have their income assessed under Modified Adjusted Gross Income (MAGI) rules. Eligibility groups for whom OKDHS determines eligibility (aged, blind, disabled, custody) are not income-based, while OHCA determines eligibility for income-based groups. Enrollment systems have already been updated in compliance with federal regulations.

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

Classification: Major Nonmajor

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

Total annual implementation and compliance costs: No implementation or compliance costs are anticipated. TANF members already have eligibility determined by OHCA at this time. While not directly resulting from this rule, there was a one-time system modification cost of \$85,000 associated with moving TANF eligibility determinations from OKDHS to OHCA, with 90% of this amount funded through Medicaid administrative matching funds, and an additional \$10,000 for system maintenance and technical support during the first year of migration to OHCA's Online Enrollment system at a 75/25 federal matching rate.

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

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 will affect TANF recipients. There is no anticipated cost or impact 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))

TANF recipients will benefit from a simplified enrollment experience, and the state will be aligned with federal requirements.

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)):

OHCA anticipates absorbing the administrative burden within existing staff, with no new FTEs required. The rule creates no new fees. On a broader scale, the rule is expected to improve eligibility efficiency for TANF recipients in the state.

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

The implementation of TANF medical applications through Online Enrollment introduced real-time eligibility determinations that significantly streamlined business processes, reduced manual workload and administrative burden, strengthened federal compliance, and expanded timely access to services for members.

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 impact political subdivisions. No cooperation is required from political subdivisions.

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

This rule is not anticipated to affect small businesses since it is a change in how eligibility is determined.

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))

OHCA minimized compliance costs by leveraging existing system capabilities to reduce documentation and administrative burdens. The agency evaluated several less costly and less intrusive alternatives—such as workflow refinements, targeted configuration updates, and nonregulatory process improvements—and implemented them where appropriate to ensure continued compliance while limiting fiscal and operational impacts.

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 rule is not anticipated to have an impact on public health, safety, and the environment. It will bring us into compliance with federal guidelines for determining eligibility for TANF recipients using MAGI.

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

Failure to implement this rule will put Oklahoma out of compliance with federal regulations requiring TANF recipients to be determined eligible for Medicaid using MAGI rules, with potential monetary penalties or loss of federal funds.

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

The proposed rule aligns with federal regulations and does not impose additional restrictions beyond federal minimums.

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

Implementation of this rule is the best approach for aligning OHCA with federal regulations.

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 began prior to the requirement to track internal time and resources used to develop the rule. Estimated at approximately 200-250 hours of employee time, primarily in Policy and Eligibility/Enrollment.

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

Prepared: 12.1.2025

Modified: 12.29.2025