Oklahoma Health Care Authority

The Oklahoma Health Care Authority (OHCA) values your feedback and input. It is very important that you provide your comments regarding the proposed rule change by the comment due date. Comments can be submitted on the OHCA's Proposed Changes Blog.

OHCA COMMENT DUE DATE: February 15, 2019

The proposed policy is a Permanent Rule. The proposed policy was presented at the November 6, 2018 Tribal Consultation. Additionally, this proposed change will be presented at a Public Hearing scheduled for February 20, 2019. This proposal is scheduled to be presented to the Medical Advisory Committee on March 14, 2019 and to the OHCA Board of Directors on March 21, 2019.
Reference: APA WF 18-09

SUMMARY:
Suspended claims review and/or prepayment review – The proposed revisions add new general provider policies to define various review mechanisms used by OHCA to help ensure that reimbursements are for medically necessary, correctly and/or appropriately billed medical supplies and services.

LEGAL AUTHORITY
The Oklahoma Health Care Authority Act, Section 5007 (F)(1) and (3) of Title 63 of Oklahoma Statutes; Section 5003 through 5016 of Title 63 of Oklahoma Statutes; The Oklahoma Health Care Authority Board; 42 U.S.C. § 1396a(a)(30)(A); 56 O.S. § 1010.4(B)(5); 42 C.F.R. § 447.45(f)

RULE IMPACT STATEMENT:

STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

TO: Nicole Nantois
Legal Services

FROM: Harvey Reynolds
Federal and State Authorities

SUBJECT: Rule Impact Statement
APA WF # 18-09

A. Brief description of the purpose of the rule:

The proposed revisions to general provider policies are in accordance with state and federal laws that require OHCA to safeguard against unnecessary utilization of medical supplies and services and help ensure payments are consistent, efficient, economical, and provide good quality of care. See 42 United States Code § 1396a(a)(30)(A); 42 Code of Federal Regulations § 447.45(f); and 56 Oklahoma Statutes § 1010.4(B)(5). These revisions help ensure that reimbursements are for medically necessary, correctly and/or appropriately billed, medical supplies and services, by defining and explaining the various reviews that may be performed by the OHCA or its contractor before OHCA pays a claim for medical supplies or services rendered.

B. A description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the cost of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:

SoonerCare providers who undergo claims review, either suspended claims review and/or prepayment claims review, to ensure that payments are for medically necessary and otherwise appropriate services, will be affected by the proposed rule change. This rule change should not place any cost burden on private or public entities. No information on any cost impacts were received from any entity.

C. A description of the classes of persons who will benefit from the proposed rule:

The proposed rule change will benefit SoonerCare members and the taxpayers of Oklahoma by ensuring that the standard for medical necessity is met before SoonerCare funds are expended for healthcare goods and services.

D. A description of the probable economic impact of the proposed rule upon the affected classes of persons or political subdivisions, including a listing of all fee changes and, whenever possible, a separate justification for each fee change:

There is no probable economic impact and there are no fee changes associated with the rule change for the above classes of persons or any political subdivisions.

E. The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated affect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

It is expected that these types of reviews will achieve significant savings, the exact amount of which cannot be quantified.

F. A determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule:

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.

G. A determination of whether implementation of the proposed rule will have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

The agency does not anticipate that the proposed rule changes will have an adverse effect on small businesses.

H. An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rule:

The agency has taken measures to determine that there are no other legal methods to achieve the purpose of the proposed rule changes. Measures included a formal public comment period and tribal consultation.

I. A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk:

The proposed rule changes should reduce risks to the public health, because they help avoid imminent reduction to the agency's budget by directing limited funds away from services

that are not medically necessary and were never intended to be covered.

J. A determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented: The agency anticipates that in the absence of these rule changes, the agency will be unable to fulfill its program integrity responsibilities by placing certain providers on review status in order to confirm that their submitted claims were billed appropriately and relate to healthcare goods or services that are covered and medically necessary.

K. The date the rule impact statement was prepared and if modified, the date modified:

Prepared date: September 19, 2018

RULE TEXT:

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY
CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE

SUBCHAPTER 3. GENERAL PROVIDER POLICIES

PART 1. GENERAL SCOPE AND ADMINISTRATION

317:30-3-33. Suspended claims review and/or prepayment review

Suspended claims review and/or prepayment review occurs after a healthcare good or service has been furnished and a claim for payment has been filed with the Oklahoma Health Care Authority (OHCA) by the provider, but before the claim has been paid. Suspended claims review and/or prepayment review may be performed by the OHCA or its contractor or designee, and may take the form of different types of reviews, including, but not limited to:

(1) Any claims review process(es) required by federal and/or state law, including Section 447.45(f) of Title 42 of the Code of Federal Regulations (C.F.R.);

(2) The suspended claims review process to confirm, prior to payment, the medical necessity of the healthcare good or service provided and use of the appropriate modifier, based on, among other things, the claim's diagnosis, code, and/or modifier, as well as any attached medical record(s) or other supporting documentation; and

(3) Any provider-specific prepayment review, in which a provider's claims are temporarily held in the payment system, pending review of medical records and/or other supporting documentation, in order to confirm that the submitted claims

were billed appropriately and relate to healthcare goods or services that are covered and medically necessary.

(A) OHCA shall notify the provider in writing within ten (10) business days before the effective start date of any provider-specific prepayment review, informing the provider as to the:

(i) Implementation date, scope, and nature of the review;

(ii) Process for submitting claims and supporting documentation; and

(iii) Any accuracy goals that must be met before removal from the provider-specific prepayment review status can occur.

(4) Suspended claims review and/or prepayment review is not a sanction and cannot be appealed, nor is it subject to an informal hearing. However, any claim that is denied for payment by OHCA as a result of suspended claims review and/or prepayment review may be resubmitted to OHCA for reconsideration, in accordance with Oklahoma Administrative Code 317:30-3-11.1 and/or 317:30-3-20.