

## **Rule Impact Statement**

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

The purpose of the proposed rule is to implement Senate Bill 904 by revising OAC 317:30-3-1 to provide that the Oklahoma Health Care Authority (OHCA) does not reimburse for or provide coverage of gender transition procedures, as defined by Section 1-800 of Title 63 of the Oklahoma Statutes. The rule is intended to align OHCA policy with the statutory prohibition on Medicaid reimbursement and coverage for such procedures. SB904 provides that the state Medicaid program shall not reimburse or provide coverage for any gender transition procedures, regardless of whether provided to a minor or an adult and contains an emergency clause making the act effective upon passage and approval.

Authority:

63 O.S. Supp. 2026, § 1-800 (SB 904)

63 O.S. §§ 5006 and 5007

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

The proposed rule amends OAC 317:30-3-1 to add a general Medicaid payment limitation stating that OHCA does not reimburse for or provide coverage of gender transition procedures, as defined by Section 1-800 of Title 63. The statutory definition includes certain surgeries, puberty-blocking drugs, cross-sex hormones, and other drugs used for the purpose described in the statute, and excludes specified behavioral health services, medications for depression and anxiety, certain treatments for precocious or delayed puberty, certain services related to disorders of sex development, treatment of complications, and emergency treatment.

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

**Classification:** Nonmajor

**Justification:** The proposed rule is expected to result in annual savings of approximately \$103,697 total funds, including \$35,247 state share. The proposed rule therefore does not meet the threshold for a major rule.

**Total annual implementation and compliance costs:** \$0 additional implementation or compliance costs are anticipated. The rule implements a statutory Medicaid payment prohibition and is not expected to require material new compliance activity beyond routine claims administration and provider notification.

**Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)):** Fiscal estimate is based on anticipated savings associated with the Medicaid noncoverage requirement in Section 1-800 of Title 63. Implementation costs are expected to be absorbed within existing agency operations.

**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))**

Affected classes include SoonerCare members who may seek services described in Section 1-800 of Title 63; providers who may furnish, prescribe, order, or bill for such procedures or drugs; contracted entities administering Medicaid benefits.

**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 primarily benefits OHCA and affected providers and stakeholders by aligning administrative rule with enacted state law and providing clear notice of Medicaid payment policy. The rule may also benefit OHCA from an administrative consistency standpoint by reducing ambiguity regarding whether the Medicaid program may reimburse for services prohibited by statute.

**F. Comprehensive economic impact analysis (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(d))**

The proposed rule is expected to have minimal direct implementation cost to OHCA and no material compliance cost to the general public. The rule is anticipated to result in annual savings of approximately \$103,697 total funds, including \$35,247 state share, due to nonpayment of claims prohibited by state law. To the extent claims would otherwise have been payable, the rule may also result in reduced revenue to affected providers. The rule itself does not impose new licensure, reporting, or fee requirements.

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

Fiscal estimate is based on anticipated savings associated with the Medicaid noncoverage requirement established by Section 1-800 of Title 63. Administrative implementation is expected to occur within existing agency resources.

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

Probable costs to OHCA include staff time for rule development, legal review, tribal consultation, board process, provider notice, and any needed systems or operational review. Other agencies may incur minimal costs to review or coordinate implementation if their programs or facilities are affected by the statute. The principal benefit is consistency between OHCA rules and state law and clearer guidance for Medicaid administration.

**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))**

No significant economic impact on political subdivisions is anticipated from the proposed rule itself. Cooperation of political subdivisions is not expected to be required for rule implementation, although entities that participate in Medicaid delivery or state-operated services may need awareness of the statutory change.

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

Some provider entities that qualify as small businesses could be affected to the extent they furnish or bill for services falling within the statutory definition. However, the rule itself does not impose new reporting, licensure, or fee requirements. The primary effect is to clarify nonpayment under Medicaid for services prohibited by statute.

**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 proposed rule was drafted as a brief, high-level payment limitation in a general applicability section rather than as multiple amendments across several provider-specific sections. This approach minimizes compliance and administrative burden, avoids duplicative amendments in multiple locations, and provides a clearer and faster implementation path. Because the rule is intended to implement a statutory mandate, nonregulatory alternatives were limited.

**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 has no anticipated effect on the environment. The rule is administrative in nature and is intended to align OHCA policy with state law governing Medicaid reimbursement and coverage.

**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, OHCA policy may not clearly reflect current statutory requirements, which could create administrative confusion, inconsistent application, or uncertainty for providers, members, contracted entities, and agency staff regarding Medicaid reimbursement and coverage.

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

The proposed rule ensures the Medicaid program's compliance with state law without running afoul of existing federal regulations.

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

OHCA considered non-rule alternatives, including provider letters, website updates, and other sub-regulatory guidance. Those options were not selected because they would not provide the same level of formal alignment between agency rule and statute. OHCA also considered placing the policy in multiple service-specific sections, but that approach was not preferred because it would require duplicative amendments and create a greater risk of inconsistency. OHCA determined that a single amendment in a general applicability section was the most efficient and administratively consistent approach.

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

Policy: 10  
 Legal:  
 Operations:  
 Communications:  
 Systems:  
 Other:

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

Prepared: May 8, 2026  
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