

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))

These proposed rule revisions implement Section 5121 of the Consolidated Appropriations Act of 2023. Revisions allow for eligible justice-involved youth to receive certain Medicaid services 30 days prior to release and 30 post-release.

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 5121 of the Consolidated Appropriations Act, 2023

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

The OHCA proposes these policy revisions to provide federally mandated Medicaid-covered services to eligible justice-involved youth under age 21, and Former Foster Care Youth up to age 26, during the 30 days prior to release from incarceration. Required services include physical and behavioral health screenings and diagnostic services, as well as targeted case management provided 30 days prior to release and 30 days post-release. Services will be coordinated in partnership with the Office of Juvenile Affairs, Department of Corrections, and Department of Mental Health and Substance Abuse Services.

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

Classification: ☒ Nonmajor ☐ Major

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

Total annual implementation and compliance costs:

Based on projected implementation and compliance costs totaling \$815,025 over five years, this rule is classified as nonmajor. State share costs are to be incurred by OJA and ODMHSAS.

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

ODMHSAS methodology is as follows: The rate covers the service provision. The rates are based on already established state Medicaid reimbursable rates. The per service rate is \$16.38 per 15 mins. It is estimated that services will be provided for 4 hours at a per hour rate of \$65.52. Services will be billed per service provided by unit using the billing code T1017. ODMHSAS staff will provide 2 hours of TCM to determine client needs and prepare client for services post discharge. The other 2 hours will be available for contracted providers to provide TCM services prior to discharge or additional time needed for the ODMHSAS staff.

ODMHSAS intends to bill for the entire 4 hours and reimburse the contracted provider's time through already established contract lines.

OJA methodology is as follows: Phase I: This is based upon an average of 64 youth discharged from secure care from 2021 to 2024. Eligible services to be provided is Target Case Management (TCM) at a rate of \$299.44 per unit with a maximum of 8 units during those 60 days ($64 \times 8 \times 299.44$) = \$153,313.28. Phase II: This is based upon an average of 323 youth (2022 to 2024) that were adjudicated while in detention then directly admitted to secure care and/or a Level E Group Home. The average detention stay was 180 days prior to discharge. Services are to be rendered 30 days pre discharge. OJA has the potential to claim a maximum of 4 TCM services per youth (299.44 per unit) for a total of \$386,876.48.

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 rule revisions impact post-adjudicated justice-involved youth under the age of 21 or Former Foster Care Youth up to the age of 26.

OHCA, OJA, ODMHSAS, and ODOC will be impacted as each agency has staff that will implement this mandate, including targeted case managers and staff from care coordination, eligibility and enrollment, and managed care. OJA and ODMHSAS will be particularly impacted as they will bear the cost for the services being provided.

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 rule revisions benefit justice-involved youth and OHCA, OJA, ODMHSAS, and ODOC as care coordination, health screenings, referrals, and targeted case management become core Medicaid responsibilities during reentry, reframing incarceration from a point of coverage termination to a predictable care-transition event. This approach will lead to youth leaving custody with reinstated coverage, established care connections, and a clear pathway to community-based services strengthening health outcomes and supporting more successful reintegration. Each state agency involved will benefit from the streamlining of efforts for this mandate, but they will also benefit from increased communication and planning efforts that decrease the potential for the duplication of services or the bearing of unnecessary costs.

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

An estimate of the economic impact is based on projections that have been calculated to reflect provider time and the administrative burden shared by OHCA, OJA, ODMHSAS, and ODOC resulting in a cost of \$815,025 over five years. An increase in job creation can be anticipated as more case managers are needed to meet the needs of the population reentering the community. CCBHCs and managed care plans will also see growth in the population they serve.

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 implementation costs for OHCA. Estimated cost is \$51,172 for OJA and \$13,121 for ODMHSAS. Benefits to each agency involved include access to care, care coordination, and the potential for decreased rates of recidivism.

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.

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 deemed the proposed rules necessary in order to implement the federal mandate, Section 5121 of the Consolidated Appropriations Act of 2023. OHCA 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 rules are expected to support public health and safety by providing justice-involved youth access to preventive care, behavioral health services, and targeted case management. The impact of providing these services is anticipated to not only increase access to health services but also reduce recidivism rates because of continuity of care. The proposed rules do not have an adverse impact on the environment.

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, the state will not be in compliance with the federal mandate. Additionally, justice-involved youth will not have access to services and may face greater barriers to entry for care or higher rates of recidivism.

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

The proposed rule aligns with, but does not duplicate, federal regulations for targeted case management services at 42 CFR 440.169 (Case management services/TCM)

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

Implementing Section 5121 of the Consolidated Appropriations Act of 2023 is a federal mandate and the agency could not maintain the status quo. These rules allow OHCA to implement the mandate and ensure member access to care.

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 80 hours developing the proposed rules.

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

Prepared: August 11, 2026

Modified date: September 1, 2026