NOTICE OF PUBLIC COMMENT PERIOD FOR THE SOONERSELECT
SECTION 1915(b)(4) WAIVER APPLICATION

The Oklahoma Health Care Authority (OHCA) is providing public notice of its intent to submit a 1915(b)(4) waiver application to the federal Centers for Medicare & Medicaid Services (CMS).

The OHCA is seeking CMS approval to implement a comprehensive managed care model, SoonerSelect, in which the OHCA will contract directly with managed care entities (MCEs) throughout the State of Oklahoma (State) to provide risk-based comprehensive health care benefits in accordance with: the Title XIX State Plan; the Title XXI Children’s Health Insurance Program; the 1115 Institutions for Mental Diseases (IMD) Waiver for Serious Mental Illness (SMI)/Substance Use Disorder (SUD) Demonstration, for certain behavioral health services; and federal managed care rules, as delineated in Title 42 Sections 438 and 431 of the Code of Federal Regulations.

This notice provides details about the waiver application submission and serves to open the 30-day public comment period through Mar. 5, 2023, during which the public will be able to provide written comments to the OHCA.

Prior to finalizing the proposed waiver application, the OHCA will consider all public comments received.

WAIVER APPLICATION SUMMARY AND OBJECTIVES

Waiver Application Summary

With this application, the OHCA seeks the following, effective by or prior to April 1, 2024, contingent on CMS approval:

- Enroll a portion of the State’s Medicaid eligible individuals into SoonerSelect, the OHCA’s comprehensive managed care model.
- Recognize as part of without waiver expenditures a schedule of delivery system and provider payment initiatives intended to promote value-based purchasing and quality improvement under the managed care program.

The OHCA will contract directly with managed care entities (MCEs) to provide risk-based comprehensive health care benefits throughout the State in accordance with: the State Plan; the 1115 Institutions for Mental Diseases (IMD) Waiver for Serious Mental Illness (SMI)/Substance Use Disorder (SUD) Demonstration, for certain behavioral health services; and federal managed care rules, as delineated in Title 42 Section 438 of the Code of Federal Regulations.

As part of the managed care delivery system, eligible members will select and enroll in a SoonerSelect MCE (also referred to as Managed Care Organizations (MCOs) or Health Plans) for medical, behavioral, pharmacy, and care coordination services. Eligible children will have the option to enroll either into a SoonerSelect MCE or a SoonerSelect Children’s Specialty Program MCE. Members will also select and enroll in a SoonerSelect Dental Prepaid Ambulatory Health Plan (PAHP) for dental services.

The OHCA will seek CMS approval of Title XIX State Plan amendment(s) to establish federal authority for the managed care service delivery model, as applicable.
Waiver Objectives
The proposed delivery system reform will allow the OHCA to achieve the following payment and delivery system reform objectives:

- Improve health outcomes for Medicaid members and the State as a whole;
- Ensure budget predictability through shared risk and accountability;
- Ensure access to care, quality measures, and member satisfaction;
- Ensure efficient and cost-effective administrative systems and structures; and
- Ensure a sustainable delivery system that is a provider-led effort and that is operated and managed by providers to the maximum extent possible.

The OHCA intends to implement a schedule of delivery system and provider payment initiatives to promote value-based purchasing (VBP) and quality improvement under the proposed waiver. The OHCA will propose that the expenditures be recognized under both the Without Waiver and With Waiver projections.

ELIGIBILITY AND ENROLLMENT

Eligible Populations Impacted by the Application
The Section 1915(b)(4) waiver request will not affect SoonerCare eligibility under the Oklahoma State Plan. The table below provides a summary of Medicaid eligibility groups that will be enrolled in SoonerSelect, subject to CMS approval, effective by or prior to April 1, 2024. All eligible SoonerSelect populations will be required to enroll into a SoonerSelect MCE and a SoonerSelect Dental plan, except as noted.

SoonerSelect Children's Specialty populations will enroll into the SoonerSelect Children’s Specialty Program but will have the choice to opt-out and enroll into the SoonerSelect Medical Program. This decision will be made by the individual if they have reached the age of majority or by and through their guardian/custodian.

Medicaid-eligible American Indian/Alaskan Native (AI/AN) members will have the option to enroll voluntarily into SoonerSelect through an opt-in process.

<table>
<thead>
<tr>
<th>SoonerSelect Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Plan Group</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Pregnant women and infants under age 1 1902(a)(10)(A)(i)(IV)</td>
</tr>
<tr>
<td>Children 1-5 1902(a)(10)(A)(i)(VI)</td>
</tr>
<tr>
<td>State Plan Group</td>
</tr>
<tr>
<td>----------------------------------------------</td>
</tr>
<tr>
<td>Children 6-18 1902(a)(10)(A)(i)(VII)</td>
</tr>
<tr>
<td>IV-E Foster Care or Adoption Assistance Children</td>
</tr>
<tr>
<td>Parents and Caretaker Relatives (1931 low-income families)</td>
</tr>
<tr>
<td>Adult Expansion</td>
</tr>
<tr>
<td>Pickle Amendment</td>
</tr>
<tr>
<td>Early Widows/Widowers</td>
</tr>
<tr>
<td>Targeted Low-Income Child</td>
</tr>
<tr>
<td>Infants under age 1 through CHIP Medicaid expansion</td>
</tr>
<tr>
<td>Children 1-5 through CHIP Medicaid expansion</td>
</tr>
<tr>
<td>Children 6-18 through CHIP Medicaid expansion</td>
</tr>
<tr>
<td>Non-IV-E foster care children under age 21 in State or Tribal custody</td>
</tr>
</tbody>
</table>

**Excluded Populations**

The following populations will be excluded from SoonerSelect:

- Medicare dual eligible individuals;
Individuals enrolled in the Medicare Savings Program, including Qualified Medicare Beneficiaries (QMBs), Specified Low-Income Medicare Beneficiaries (SLMBs), Qualified Disabled Workers (QDWs) and Qualified Individuals (QIs);

Individuals determined eligible for Medicaid on the basis of age, blindness, or disability;

Persons with a nursing facility or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID) level of care (LOC), with the exception of individuals with a pending level of care determination;

Individuals enrolled who participate in a §1915(c) Home and Community Based Services (HCBS) waiver program;

Insure Oklahoma Employee Sponsored Insurance (ESI) dependent children in accordance with the Oklahoma Title XXI State Plan;

Individuals infected with tuberculosis eligible for tuberculosis-related services under 42 C.F.R. § 435.215;

Individuals determined eligible for SoonerCare on the basis of needing treatment for breast or cervical cancer under 42 C.F.R. § 435.213;

Undocumented persons eligible for emergency services only in accordance with 42 C.F.R. § 435.139;

Coverage under Title XXI for the benefit of unborn children (‘Soon-to-be-Sooners’), as allowed by 42 C.F.R. § 457.10;

Populations other than those described above that remain enrolled due to the continuous Enrollment and maintenance of effort (MOE) requirement of Section 6008(b)(3) of the Families First Coronavirus Response Act (FFCRA); and

Individuals during a period of presumptive eligibility.

Projected Estimated Enrollment

Projected enrollment is presented in the tables below and is based on average monthly enrollment from July 2021 to December 2022. PHE enrollment in January 2023 is also presented for informational purposes.

### SoonerSelect MCE Populations

<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>Average Monthly Enrollment July 2021 – December 2022 (Inclusive of PHE Population)</th>
<th>PHE Enrollment in January 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>576,338</td>
<td>112,885</td>
</tr>
<tr>
<td>Pregnant Women</td>
<td>24,571</td>
<td>8,126</td>
</tr>
<tr>
<td>Deemed Newborns</td>
<td>1,480</td>
<td>-</td>
</tr>
<tr>
<td>Parent and Caretaker Relatives</td>
<td>91,071</td>
<td>19,535</td>
</tr>
<tr>
<td>Expansion Adults</td>
<td>261,215</td>
<td>108,792</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>954,674</strong></td>
<td><strong>249,338</strong></td>
</tr>
</tbody>
</table>

### SoonerSelect Dental Populations
<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>Average Monthly Enrollment July 2021 – December 2022 (Inclusive of PHE Population)</th>
<th>PHE Enrollment in January 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>576,338</td>
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<td>Expansion Adults</td>
<td>261,215</td>
<td>108,792</td>
</tr>
<tr>
<td>Former Foster Care Children</td>
<td>826</td>
<td>82</td>
</tr>
<tr>
<td>Juvenile Justice Involved</td>
<td>490</td>
<td>189</td>
</tr>
<tr>
<td>Foster Care Children</td>
<td>11,824</td>
<td>3,775</td>
</tr>
<tr>
<td>Children Receiving Adoption</td>
<td>20,916</td>
<td>299</td>
</tr>
<tr>
<td>Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>988,730</strong></td>
<td><strong>253,683</strong></td>
</tr>
</tbody>
</table>

**SoonerSelect Children’s Specialty Program Populations**

<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>Average Monthly Enrollment July 2021 – October 2022 (Inclusive of PHE Population)</th>
<th>PHE Enrollment in January 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Former Foster Care Children</td>
<td>826</td>
<td>82</td>
</tr>
<tr>
<td>Juvenile Justice Involved</td>
<td>490</td>
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<td>299</td>
</tr>
<tr>
<td>Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>34,056</strong></td>
<td><strong>4,345</strong></td>
</tr>
</tbody>
</table>

**FISCAL PROJECTIONS**

SoonerSelect MCEs and PAHPs will receive per member per month (PMPM) capitation payments for enrollees. The capitation rates will be established by the OHCA’s consulting actuaries in accordance with federal requirements and will be reviewed and approved for adequacy by CMS prior to implementation.

The cost effectiveness portion of the waiver application will include preliminary capitation rate data. The final capitation rates will be established prior to April 2024. Final capitation rates and cost effectiveness calculations will require CMS review and approval prior to implementation.

The OHCA also intends to implement a schedule of delivery system and provider payment initiatives to promote VBPs and quality improvement under the proposed waiver. The OHCA will propose that the expenditures be recognized under both the Without Waiver and With Waiver projections. See the Health Care Delivery System section below for more detail.

**BENEFITS, COST SHARING AND HEALTH CARE DELIVERY SYSTEM**

**Covered Benefits**

The proposed waiver application will preserve and enhance covered services for eligible members. All Medicaid-covered benefits as described in the State Plan will be provided by SoonerSelect.
MCEs (medical MCOs/health plans and dental PAHPs). Benefits for Expansion Adults are based on the Alternative Benefit Plan. Covered benefits for the three SoonerSelect programs are described in detail in the SoonerSelect, SoonerSelect Children’s Specialty Program, and SoonerSelect Dental Program RFPs.

MCEs will also coordinate with providers of benefits outside of the SoonerSelect capitation to promote service integration and the delivery of holistic, person- and family-centered care.

MCEs may offer value-added benefits and services in addition to the capitated benefit package to support the health, wellness, and independence of health plan enrollees and to advance the OHCA’s objectives through SoonerSelect. This may include, but is not limited to vision, DME, transportation, pharmacy, and physician services for health plan enrollees in excess of fee-for-service program limits. Value-added benefits and services, if offered, shall not be included in determining the contractor’s capitation rates.

In accordance with 42 C.F.R. § 438.3(e), MCEs may provide services or settings that are in lieu of services or settings covered under the State Plan if:

- The contractor has proposed any in lieu of services or settings in its response to the solicitation and OHCA determines that the proposal is a medically appropriate and cost-effective substitute for the covered service or setting under the State Plan; and
- The health plan enrollee is not required by the contractor to use the alternative service or setting.

Examples of in lieu of services include, but are not limited to:

- Applied Behavior Analysis
- Multi Systemic Therapy

MCEs will develop strategies to address Social Determinants of Health affecting SoonerSelect members. MCEs may also offer value-added benefits to support the member's health, wellness, and independence and advance the OHCA’s objectives for the program.

The OHCA will make a PMPM capitation payment to the SoonerSelect plans. Programmatic changes that affect PMPM costs will result in an adjustment to the rates, as appropriate, to be calculated by OHCA's consulting actuary.

**Cost Sharing**

SoonerSelect MCEs and their network providers (participating providers) may charge enrollees only the amounts allowed by the OHCA. The participating provider shall accept payment made by the contractor as payment in full for covered services, and the participating provider shall not solicit or accept any surety or guarantee of payment from the health plan enrollee, OHCA, or the State.

Any cost sharing imposed by the MCEs shall be in accordance with Medicaid Fee-for-Service requirements as outlined in OHCA State Plan and 42 C.F.R. §§ 447.50 through 447.56.

MCEs shall not impose premiums on any SoonerSelect enrollees. In accordance with 42 C.F.R. § 447.56, the contractor shall not impose cost sharing upon any of the following:

- Health plan enrollees under age 21;
- Children for whom child welfare services are made available under Part B of title IV of the
Act on the basis of being a child in foster care and individuals receiving benefits under Part E of that title, without regard to age;

- Pregnant women;
- Health plan enrollees receiving hospice care, as defined in section 1905(o) of the Act; and
- An AI/AN health plan enrollee who is eligible to receive or has received an item or service furnished by an IHCP or through referral under purchase and referred care is exempt from premiums. AI/AN Health plan enrollees who are currently receiving or have ever received an item or service furnished by an IHCP or through referral under purchase and referred care are exempt from all cost sharing.
- Emergency services;
- Family planning services and supplies;
- Preventive services, which includes, at minimum the services specified at 42 C.F.R. § 457.520 provided to children under 18 years of age regardless of family income, which reflect the well-baby and well-child care and immunizations in the Bright Futures guidelines issued by the American Academy of Pediatrics;
- Pregnancy-related services; and
- Provider-preventable services.

In accordance with 42 C.F.R. § 447.56(f), a health/dental plan enrollee’s total cost sharing shall not exceed five percent of the health/dental plan enrollee’s household income applied on a monthly basis. The contractor shall report health/dental plan enrollee cost sharing according to a process defined by the OHCA. The OHCA will aggregate the contractor’s cost sharing data with household cost sharing and health/dental plan enrollee cost sharing incurred for any benefits and will notify MCEs when a health plan enrollee has met the five percent aggregate limit. MCEs shall ensure that copayments are not deducted from provider claims reimbursement through the end of the month. Health plan enrollees and providers will be notified when the aggregate limit has been met and that cost sharing will not apply for the remainder of the month.

Health Care Delivery System – Coordinated Care

The OHCA intends to enroll qualified members into the following statewide (except as noted), coordinated care models, with an effective enrollment date of April 1, 2024:

- SoonerSelect Program
- SoonerSelect Dental Program
- SoonerSelect Children’s Specialty Program

All participating MCEs and PAHPs must demonstrate compliance with federal Medicaid managed care regulations found at 42 CFR § 438. The OHCA will assure compliance with federal and state statutes, regulations, and policies through plan readiness reviews, ongoing monitoring, and External Quality Review (EQR) activities.
The table below summarizes the three coordinated care models.

<table>
<thead>
<tr>
<th>Model</th>
<th>SoonerCare Populations Served</th>
<th>Benefits</th>
<th>Contracted Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SoonerSelect Program</strong></td>
<td>Children, Deemed Newborns, Pregnant Women, Parent and Caretaker Relatives, and Expansion Adults</td>
<td>Physical health, behavioral health, and pharmacy benefits</td>
<td>MCEs</td>
</tr>
<tr>
<td><strong>SoonerSelect Children’s Specialty Program</strong></td>
<td>Former Foster Care Children, Juvenile Justice Involved Youth, Children in Foster Care and Children Receiving Adoption Assistance.</td>
<td>Physical health, behavioral health, and pharmacy benefits</td>
<td>Single MCE</td>
</tr>
<tr>
<td><strong>SoonerSelect Dental Program</strong></td>
<td>Populations listed above</td>
<td>Dental benefits</td>
<td>PAHPs</td>
</tr>
</tbody>
</table>

The OHCA intends to award at least one contract to a qualified Provider-Led Entity (PLE) that submits a responsive proposal which demonstrates ability to fulfill all other contract requirements. The OHCA may also select at least one PLE for the urban region of the State, as defined in the SoonerSelect RFPs, if the PLE submits a responsive proposal demonstrating ability to fulfill the contract’s requirements and demonstrates the ability and agrees continually to expand its coverage throughout the contract term to develop statewide operational readiness within a time frame set by OHCA, to be no less than five years following the effective date of the contract.

Additional information regarding the SoonerSelect program(s) is detailed in the three requests for proposals issued by the OHCA.

The SoonerSelect Program RFP is available for review at: [https://oklahoma.gov/omes/services/purchasing/solicitations/8070000052.html](https://oklahoma.gov/omes/services/purchasing/solicitations/8070000052.html).

The SoonerSelect Children’s Specialty Program RFP is available for review at: [https://oklahoma.gov/omes/services/purchasing/solicitations/8070000053.html](https://oklahoma.gov/omes/services/purchasing/solicitations/8070000053.html).

The SoonerSelect Dental Program RFP is available for review at: [https://oklahoma.gov/ohca/about/procurement/soonerselect-dental-rfp-8070001412.html](https://oklahoma.gov/ohca/about/procurement/soonerselect-dental-rfp-8070001412.html).
Health Care Delivery System – Payment Initiatives

The OHCA also intends to implement a schedule of delivery system and provider payment initiatives to promote value-based purchasing (VBP) and quality improvement objectives under the proposed waiver. CMS allows states to adopt delivery system and provider payment initiatives that may include requiring MCEs to do the following:

- Implement VBP models for provider reimbursement, such as pay for performance arrangements, bundled payments, or other service payment models intended to recognize value or outcomes over volume of services.
- Participate in a multi-payer or Medicaid-specific delivery system reform or performance improvement initiative.
- Adopt a minimum fee schedule for network providers that provide a particular service under the contract.
- Provide a uniform dollar or percentage increase for network providers that provides a particular service under the contract.
- Adopt a maximum fee schedule for network providers that provides a particular service under the contract, so long as the MCE retains the ability to reasonably manage risk and has discretion in accomplishing the goals of the contract.

The OHCA will submit multiple proposals to CMS that meet the guidelines found in 42 CFR §438.6(c). A description of each of these arrangements is included below. All of the payment arrangements are subject to CMS approval.

Supplemental Hospital Fee-for-Service Payment Program

The OHCA will incorporate into SoonerSelect a directed payment to hospitals consistent with the existing Supplemental Hospital Fee-for-Service Payment Program (SHOPP), which has been part of the SoonerCare Fee-for-Service program since 2011. As proposed, the directed payment will continue to support Oklahoma hospitals that provide critical access to quality health care services to Oklahoma Medicaid members.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. For the directed payment, SoonerSelect MCEs will pay a uniform add-on amount (for inpatient services) and percentage (for outpatient services) increase to qualifying Oklahoma hospitals within each hospital class. The uniform increase will be determined by the OHCA and will be adjusted quarterly based on actual utilization. The add-on payment will be paid out with a retroactive adjustment the month following the review period. As mandated in 2022 Oklahoma Senate Bill 1396, the OHCA will structure the directed payment program with the intent to pay 90% of the Average Commercial Rate (ACR).

The payment will be included through a separate payment term with established pool amounts to be determined. A portion of the total dollars currently exist within the Fee-for-Service system; however, State statute requires the OHCA to seek approval for amounts equivalent to 90% of the ACR for services paid to eligible hospitals, which will provide additional funding to the Oklahoma Medicaid program.


**Level 1 Trauma**

The OHCA will incorporate into SoonerSelect a Level 1 Trauma directed payment consistent with an existing supplemental payment program, which has been part of the SoonerCare Fee-for-Service program since 2007. As proposed, the directed payment will continue to support Oklahoma Level 1 Trauma hospitals that provide critical access to quality health care services to Oklahoma Medicaid members.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. For the directed payment, SoonerSelect MCEs will pay a uniform add-on amount (for inpatient services) and percentage (for outpatient services) to qualifying Oklahoma hospitals within each hospital class. The uniform increase will be determined by the OHCA and will be adjusted quarterly based on actual utilization. The add-on payment will be paid out with a retroactive adjustment of the month following the review period. The OHCA will structure the directed payment program with the intent to pay 90% of the ACR.

The payment will be included through a separate payment term with established pool amounts to be determined. A portion of the total supplemental payments currently exist within the Fee-for-Service system; however, the OHCA will seek approval for amounts equivalent to 90% of the ACR which will provide additional funding to the Oklahoma Medicaid program.

**Enhanced Tier Payment System**

The OHCA will incorporate into SoonerSelect, Oklahoma’s Enhanced Tier Payment System (ETPS), a VBP program for Oklahoma Community Mental Health Centers (CMHCs). The ETPS VBP program is consistent with an existing supplemental payment program, which has been part of the SoonerCare Fee-for-Service program. As proposed, the directed payment will continue to support CMHCs that provide critical access to quality health care services to Oklahoma Medicaid members.

Oklahoma’s ETPS promotes health improvement and aligns financial incentives to pay for outcomes. The OHCA calculates each provider’s performance on 12 required measures. Providers must meet the benchmarks established in order to receive payment.

The supplemental payments are distributed to providers based on the volume of clients served; providers that serve 10% of the total number of clients receive 10% of the pool. Payments are also calculated based on providers who exceed a benchmark by one standard deviation, referred to as a “bonus” payment.

The bonus payments are distributed from any amounts remaining in the pool that are not distributed as a result of a provider (or providers) not meeting benchmark requirements. In this way, providers are incentivized not only to meet benchmarks but to exceed them.

Additionally, the OHCA has adopted a “safety valve” approach in this methodology, which allows providers who are within one standard deviation below the benchmark to receive a 50% partial payment. This ensures that providers receive some payment for partially meeting benchmarks.

However, if a provider performs more than one standard deviation below the benchmark, that provider does not receive payment for that measure. Any amounts remaining as a result of providers receiving only a 50% partial payment or none of their available funds for a measure are distributed as a bonus to providers exceeding the benchmarks by at least one standard deviation.
The benchmark is determined by the distribution of data from all CMHCs for a period of six months. From these data points, the average and standard deviations are calculated and used to establish the benchmark. The benchmark is utilized to assess monthly performance and is updated periodically.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. Upon completion of the quarter, the OHCA will calculate each CMHC payment using valid encounters paid during the previous quarter. OHCA will then issue a payment to each MCE based on the increase calculated for services provided to the MCE’s enrollees. Due to VBP being calculated after the encounter has been submitted, the directed payment will occur retroactively based on actual submitted encounters during the previous quarter.

Enhanced Payments for Oklahoma Universities’ Affiliated Professionals

The Oklahoma State Plan has for many years provided for a minimum fee schedule for services provided by Oklahoma Universities’ affiliated professionals, which as of July 1, 2019, results in payment at 175% of Medicare. To maintain and ensure access to these critical providers as the State transitions to managed care, the OHCA is proposing to continue through a uniform percentage increase for the eligible class of professionals, an overall payment that results in reimbursement at approximately 175% of the Medicare fee schedule commensurate with the CMS-approved Fee-for-Service program.

The proposed payment methodology will be available for each Oklahoma Medicaid covered medical billable code (excluding vaccines, technical component, radiology, and laboratory services) listed on the applicable Oklahoma Medicaid fee schedule. Quarterly payment amounts will be determined by applying enhanced fee schedule rates to actual claims paid during the prior quarter, and thus will be tied directly to actual utilization by Medicaid managed care enrollees.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. Upon completion of the quarter, OHCA will calculate each eligible professional payment increase using valid encounters paid during the previous quarter. The OHCA will then issue a payment to each MCE based on the increase calculated for services provided to the MCE’s enrollees.

Due to the uniform increase being calculated after the encounter has been submitted, the directed payment will occur retroactively based on actual submitted encounters during the previous quarter. Final reimbursement is intended to result in approximately 175% of Medicare rates.

Managed Care Provider Incentive Pool

The OHCA has not historically provided an enhancement to rates for non-Oklahoma University affiliated professionals. To maintain and ensure access to critical primary and specialty providers and to support health care quality assurance and access improvement initiatives as the State transitions to managed care, the OHCA is mandated by statute to create a directed payment program. The program will be designed to incentivize non-affiliated physicians and other qualifying practitioners to provide services to SoonerSelect members and to meet or exceed specific (but not yet defined) quality or outcome targets.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. Upon completion of the quarter,
the OHCA will calculate each eligible professional payment increase using valid encounters paid during the previous quarter. OHCA will then issue a payment to each MCE based on the increase calculated for services provided to the MCE’s enrollees. Due to the uniform increase being calculated after the encounter has been submitted, the directed payment will occur retroactively based on actual submitted encounters during the previous quarter.

**Ambulance Service Provider Access Payment Program**

The OHCA will incorporate into the SoonerSelect program a directed payment to private emergency transportation providers consistent with the existing Ambulance Service Provider Access Payment Program (ASPAPP), which has been part of the SoonerCare Fee-for-Service program since 2022. As proposed, the directed payment will continue to support private Oklahoma emergency transportation providers that provide emergency transportation services to Oklahoma Medicaid members.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. Upon completion of the quarter, the OHCA will calculate the payment increase using valid encounters paid during the previous quarter. OHCA will then issue a payment to each MCE based on the increase calculated for services provided to the MCE’s enrollees. Due to the increase being calculated after the encounter has been submitted, the directed payment will occur retroactively based on actual submitted encounters during the previous quarter. For the directed payment, SoonerSelect MCEs will make a payment based on what the OHCA projects in aggregate payments to equal the ACR for emergency transportation services.

**Ground Emergency Medical Transportation Supplemental Payment Program**

The OHCA will incorporate into the SoonerSelect program a directed payment to non-state governmental (NSG) emergency transportation providers consistent with the existing Ground Emergency Medical Transportation (GEMT) Supplemental Payment Program, which has been part of the SoonerCare Fee-for-Service program since 2018. As proposed, the directed payment will continue to support NSG Oklahoma emergency transportation providers that provide emergency transportation services to Oklahoma Medicaid members.

MCEs are required to submit encounter data to the OHCA in accordance with formatting and timeliness standards set forth in their contracts with the OHCA. Upon completion of the quarter, the OHCA will calculate the payment increase using valid encounters paid during the previous quarter. OHCA will then issue a payment to each MCE based on the increase calculated for services provided to the MCE’s enrollees. Due to the increase being calculated after the encounter has been submitted, the directed payment will occur retroactively based on actual submitted encounters during the previous quarter. For the directed payment, SoonerSelect MCEs will make a payment based on what the OHCA projects in aggregate payments to equal the average cost per ride for emergency transportation services.

**WAIVERS**

The 1915(b)(4) Waiver will request to waive:
- **Section 1902(a)(1) - Statewideness** to permit the OHCA to offer provider-led entities (PLEs) operating as a managed care organization to serve regional urban areas of the State.

- **Section 1902(a)(23) - Freedom of Choice** to permit the OHCA to require Medicaid enrollees to receive services through participating SoonerSelect MCEs/PAHPs and to permit the OHCA to contract with a single MCE for the SoonerSelect Children's Specialty Program.

**SECTION 1915(b)(4) WAIVER BACKGROUND & OTHER FEDERAL AND STATE AUTHORITIES**

Section 1915(b)(4) of the Social Security Act gives the Secretary of Health and Human Services (HHS) authority to waive statutory requirements for comparability, statewideness, and freedom of choice so that states can modify their delivery systems. States may use 1915(b)(4) waivers to authorize managed care delivery systems. Oklahoma currently operates a PCMH delivery model program under a Section 1115(a) demonstration and now is proposing to use Section 1915(b)(4) to authorize comprehensive, risk-based managed care for a portion of the State’s eligible Medicaid populations.

The OHCA must ensure that its waiver request demonstrates cost effectiveness and efficiency of SoonerSelect (actual expenditures cannot exceed projected expenditures for the approval period). CMS will monitor the waiver throughout the duration of the waiver approval period by review of quarterly monitoring reports and an independent third-party generated summative report for the entire waiver approval period. CMS monitors implementation of the waiver to ensure requirements are met.

The 1915(b) waiver application request is being made in tandem with other authority requests, which the OHCA will submit to CMS for review and approval, will ensure that Oklahoma secures the authorities needed to implement SoonerSelect. To the extent that CMS advises the OHCA that additional authorities are necessary to implement SoonerSelect’s programmatic vision and operational details described herein (e.g., State Plan Amendments, Section 1115 demonstration, Section 1915(b) waiver), the OHCA will request such additional authorities. Oklahoma’s negotiations with the federal government (CMS), as well as promulgation of Agency policies, could lead to refinements to public transparency documents over the course of the public comment process. Additionally, the OHCA will request any additional federal authorities deemed necessary by CMS for inclusion of new provider payment initiatives for services under SoonerSelect.

**ADDITIONAL INFORMATION AND COMMENTS**

Interested persons may visit oklahoma.gov/ohca/policies-and-rules/public-notices to view a copy of the public notice(s). Persons wishing to present their views in writing or obtain copies of the proposed waiver may do so via mail by writing to: Oklahoma Health Care Authority, Federal Authorities Unit, 4345 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105, or by email at federal.authorities@okhca.org. Written comments or requests for copies of the proposed waiver will be accepted by contacting OHCA as indicated. Comments received on the public notice are available upon request at federal.authorities@okhca.org. Comments will be accepted from Feb. 3, 2023 until Mar. 5, 2023.