SoonerCare Perinatal Benefits Expanded

Beginning Dec. 1, 2007, SoonerCare members who are either pregnant or in the 60-day postpartum period will be offered additional benefits designed to help them have healthier pregnancies and infants.

Lactation Consultant Services

Babies who are breastfed have fewer infections, are less likely to have respiratory problems, are more likely to have a healthier weight as children, and receive many more health benefits. OHCA wants to provide SoonerCare members with quality support and guidance to increase the initiation of and continuation of breastfeeding.

Members with concerns or problems with breastfeeding will qualify for outpatient services from international lactation consultants.

(Continued on Page 3)

Federal Law Will Require Tamper-Resistant Rx Pads

Effective April 1, 2008, federal law requires that written prescriptions for SoonerCare (Medicaid) members must be executed on tamper-resistant prescription pads.

- The requirement will not apply to prescriptions that are called or faxed in, or to electronic prescriptions (e-prescriptions).
- A prescription written on paper that is not tamper resistant can be filled as long as the pharmacy calls the prescriber and receives confirmation of the prescription's authenticity. Documentation of this call must be retained. This process will bring prescriptions into compliance with the federal tamper-resistant regulations.

(Continued on Page 2)
Federal Law Will Require Tamper-Resistant Rx Pads (continued from page 1)

- A written order prepared in an institutional setting where the doctor or medical assistant writes the order into the medical record and medical staff gives the order directly to the pharmacy is considered tamper resistant as long as the patient never has the opportunity to handle the written order.

To be considered tamper resistant on April 1, 2008, a prescription pad must contain at least one of the following three characteristics:

1) One or more features designed to prevent unauthorized copying of a completed or blank prescription form, such as a watermark on the reverse side.

2) One or more features designed to prevent erasure or modification of information written on the prescription by the prescriber, such as background ink that shows erasures or attempts to change the written information.

3) One or more features designed to prevent the use of counterfeit prescription forms, such as sequentially numbered blanks.

Effective Oct. 1, 2008, a prescription pad must contain all three characteristics to be compliant with the tamper-resistant requirements.

For more information, contact the Pharmacy Help Desk at 405-522-6205, option 4, or 800-522-0114, option 4.

JOIN Web Site Helps OHCA, SoonerCare Members

The Joint Oklahoma Information Network (www.JOIN.ok.gov) is a legislatively mandated collaboration between 13 state agencies. The health and human services agencies, including OHCA, the departments of Education and Commerce and Oklahoma Employment Security Commission, have banded together to offer several self-service tools to help the public identify programs and services for which they may be qualified.

The JOIN Eligibility Questionnaire is a confidential survey showing what government services an individual may be qualified for and how to apply for the services. Results are tailored to each applicant based on family size, income, employment needs and other answers to survey questions. The results are shown as a list of programs for which the user might be qualified, with links to that agency’s program on its Web site.

The JOIN Community Resource Directory provides a listing of services and programs by topic and city or county. These resources include government services, not-for-profit services, free services and fee services (usually the fee is income based). Because JOIN is in a collaborative relationship with the Oklahoma 211s, the Resource Directory is up to date. Oklahoma’s regional 211 call centers upload their databases to JOIN at least once a week.

(Continued on Page 10)
board-certified lactation consultants who are contracted with OHCA.
The services can take place in the office of the lactation consultant, the
member’s home or a clinic setting.

**Maternal Infant Health Social Work Services**

Pregnancy is not an easy time for many women. Women who are pregnant can experience domestic violence, a lack of basic resources, substance abuse issues and an array of other significant stressors that can impact the health of the mom-to-be and the baby. Providing intervention to address psychosocial concerns can make a difference.

Understanding bonding and developing a strong attachment between the mother, father and infant can play an important role in the infant’s future emotional and mental health, and professional social work services, intervention and support also can provide help.

In order to provide positive psychosocial care to pregnant and postpartum SoonerCare members, OHCA will contract with licensed clinical social workers with training in maternal and infant health.

**Licensed Genetic Counselor Services**

Sometimes during a pregnancy, or shortly after the birth, a potential or confirmed birth defect is identified. The services of a genetic counselor can be important to better identify and understand the potential components and causes of the birth defect. SoonerCare members who

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**Do You Provide These Services?**

Lactation consultants, clinical social workers and genetic counselors who are interested in contracting with OHCA and seeing SoonerCare members should go to www.okhca.org.

- Under Providers, click Enrollment.
- On the Enrollment page, click New Contracts.
- On the SoonerCare Provider Contracts page, click the appropriate provider type (i.e., certified nurse midwife, independent diagnostic testing facility, advanced registered nurse practitioner, etc.)
- Once you click the provider type from the SoonerCare Provider Contracts page, print the Contract page and then follow the steps outlined on the Contract page.

You may also call the contracts division at 800-522-0114, opt. 5, or 405-522-6205.

Currently contracted physicians, nurse practitioners and nurse midwives who provide obstetric care should have received a letter and accompanying information explaining how to access the new high-risk benefits for your SoonerCare patients. Those providers and other providers of obstetric services, as well as clinical social workers, lactation consultants and genetic counselors, are encouraged to go to OHCA’s Web site and review the rules regarding these new benefits.

Providers should go to www.okhca.org.

- Under Providers, click Policies and Rules.
- On the Rules page, click Chapter 30 – Medicaid Providers Fee-For-Service – 490 pages
- Search the document for (317:30-5-22) Obstetrical Care.

If you have further questions, call the OHCA Child Health Line at 405-522-7188.
Average Manufacturer Price, Federal Upper Limit Rules Changing

The federal Deficit Reduction Act (DRA) of 2005 includes a new definition of the Federal Upper Limit (FUL) payment for multi-source drugs. In July of this year, the Centers for Medicare & Medicaid Services (CMS) released the final rules for implementing these provisions of the DRA.

The DRA made several changes to the FUL calculation process. First, the federal regulations are changing the way that the Average Manufacturer Price (AMP) is calculated. Up until now, AMP has only been used to calculate the amount of rebate due to states under the Federal Medicaid Drug Rebate Program. The AMP was kept confidential to such a degree that only the manufacturers and CMS were allowed to know each quarterly AMP for an individual product.

The DRA takes away that confidentiality and also specifies how the AMP is to be calculated. In the past, each manufacturer had significant leeway in determining the AMP for each product. Although OHCA has been receiving AMP data for about a year, the data may not accurately reflect what the revised calculations will look like when they take effect in January 2008.

Prior to the DRA, FUL has been set using 150 percent of the lowest published Average Wholesale Price (AWP) for a generic drug. To be eligible for FUL pricing, there must have been at least two generics on the market. Because of these requirements, in the past, the FUL was generally higher than the State Maximum Allowable Cost (SMAC) pricing, so SMAC reimbursement applied according to the “lower of” reimbursement formula.

The new FUL calculations will be set at a maximum of 250 percent of the lowest AMP for a generic product. CMS will remove outliers from the calculation if the lowest value is less than 40 percent of the next highest value.

Example FUL Calculation Using AMP

A generic drug has these AMP values

($0.35, $1.00, $1.10, $1.25, and $2.00 per unit.)

The $0.35 value is excluded from the FUL calculation because it is less than 40% of the next highest value.

The FUL is then calculated as follows

250% x $1.00 (lowest remaining AMP value) = $2.50 per unit FUL

Physician-Administered Drugs Soon to Require NDC Codes

OHCA would like to remind providers of the requirement to file claims for physician-administered drugs with the National Drug Code (NDC) and its corresponding information in addition to the procedure code. NDC information will be required for claims processed after Dec. 31, 2007.

The requirement applies to electronic professional and institutional claim formats as well as the CMS 1500 and the UB-04 forms. NDC information must also be reported on Medicare crossover claims.

This change is mandated by the Deficit Reduction Act of 2005, which stipulates that Medicaid agencies must collect rebates for physician-administered drugs. Coverage is limited to products distributed by manufacturers who have rebate agreements with the Centers for Medicare & Medicaid Services (CMS).

The NDC is a unique 11-digit identifier assigned to a drug product by the labeler/manufacturer under Food and Drug Administration regulations. Claims submitted with invalid or missing NDC information or NDCs from drug manufacturers who do not have rebate agreements with CMS will be rejected.

Coverage status of specific NDCs can be checked on the OHCA Provider Secure Site.
Long-Term Care Partnership Insurance Offers Win-Win Proposal

Oklahoma’s Long-Term Care Partnership (LTC-P) program is expected to be up and running by spring 2008. The project, which is still in development, will allow Oklahomans who purchase long-term care partnership insurance to protect assets equal to the value of their policies. The state will offer a guarantee that after benefits of the private policy are exhausted, the consumer may qualify for SoonerCare under special eligibility criteria while retaining a previously specified amount of assets. State income and functional qualification criteria still apply.

The LTC-P concept, designed to influence consumers to purchase long-term care insurance, was first developed in the mid-1980s to reduce dependence on Medicaid as a funding source for long-term care services. The concept is now generating broad interest among states, insurers and consumers.

The LTC-P program began as a demonstration project in four states: California, Connecticut, Indiana and New York. Even though the experiences of these states were encouraging, Congress precluded other states from adopting the model in the Omnibus Budget Reconciliation Act of 1993. However, after the passage of the Deficit Reduction Act (DRA) of 2005, Congress reversed course, allowing other states to participate.

Oklahoma joined the bandwagon several years ago, passing HB 1574 in May 2004 in anticipation of the DRA. This legislation created the Oklahoma Long-Term Care Partnership Act, giving clear direction and mandate for the Oklahoma Health Care Authority and Oklahoma Insurance Department to develop this program.

Soonercare Works to Allow Electronic Addition of Newborns

OHCA and the Oklahoma Department of Human Services (OKDHS) continue to work on changes that will allow Soonercare newborns to be added electronically. This process will add the newborn in real time and provide immediate feedback to the hospital.

Providers will be able to submit claims immediately on the newborn, and a Primary Care Provider (PCP) selection will be made for the infant. The mother will be able to choose an existing provider that is currently assigned to the case or select another physician with a custom search screen.

Both agencies, as well as those in the provider community who have seen demonstrations of this product, are excited about these improvements. OHCA and OKDHS hope to complete the system changes by the end of 2007.
OHCA Plans to Convert to Industry Standards for Anesthesia Pricing

OHCA is planning to change anesthesia payments to make the reimbursement methodology for anesthesiology services consistent with industry standards, pending approval by the Centers for Medicare & Medicaid Services.

The new methodology will be applied to anesthesiology CPT Codes 00100 through 01966 and CPT Codes 01968 through 01999. Industry standard for reimbursement is to use a base unit plus time for each CPT Code. The base units are established by the American Society of Anesthesiology’s annually published Relative Value Guide.

Time is reported in minutes, then converted into units by OHCA. Units will be based on 15-minute increments. The base and time units will be added together and multiplied by a conversion factor. The conversion factor will be established by OHCA and should initially be set at $31.50 for all CPT Codes 00100 through 01966 and 01968 through 01999, if approved by CMS.

A new maximum reimbursement fee for CPT Code 01967 will be set at $425 and will not be included in the base-plus-time methodology.

If we are not approved to begin, OHCA should be able to do a mass adjustment back to Jan. 1, 2008, dates of service. If claims with the proper minutes and modifiers are not submitted, they will deny if we have received approval from CMS; if we have not received approval, then OHCA will not be able to do a retroactive adjustment and the provider will have to void and resubmit the claim.

SoonerCare Perinatal Benefits Expanded (continued from page 3)

need the services of a licensed genetic counselor during pregnancy or the postpartum period will have that benefit available beginning Dec. 1, 2007.

Medically High Risk Benefits

The final area of perinatal benefit change is concerned with expanding the coverage of services for women with high-risk pregnancies. Beginning Dec. 1, 2007, these services will include non-stress tests, biophysical profiles and additional payment to the primary provider of obstetrical care under certain conditions. When a woman is found to have a high-risk condition confirmed by a maternal-fetal specialist and a joint treatment plan is agreed upon, the OHCA will authorize necessary non-stress tests, biophysical profiles, additional ultrasounds and high-risk payment.
New DME Policy Detailed; Accreditation Rule Revised

Requests for prior authorization (PA) of durable medical equipment (DME) items should include the provider’s estimated costs along with a description of the item for which the provider is requesting authorization and all other documentation necessary for any particular item.

The PA will be reviewed and issued based on coverage guidelines and medical necessity.

At the time a claim is filed, the DME provider should bill OHCA the usual and customary charge and include documentation showing the provider’s actual cost of the item. OHCA will pay the lesser of the usual and customary charges billed on the claim or the max fee schedule. OHCA understands that providers have incentive pricing, buyer’s club discounts, group discounts and other charges and costs that make up the provider’s usual and customary fee.

The claim, with the cost and description of the item, will be compared to the original prior authorization to ensure that what was initially authorized was the equipment actually delivered to the SoonerCare member. The max fee schedule of DME equipment is available on the Web site. The max fee schedule is based on industry standards for our region.

You are not required to wait until you are invoiced to bill for equipment; submission of a packing slip is permissible. A delivery ticket with a clear description of the item and the amount of the item signed by the SoonerCare member may also be submitted with the claim for faster processing.

Some Healthcare Common Procedure Code System (HCPCS) codes will not have an associated max fee schedule because one code is used to describe many items. When billing those HCPCS codes, you should include documentation showing the actual cost of the item, and OHCA will price according to industry standards for our region. Any time a nationally recognized HCPCS code is available, it should be used for billing.

In addition to the pricing updates, the OHCA has updated the quantity limits on many supplies and equipment. If the SoonerCare member’s condition warrants a quantity that exceeds the limit, it will be necessary to obtain a prior authorization by submitting documentation that demonstrates the medical necessity of the quantity needed.

Finally, OHCA has revised the new DME rule and postponed until 2011 the requirement that suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) be accredited by a Medicare-deemed accreditation organization for quality standards in order to receive reimbursement from SoonerCare.
Did You Receive Your Outpatient Hospital Supplemental Payment (formerly TOP)?

OHCA has processed the SFY07 outpatient hospital supplemental payment, formerly known as the transitional outpatient payment (TOP), and this payment appeared on providers remits dated 9/19/2007.

The payment was the result of appropriations made for SFY07 to bring SoonerCare outpatient hospital payments more in line with providers’ costs. This payment is not patient specific and is made based on each facility’s outpatient costs and payments relative to other facilities during the period. This payment will be found on the financial transaction page under non-claim specific payouts on your remit.

To calculate this payment, OHCA pulled all outpatient paid claims for SFY07 (07/06 – 06/07) where SoonerCare is the primary payor and removed the charges for services that are paid off of a different fee schedule (lab, home health, ambulance, professional). Then, OHCA multiplied each facility’s remaining billed charges by that facility’s cost-to-charge ratio (CCR) to get the facility’s outpatient cost.

Next, OHCA separated the facilities into groups based on their ownership (private, public, etc.) and allocated the total appropriations pool ($21 million) into pools for each group based on the weight of each group’s costs to the total costs. Within each group the pool was further allocated based on the individual facility’s costs relative to the total costs of all facilities in the group.

If your facility did not receive a payment, then either you did not have any paid outpatient hospital claims for the period or the claim-specific payments you received covered your costs for these services.

**HIPAA Adjust Code Box**

Do you find the HIPAA Remark Codes hard to understand?

When researching claims on the SoonerCare Secure Site, click on the blue HIPAA remark or adjust reason code, and a more detailed explanation for the denial or suspense will appear below the blue reason code.

The code appears blue because it is a hyperlink.

**2008 Capitation Rates Will Be Effective Jan. 1, 2008**

Mercer Government Human Services Consulting has completed their actuarial review of 2005 and 2006 claims data to develop OHCA’s primary care physician case manager (PCPCM) capitation rates for 2008.

These are actuarially certified and approved by the OHCA board and the Centers for Medicare & Medicaid Services (CMS). The new rates will be posted on our Web site, and a copy will be sent to you for your file.

If you have any questions, please contact provider enrollment at 877-823-4529, option 2.
SoonerPlan Adds More Women’s Covered Services

OHCA has recently received approval from the Centers for Medicare & Medicaid Services (CMS) for the addition of three benefits for women in SoonerPlan, the family planning waiver program. New covered codes effective Oct. 3, 2007, are HCPCS/CPT 87491 (chlamydia test), HCPCS/CPT 87591 (gonorrhea test) and HCPCS/CPT 76830 (transvaginal ultrasound).

Providers are reminded that this is a limited benefit package. As codes are changed, updates will be posted to the agency Web site at www.okhca.org/providers.

Providers using the SoonerCare Secure Site to verify that a member has Family Planning Waiver coverage on SoonerPlan must look at the listing under “Eligibility” to see if the “Benefit Plan” is designated “Family Planning” for the dates of service queried. Providers may also use the “Pricing” feature of the secure site to determine if a service is covered and to find the amount that will be reimbursed under the SoonerPlan program.

Providers with questions about SoonerPlan are invited to call the SoonerCare Provider Helpline at 877-823-4529.

From SoonerPlan’s inception in April 2005 through August 2007, a total of 46,539 men and women have qualified for services. August 2007 enrollment reached 20,783 and was composed of 874 men and 19,909 women.

Providers may also wish to encourage their patients who no longer qualify for SoonerCare coverage that Insure Oklahoma, also known as the Oklahoma Employer/employee Program for Insurance Coverage (O-EPIC), is available for employees of small businesses with 50 or fewer workers. People who are self-employed or temporarily unemployed may also apply, as may working adults with a disability who have a “Ticket to Work.” These people are invited to seek more information by going to www.insureoklahoma.org. Insure Oklahoma had 3,185 employees and spouse members receiving a premium subsidy for employer-sponsored insurance in September 2007.
OHCA Board Retreat a Success

The Oklahoma Health Care Authority sponsored its annual board retreat Aug. 16-17 at the Quartz Mountain Lodge and Resort near Altus. This year’s retreat theme was “SoonerCare Rising,” and the event focused on the great strides the agency made in the past year while giving attendees a taste of what to expect in the year to come.

Nearly 100 attendees from across the state took part in a full and informative agenda that included nine panel sessions and 23 presentations.

Topics for the panels included:
- Agency Goals
- Public/Private Opportunities: Access to Health Care Coverage for Oklahomans
- Medicaid Reform Act of 2006: One Year Later
- Innovations in Integrating Behavioral Health Care
- Money in the Bank: The Hows and Whys of Investing in Prevention and Chronic Care
- Growing an Infrastructure: Opportunities for Living Life
- Playing in the CMS Sandbox: Receiving Federal Dollars in a Changing Game
- Medicaid Transformation Grants: Unique Opportunity to Restructure and Modernize
- Strategic Strategies

Attendees heartily approved of this year’s new panel session format. Experts from OHCA and other organizations including the University of Oklahoma and the Oklahoma departments of Insurance, Mental Health and Substance Abuse Services, Health and Human Services made up the field of panelists.

Action plans resulting from the panel sessions and presentations are being compiled and will be made available in late 2007 in OHCA’s Strategic Plan. Previous copies of OHCA’s Strategic Plan are available on the Web at www.okhca.org under “Research.”

JOIN Web Site Helps OHCA, SoonerCare Members

Melissa Clampitt, OHCA provider representative, included a brief demonstration of the JOIN Web site during Fall Training when she showed providers the OHCA Web site. The link is on our “Individual” page under “Community Resources.”

JOIN distributes brochures for field workers in our sister agencies as well as brochures and signage for the public to libraries, schools, churches and state agency offices. In April of this year, JOIN contracted to display ads on buses in Oklahoma City and Tulsa. As a result of this aggressive advertising plan, hits to the JOIN Web site have increased to more than 200,000 per month.

Questions may be directed to OHCA Provider Services by calling 877-823-4529, option 2.

Fall Training 2007 Report

A record attendance of 1,329 attended the large group fall training classes led by staff from OHCA and EDS during September and October.

Two-day sessions were held in Durant, Oklahoma City, Tulsa and Enid. Training included a general session related to billing and SoonerCare programs and individual sessions for specific providers on topics including school-based services, transportation and behavioral health.

“This was our largest attendance ever, and we hope to increase attendance at each session in the future as we present educational classes specific to the needs of the providers,” said Melody Anthony, provider services director.

The agency is open to new class topics. Please contact Provider Services at 1-877-823-4529, option 2, with your ideas.

If you would like to offer a group training at your facility, please contact Provider Services at the number above to discuss training opportunities. We look forward to seeing you at our spring training in early 2008.
At its Oct. 11 board meeting, the Oklahoma Health Care Authority Board of Directors approved an emergency rule that will allow SoonerCare to offer limited prenatal coverage to undocumented mothers. The policy change was passed in the greater interest of public health and was signed by Gov. Brad Henry the next day. The new rule is scheduled to go into effect Jan. 1, 2008.

According to current federal law, OHCA must pay for emergency labor and delivery services for women who are not eligible for SoonerCare due to their immigration status. In addition, the child at birth will likely be entitled to full-scope SoonerCare benefits as a U.S. citizen, and the state would bear the cost of the child’s long-term health care.

In state fiscal year 2006, OHCA paid more than $8.5 million for 2,778 babies who were delivered to undocumented mothers. Studies show that prenatal care can save $1 to $3 dollars in the first year of life for each $1 spent on prenatal care.

The rule does not allow the mother of the baby to receive full SoonerCare benefits. The coverage is limited to the prenatal care needed to appropriately provide for the best possible outcome for the newborn. Care that may be indicated for the mother but would not potentially impact the health of the infant is not covered. The estimated budget impact will be $1.2 million in state dollars and $2.8 in federal dollars.

Some of the other public health facts leading to the board’s decision include:

• According to a 2006 report from the Institute of Medicine, the average hospital costs for a premature baby are $51,600. Average first-year medical costs, including both inpatient and outpatient care, were about 10 times greater for preterm infants ($32,325) than full-term infants ($3,325).
• The average cost of prenatal care is less than $1,000.
• According to the United Health Foundation’s “America’s Health Rankings” for 2006, Oklahoma was ranked 40th in the nation in the adequacy of prenatal care and 43rd in the infant mortality rate.
• To date, 12 other states (including Texas, California, Arkansas and Louisiana) have approved this policy in their state Medicaid programs. Oregon will be the 13th state pending federal approval.
Provider Update is published by the Oklahoma Health Care Authority for Oklahoma’s medical providers.

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The Oklahoma Health Care Authority does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

Please submit any questions or comments to Meri McManus in the Oklahoma Health Care Authority’s Public Information Office at (405) 522-7026.

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