

APA WF #26-15 TEFRA Revisions Rule Impact Statement (2026)

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 changes is to align OHCA policy with the statutory scope of practice for certain non-physician provider types, including physician assistants and advanced practice registered nurses.

The legal authority for this proposed rule is 63 O.S. § 5007(C)(2) and 42 U.S.C. § 1396a(e)(3).

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

The proposed policy changes will allow qualified non-physician providers, including advanced practice registered nurses and physician assistants, to complete required assessment forms for Medicaid eligibility under the Tax Equity and Fiscal Responsibility Act (TEFRA). Certain non-physician providers are qualified to care for TEFRA members and assess their needs and may improve access to TEFRA assessments, especially in rural areas.

The Tax Equity and Fiscal Equity Act of 1982 (TEFRA, H.R. 4961) allowed states to provide Medicaid coverage to children who have a disability and require an institutional level of care, but who wish to receive services in the community. This coverage allows medically needy children to stay at home with their families. For a child to be enrolled in the TEFRA program in Oklahoma, OHCA must determine that the child requires an institutional level of care, that it is safe to provide such care in the community, and that the cost of providing such care in the community is not more than the cost to care for the child in an appropriate institution. Within OHCA, the Level of Care Evaluation Unit (LOCEU) makes this determination. As part of the application for the TEFRA program, OHCA rules and the LOCEU require that a child's physician complete an assessment form to provide information about the child's needs. Assessment of a child's needs is within the statutory scope of practice of certain non-physician providers, including physician assistants and advanced practice registered nurses.

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

Classification: Nonmajor

Justification: The proposed changes are expected to be budget neutral.

Total annual implementation and compliance costs: Budget neutral.

Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)): The proposed changes are expected to be budget neutral because they do not make any change to covered services or reimbursement.

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))

Certain qualified non-physician providers, including physician assistants and advanced practice registered nurses, and TEFRA members will be positively affected by this rule.

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 policy changes will benefit potential and existing TEFRA members who receive care from a non-physician provider.

F. Comprehensive economic impact analysis (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(d)): The proposed changes are expected to be budget neutral.

Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)): The proposed changes are expected to be budget neutral because they do not make any change to covered services or reimbursement.

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

There are no anticipated costs to OHCA. The professional license of the assessment signatory does not impact the work that OHCA staff do related to TEFRA members or the TEFRA program.

There are no anticipated impacts of the proposed rules on other agencies.

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))

There is no anticipated economic impact on any political subdivisions, and their cooperation is not required.

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

Providers working in small practices and caring for current or potential TEFRA members may see a positive economic impact due to this proposed rule. Allowing qualified non-physician providers to complete TEFRA assessments may reduce the administrative burden and case load on physicians.

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))

This proposed rule removes a regulatory requirement, which can only be accomplished through the rulemaking process. The agency's intent is to reduce the regulatory burden associated with assessment for TEFRA eligibility and align OHCA processes with the statutory scope of practice of non-physician providers.

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 changes are anticipated to have a positive effect on public health and safety in the long term. Allowing non-physician providers to complete assessments for TEFRA eligibility may increase access to TEFRA services, especially in rural areas.

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 rules are not implemented, only physicians will be able to complete assessments for TEFRA eligibility.

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

The proposed changes are aligned with federal regulations on TEFRA eligibility. 42 U.S.C. § 1396a(e)(3) and implementing regulations at 42 C.F.R. § 435.225 establish Medicaid eligibility for children who, *as determined by the State*, meet an institutional level of care and can be safely and economically cared for in the community. Oklahoma, and OHCA, is within its authority to use the assessment of qualified non-physician providers to inform this determination.

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

If the proposed rules are not implemented, only physicians will be able to complete assessments for TEFRA eligibility.

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

Policy staff time: 15 hours
TEFRA staff time: 10 hours

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

Prepared: October 5, 2026
Modified: October 12, 2026; October 15, 2026