



OKLAHOMA
Health Care Authority

SoonerCare 1115(a) Research and Demonstration Waiver

Amendment Request

*Adding New Adults to Patient Centered
Medical Home (PCMH) Model
&
Increasing Care Coordination Rates for
Indian Health Service Facilities, Tribal Facilities
and Urban Indian Clinics (ITUs)*

Project Number: 11-W00048/6

DRAFT FOR PUBLIC COMMENT

Posted: April 1, 2020

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Section 1 Executive Summary

Demonstration Background

The Oklahoma Health Care Authority (OHCA) is the State's Single State Agency for Medicaid. The OHCA operates the SoonerCare Choice and Insure Oklahoma programs under Section 1115(a) demonstration authorities.

On August 31, 2018, the Centers for Medicare and Medicaid Services (CMS) approved the OHCA's request to extend Oklahoma's SoonerCare 1115(a) waiver. The State submitted a waiver request to update the Health Management Program's (HMP) description to match current practices on January 16, 2019. The State submitted a second waiver amendment on June 3, 2019 to update the standard terms and conditions related to the Health Access Networks (HAN) to remove outdated practices. The State received approval of both waiver requests on November 1, 2019. The current demonstration is approved for the period August 31, 2018 through December 31, 2023.

Coordinated Care Model

The SoonerCare Demonstration operates as a coordinated care model. The Demonstration provides coordinated care through patient centered medical homes (PCMH), Health Access Networks (HANs) and the SoonerCare Health Management Program (HMP).

- PCMH: The Demonstration operates statewide under an enhanced Primary Care Case Management (PCCM) model in which the OHCA contracts directly with primary care providers to serve as patient centered medical homes for SoonerCare Choice members. Monthly care coordination payments are made to the following providers for each member on their panels: PCMHs, facilities operated by Indian Health Service, tribal facilities, and Urban Indian Clinics (ITUs); and Insure Oklahoma Individual Plan providers.
- HAN: HANs are non-profit, administrative entities that work with affiliated providers to coordinate and improve the quality of care provided to SoonerCare Choice members. The HANs employ care managers to provide telephonic and in-person care management and care coordination to SoonerCare Choice members with complex health care needs who are enrolled with affiliated PCMH providers. The HANs also work to establish new initiatives to address complex medical, social and behavioral health issues. For example, the HANs have implemented evidence-based protocols for care management of ABD members with, or at risk for, complex/chronic health conditions, as well as TANF and related members with asthma and diabetes, among other conditions.
- HMP: The SoonerCare HMP is an initiative under the Demonstration developed to offer care management to SoonerCare Choice members most at-risk for chronic disease and other adverse health events. The program is administered by the OHCA and is managed by a vendor selected through a competitive procurement. The program is authorized to operate statewide. The SoonerCare HMP serves SoonerCare Choice beneficiaries ages four through 63 who are not enrolled with a HAN and have one or more chronic illnesses and are at high risk for adverse outcomes and increased health care expenditures. The program is holistic, rather than disease-specific, but prominent conditions of members in the program include asthma, cardiovascular disease, chronic obstructive pulmonary disorder, diabetes, heart failure and hypertension.

New Adult Group Expansion

Oklahoma's uninsured rate remains among the highest in the country. In 2018, the uninsured rate for adult Oklahomans was 16.31%, versus the national rate of 10.03%. Only Texas had a higher rate of uninsured (source: US Census Bureau).

On February 21, 2020, Oklahoma posted formal public notice for submission of three State Plan Amendments (SPAs) to CMS to expand SoonerCare to low-income adults up to 133% of the federal poverty limit, effective July 1, 2020 (Attachment 1). Notice included the OHCA's intent to modify the State Plan to:

- Add the New Adult Group ages 19 – 64 with incomes at or below 133% of FPL as per Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act and 42 CFR 435.119 and consistent with the expanded eligibility criteria as defined in the Affordable Care Act (referenced henceforth as 'Adult Group').
- Establish an Alternative Benefit Plan (ABP) for individuals in the Adult Group.
- Establish Oklahoma's eligibility procedures for identification of the Adult Group for the purpose of securing Federal Medical Assistance Percentage (FMAP) rate for the Adult Group.

The OHCA expects enrollment under the SPA expansion will begin July 1, 2020. The OHCA projects an average monthly enrollment of 121,203 from July 1 through December 31, 2020. The projected average monthly enrollment in the first full year of the amendment (CY2021) is 140,291 and enrollment is expected to reach 159,604 in CY2023.

Increase ITU PCMH Care Coordination Payments

Oklahoma seeks to increase ITU PCMH care coordination fees. The OHCA and ITU provider community collaborated in redesigning the ITU PCMH model, informed by the recently-approved Arizona Medicaid (Arizona Health Care Cost Containment System, or AHCCCS) American Indian Medical Home program.

Section 2 Demonstration Amendment Request and Goals

Oklahoma seeks to: 1) align demonstration populations with the State Plan to include the Adult Group; and 2) increase monthly care coordination payments to ITUs, effective July 1, 2020. This amendment will:

- Improve access to high-quality, person-centered services that produce positive health outcomes for individuals who were previously under or uninsured.
- Encourage members to increase utilization of preventive, primary, urgent, and specialty care—accessing the appropriate type of care in the appropriate setting.
- Decrease reliance on emergency departments for services that would be better provided in lower levels of care settings.
- Through the use of HANs and HMP, the OHCA will help newly eligible members become more informed about their health condition and health care options, understand appropriate use of the ED, and learn best practices in self-management such that they are empowered to make better informed decisions about their care.
- Reduce the number of uninsured Oklahomans.

Amendment Description

The State requests the following amendments to the waiver's Special Terms and Conditions (STCs) with an effective date no later than July 1, 2020:

- 1) Add the Adult Group and enhance our Demonstration activities related to that group as follows:

A. Adult Expansion Group. In alignment with the submitted State Plan Amendment, the OHCA seeks to add Demonstration Population #17 to include individuals who:

1. Have attained age 19 but not age 65
2. Are not pregnant
3. Are not entitled to or enrolled for Part A or B Medicare benefits
4. Are not otherwise eligible for and enrolled for mandatory coverage under the state plan in accordance with 42 CFR 435, subpart B

The OHCA will use its existing MAGI-based financial eligibility methodologies in calculating household income. The amount of the income standard for this group is 133% FPL.

As part of the SoonerCare Choice coordinated delivery system all new members will be requested to select a PCMH for primary care and will be eligible to receive HMP and HAN support based on their health status and coordinated care needs.

B. Application of current waivers to the Adult Group. The OHCA seeks to extend currently approved waivers to the Adult Group as noted in the following sections.

C. Cost Sharing. Adult Group members will be charged copays consistent with those allowable in the State Plan. All households will be responsible for paying copayments for their services up to the 5% out-of-pocket household maximum.

D. Covered Benefits. The state proposes to use the Medicaid State Plan benefits within the Alternative Benefit Plan template (ABP 5). Additionally, the OHCA will provide a prescription drug benefit in accordance with section 1927 of the SSA.

- 2) Increase ITU PCMH care coordination payments to match the Arizona model for ITU medical homes throughout the approved demonstration period as follows:

Oklahoma SoonerCare Choice ITU Medical Home Capitation Rates			
Time Period	July 2020 - December 2021	Calendar Year 2022	Calendar Year 2023
Payment Amount Per Member per Month	\$27.25	\$28.50	\$29.81

A. ITU Care Coordination Payments. OHCA seeks to modify STC 40 Care Coordination Payments, at c) Monthly Care Coordination payments to read: *In addition to the monthly care coordination payments described above, the State also makes monthly care management payments to PCPs and IHS, tribal or urban Indian clinics. Rates for ITU medical homes will be \$27.25 per member per month through December 2021; \$28.50 per member per month for calendar year 2022 and \$29.81 per member per month for calendar year 2023. Insure Oklahoma Individual Plan PCPs receive \$3 per member per month.*

B. No additional changes. Waivers, cost sharing and covered benefits will remain the same.

Impact

Oklahoma has a long history of working closely with CMS to develop innovative solutions to unique health challenges. This amendment furthers those efforts, requesting new flexibilities that will help improve our system of care and align incentives to promote efficient, coordinated, quality health care that drives better health outcomes for Oklahomans.

The expansion of eligibility will improve access to services for a previously uninsured and underinsured population. The expansion is expected to extend coverage to more than 120,000 low-income, uninsured Oklahomans in the first year. The traditional SoonerCare population — low-income parents, children, pregnant women, elderly adults and people eligible on the basis of disability — will not be directly affected.

The OHCA anticipates that the expansion initiative will increase enrollment within current, traditional Medicaid eligibility groups. The OHCA estimates that average monthly enrollment within existing eligibility groups will increase by 32,230 during the second half of Demonstration Year 25 (July 1, 2020 – December 31, 2020). The OHCA anticipates average monthly enrollment for existing Medicaid eligibility groups to increase by 52,973 by Demonstration Year 28 (Calendar Year 2023).

The proposed increase for ITU PCMH payments will promote member access to care, promote care management, enhance quality of care and improve outcomes.

Requested Waivers

The OHCA seeks to extend currently approved waivers to the Adult Group including:

Comparability Section 1902(a)(10)(B) and 1902(a)(17). To permit the state to offer a different benefit package to individuals in the proposed Demonstration Population #17.

Freedom of Choice Section 1902(a)(23)(A): To permit the state to restrict Adult Group beneficiaries' freedom of choice of care management providers and to use selective contracting that limits freedom of choice of certain provider groups to the extent that the selective contracting is consistent with beneficiary access to quality services. No waiver of freedom of choice is authorized for family planning providers.

Retroactive Eligibility Section 1902(a)(34): To enable the state to waive retroactive eligibility for Adult Group beneficiaries.

Requested Expenditure Authority

With this demonstration amendment, the OHCA is requesting expenditure authority for the Adult Expansion (proposed Demonstration Population #17).

Reporting, Quality and Evaluation

The OHCA proposes to continue the currently approved monitoring and evaluation components identified in the STCs and will collaborate with CMS to modify monitoring and evaluation activities for the proposed eligibility expansion.

Oversight and Monitoring

The OHCA will develop oversight and management reports to monitor access, quality and costs. Analysis of data will allow the OHCA to report key challenges, underlying causes of those challenges, and develop immediate strategies for addressing identified challenges.

Semi-Annual and Annual Progress Reports

The OHCA will continue to prepare and submit semi-annual and annual progress reports, modified to address implementation activities and incorporate summary data regarding the expansion.

Demonstration Evaluation

The Adult Group will be enrolled into the existing care coordination model for SoonerCare, which includes PCMH providers, Health Access Networks and the SoonerCare Health Management Program.

The approved evaluation design includes hypotheses related to improved access to care, health quality/outcomes, satisfaction, emergency room utilization and cost-effectiveness for beneficiaries receiving services through the HANs or HMP. The OHCA's independent evaluator will include the Adult Group as a distinct segment within this portion of the evaluation and will stratify all data to produce findings specific to this population.

The approved evaluation design also includes hypotheses related to waiving of retroactive eligibility for a portion of the existing SoonerCare population. The OHCA's independent evaluator again will include the Adult Group as a distinct segment within this portion of the evaluation and will stratify all data to produce findings specific to this population.

Section 3 Budget Neutrality

New Adult Group

The Adult Group represents an expansion of eligibility and the State therefore does not have historical expenditure and enrollment data.

Enrollment projections are based on the estimated number of uninsured Oklahomans ages 19 to 64 with household incomes under 133% of the FPL (+ 5% income disregard). The enrollment estimates also include individuals who elect to transition from Insure Oklahoma and the Marketplace to the Adult Group.

The tables below present the estimated enrollment and expenditures with and without the demonstration. The “with waiver” projections reflect a 5% reduction in the costs per member per month (PMPM) resulting from the demonstration’s coordinated delivery model. The PMPM estimates includes costs associated with pent up demand that will be addressed over the course of the demonstration.

Projected Enrollment and Expenditures: Without Waiver

	Demonstration Year/Calendar Year			
	DY25/CY20 (Second Half)	DY26/CY21	DY27/CY22	DY28/CY23
Average Enrollment	121,203	140,291	159,492	159,604
Member Months	727,219	1,683,494	1,913,900	1,915,252
Per Member Per Month (PMPM)	\$ 650.00	\$ 613.98	\$ 572.49	\$ 565.00
Total Expenditures	\$ 472,692,636	\$ 1,033,631,730	\$ 1,095,697,739	\$ 1,082,117,290

Projected Enrollment and Expenditures: With Waiver

	Demonstration Year/Calendar Year			
	DY25/CY20 (Second Half)	DY26/CY21	DY27/CY22	DY28/CY23
Average Enrollment	121,203	140,291	159,492	159,604
Member Months	727,219	1,683,494	1,913,900	1,915,252
Per Member Per Month (PMPM)	\$ 617.50	\$ 583.28	\$ 543.87	\$ 536.75
Total Expenditures	\$ 449,058,004	\$ 981,950,144	\$ 1,040,912,852	\$ 1,028,011,425

Surplus (Deficit) \$ 23,634,632 \$ 51,681,587 \$ 54,784,887 \$ 54,105,864

ITU PCMH Payments

The OHCA proposes to increase funding by \$8.2 million in Calendar Year 2020 (July 1, 2020 – December 31, 2020) and \$16.4 million in Calendar Year 2021. Thereafter, the OHCA projects an increase of 4.6% annually.

Section 4 Required Elements of Amendment Process

The OHCA began its public notice process April 1, 2020 and concluded online comments May 1, 2020. The public notice was posted on the OHCA's website March 31, 2020. A copy of the public notice and instructions about the public comment process is available at www.okhca.org/PolicyBlog. The agency also provided notice of a tribal meeting on March 19, 2020, notifying the tribes of the consultation which took place on April 1, 2020.

Additionally, the agency conducted a public hearing to garner public and stakeholder input. Due to the recent public health emergency, COVID-19, the agency conducted the required public hearing virtually, as noted below.

1115 Waiver Amendment - Adding New Adults into PCMH and Increasing I/T/U Care
Coordination Rates
Virtual Public Hearing
April 7, 2020 at 2:00pm
Register for Zoom meeting:
https://okhca.zoom.us/webinar/register/WN_eVbm3RGkSpePIAk4oK0BpA

Summary of Tribal Consultation

To be completed following conclusion of comment period.

Summary of Public Comment

To be completed following conclusion of comment period.

Amendment Changes Made as a Result of Tribal and Public Comment

To be completed following conclusion of comment period.

Section 5 CHIP Allotment Neutrality Worksheet

Not Applicable: The proposed amendment does not impact Oklahoma's CHIP Allotment Neutrality.

Section 6 Non-Federal Share

The OHCA will utilize multiple sources of non-federal share to fund the Adult Group expansion. These include direct appropriations from the General Revenue Fund of the State Treasury, which totaled \$818,977,368.00 in SFY 2020; the Special Cash Fund, which totaled \$50,000,000.00 in SFY 2020; and the Health Care Enhancement Fund, which totaled \$131,062,000.00 in SFY 2020.

The OHCA receives and may expend all or a portion of the 22.06% placed to the credit of the Health Employee and Economy Improvement Act Revolving Fund from the sale, use, gift, possession, or consumption of cigarettes, as defined in Sections 301 through 325 of Title 68 of the Oklahoma Statutes.

A health care-related tax, called the supplemental hospital offset payment program (SHOPP) fee, is assessed to Oklahoma hospitals and a portion of that assessment may be used to fund the non-federal share. The assessment rate is currently capped at 4% in state statute. Funds are received in the first month of each quarter to be expended on the OHCA Medicaid program.

State appropriated funds are provided from the legislature and transferred to the OHCA by inter-governmental transfer (IGT) from The University Hospital Authority /Trust (UHA /UHT), the State Regents for Higher Education, the OSU Medical Authority (OSUMA), the Oklahoma State Department of Health (OSDH), the Oklahoma Department of Mental Health and Substance Abuse (ODMHSAS) and the Oklahoma Department of Corrections (ODOC). The transferred funds are deposited into the OHCA Medicaid Program Revolving Fund.

All funds described above will be used to fund the non-federal share of costs related to the Demonstration. The OHCA will be able to respond with certainty on the dedicated funding sources by the end of the current legislative session in May 2020.

ITU PCMH payments are fully funded by the federal government and therefore do not have a non-federal share.

Attachments

1. Conforming State Plan Amendment for Adult Group
2. Tribal Consultation Documentation
3. Public Notice Documentation

1. Conforming State Plan Amendment for Adult Group

Mandatory Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | OK2020MS0004D

Package Header

Package ID	OK2020MS0004D	SPA ID	N/A
Submission Type	Draft	Initial Submission Date	2/14/2020
Approval Date	N/A	Effective Date	N/A
Superseded SPA ID	OK-13-0017		
	System-Derived		

Reviewable Unit Instructions

B. The state elects the Adult Group, described at 42 CFR 435.119.

☒ Yes ☐ No

Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Adult Group		☒	☒	☐	NEW

C. Additional Information (optional)

Eligibility Groups Deselected from Coverage

The following eligibility groups were previously covered in the source approved version of the state plan and deselected from coverage as part of this submission package:

- N/A

1. Conforming State Plan Amendment for Adult Group (*continued*)

Medicaid State Plan Eligibility

Eligibility Groups - Mandatory Coverage

Adult Group

MEDICAID | Medicaid State Plan | Eligibility | OK2020MS0004D

Non-pregnant individuals age 19 through 64, not otherwise mandatorily eligible, with income at or below 133% FPL.

Not Started	In Progress	Complete
Package Header		
Package ID	OK2020MS0004D	SPA ID N/A
Submission Type	Draft	Initial Submission Date 2/14/2020
Approval Date	N/A	Effective Date N/A
Superseded SPA ID	N/A	
Reviewable Unit Instructions		

The state covers the Adult Group in accordance with the following provisions:

A. Characteristics

Individuals qualifying under this eligibility group must meet the following criteria:

1. Have attained age 19 but not age 65
2. Are not pregnant
3. Are not entitled to or enrolled for Part A or B Medicare benefits
4. Are not otherwise eligible for and enrolled for mandatory coverage under the state plan in accordance with 42 CFR 435, subpart B.

B. Financial Methodologies

MAGI-based methodologies are used in calculating household income. Please refer as necessary to MAGI-Based Methodologies, completed by the state.

C. Income Standard Used

The amount of the income standard for this group is 133% FPL.

D. Coverage of Dependent Children

Parents or caretaker relatives living with a child under the age specified below are not covered unless the child is receiving benefits under Medicaid, CHIP or through the Exchange or otherwise enrolled in minimum essential coverage, as defined in 42 CFR 435.4.

- ☒ 1. Under age 19, or
- ☐ 2. A higher age of children, if any covered under the Reasonable Classifications of Children eligibility group (42 CFR 435.222) on March 23, 2010:

1. Conforming State Plan Amendment for Adult Group *(continued)*

MEDICAID | Medicaid State Plan | Eligibility | OK2020MS0004D

Package Header

Package ID OK2020MS0004D

SPA ID N/A

Submission Type Draft

Initial Submission Date N/A

Approval Date N/A

Effective Date N/A

Superseded SPA ID N/A

Reviewable Unit Instructions

A. Additional Information (optional)

PRA Disclosure Statement: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1188. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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2. Tribal Consultation Documentation

To be completed following conclusion of comment period.

3. Public Notice Documentation

To be completed following conclusion of comment period.