



# OKLAHOMA

## Health Care Authority

SoonerCare 1115(a) Research and Demonstration Waiver  
Amendment Request

*Phase-out of the Insure Oklahoma Individual Plan (IO IP) and  
Revision of Eligibility Criteria for the Insure Oklahoma Employer-  
Sponsored Insurance (IO ESI) Plan*

Project Number: 11-W00048/6

DRAFT FOR PUBLIC COMMENT

Posted: October 1, 2020

## Table of Contents

|                  |                                                                      |    |
|------------------|----------------------------------------------------------------------|----|
| Section 1        | Executive Summary.....                                               | 2  |
|                  | Demonstration Background.....                                        | 2  |
|                  | Summary of Amendment Request.....                                    | 2  |
| Section 2        | Demonstration Amendment Request and Goals.....                       | 3  |
|                  | Demonstration Amendment Goals.....                                   | 3  |
|                  | Amendment Description.....                                           | 3  |
|                  | Beneficiary Impact.....                                              | 4  |
|                  | Program Eligibility.....                                             | 4  |
|                  | Program Benefits.....                                                | 5  |
|                  | Premiums and Cost Sharing.....                                       | 5  |
|                  | Requested Waivers.....                                               | 6  |
|                  | Conforming State Plan Amendment.....                                 | 7  |
|                  | Requested Expenditure Authority.....                                 | 7  |
|                  | Reporting, Quality and Evaluation.....                               | 10 |
|                  | Oversight and Monitoring.....                                        | 10 |
|                  | Quarterly and Annual Progress Reports.....                           | 10 |
|                  | Demonstration Evaluation.....                                        | 10 |
| Section 3        | Budget Neutrality.....                                               | 11 |
| Section 4        | Required Elements of Amendment Process.....                          | 13 |
|                  | Summary of Tribal Consultation.....                                  | 13 |
|                  | Summary of Public Comment.....                                       | 13 |
|                  | Amendment Changes Made as a Result of Tribal and Public Comment..... | 13 |
| Section 5        | CHIP Allotment Neutrality Worksheet.....                             | 13 |
| Section 6        | Non-Federal Share.....                                               | 14 |
| Attachments..... |                                                                      | 15 |
|                  | 1. Tribal Consultation Documentation.....                            | 16 |
|                  | 2. Public Notice Documentation.....                                  | 19 |

## 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. The current demonstration is approved for August 31, 2018 through December 31, 2023.

The current SoonerCare demonstration provides authority for the State to operate the Insure Oklahoma program, which includes two distinct plans:

- Insure Oklahoma Individual Plan (IO IP) - Offers limited coverage for uninsured Oklahomans, ages 19 to 64 with incomes up to 100% of the Federal Poverty Level (FPL). IO IP is administered by the OHCA and program participants access care through the IO-participating providers. Individuals pay a monthly premium based on income.
- Insure Oklahoma Employer-Sponsored Insurance (IO ESI) – Offers subsidies for coverage provided through qualifying employers on behalf of individuals and their families with incomes up to 200% of the FPL.

### Summary of Amendment Request

On July 31, 2020, Oklahoma posted formal public notice for submission of three State Plan Amendments (SPAs) to CMS to expand SoonerCare eligibility to low-income adults. The proposed eligibility expansion will add the New Adult Group ages 19 – 64 with incomes at or below 133% of the FPL (plus any applicable disregards) as per Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, 42 CFR 435.119, Oklahoma State Questions 802, and consistent with the expanded eligibility criteria as defined in the Affordable Care Act (referenced henceforth as 'Adult Group').

The OHCA seeks approval of the following modifications to the 1115(a) demonstration Special Terms and Conditions (STCs), effective July 1, 2021, for the current extension period that will be in effect through the end of the demonstration on December 31, 2023:

- Phase-out the IO IP plan; and
- Establish a new income band for the IO ESI plan at 134% - 200% of the FPL, plus any applicable income disregards.

The requested effective date of July 1, 2021 will coincide with the State's intent to expand Medicaid to adults ages 19-64, with incomes at or below 133% of the FPL, plus any applicable income disregards as per 42 CFR 435.119 and Oklahoma State Question 802.

The waiver amendment and phase-out plan will ensure continuity of care by making the transition of eligible IO members to the Adult Group as seamless and effortless as possible. It also will improve access to high-quality, person-centered services that produce positive health outcomes for individuals who were previously under or uninsured.

Proposed changes are further detailed in the Insure Oklahoma Phase-Out Plan required by the Special Terms and Conditions of the 1115(a) waiver. The Insure Oklahoma Phase-Out Plan is available for review at: [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog).

## Section 2 Demonstration Amendment Request and Goals

### Demonstration Amendment Goals

Oklahoma seeks to continue its commitment to promoting access to affordable coverage and align coverage policies with the forthcoming eligibility expansion, effective July 1, 2021. This amendment will:

- **Enhance access to affordable coverage** – Effective July 1, 2021, Oklahomans with incomes at or below 133% of the FPL, plus any applicable income disregards, will be eligible for the Adult Group. Individuals who enroll in the Adult Group will not pay monthly premiums.
- **Enhance benefits for program participants** – Covered services for the Adult Group will be based on the Alternative Benefit Plan, which exceeds the IO IP covered benefits and the minimum qualified benefit plan requirements for IO ESI.
- **Streamline programs and eligibility policies** – Individuals eligible for the IO program and with incomes at or below 133% of the FPL, plus any applicable income disregards, will transition to the Adult Group. The phase-out of the IO IP plan and elimination of coverage for the IO ESI plan for individuals with incomes at or below 133% of the FPL, plus any applicable income disregards, will eliminate overlapping eligibility policies across programs. Streamlining programs will reduce confusion on the part of program participants and minimize the impact of transitioning across SoonerCare programs as individuals' incomes change.
- **Continue Oklahoma's commitment to making affordable health coverage accessible and reducing the number of uninsured** – IO ESI will continue to operate for individuals with incomes between 134 and 200% of the FPL, plus any applicable income disregards.

### Amendment Description

The OHCA seeks approval of the following modifications to the 1115(a) demonstration Special Terms and Conditions (STCs) for the current extension period that will be in effect through the end of the demonstration on December 31, 2023:

- Phase-out the IO IP plan; and
- Establish a new income band for the IO ESI plan at 134% - 200% of the FPL, plus any applicable income disregards.

The requested amendment effective date of July 1, 2021 will coincide with the State's plan to expand Medicaid to adults ages 19-64, with incomes at or below 133% of the FPL, plus any applicable income disregards, as per 42 CFR 435.119 and Oklahoma State Question 802.

The waiver amendment and phase-out plan will ensure continuity of care by making the transition of eligible IO members to the Adult Group as seamless and effortless as possible. The transition will improve access to high-quality, person-centered services that produce positive health outcomes for individuals.

Proposed changes are further detailed in the Insure Oklahoma Phase-Out Plan required by the Special Terms and Conditions of the SoonerCare demonstration. The Insure Oklahoma Phase-Out Plan is available for review at: [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog).

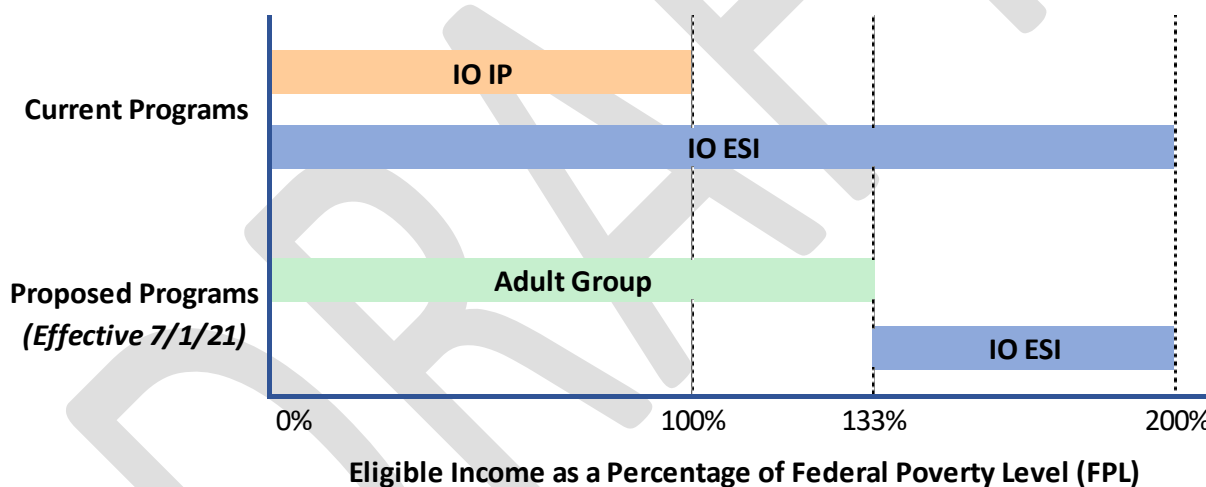
## Beneficiary Impact

As of August 2020, approximately 30,000 individuals participate in the IO IP and IO ESI plans. The majority of current IO program participants (approximately 21,000) have incomes at or below 133% of the FPL, plus any applicable income disregards, and will transition to the new Adult group, effective July 1, 2021. The IO ESI plan will continue for individuals with incomes between 134 and 200% of the FPL, plus any applicable income disregards.

## Program Eligibility

This amendment continues Oklahoma's commitment to making health care accessible to low-income Oklahomans and streamlines eligibility policies across programs. The table below summarizes the current and proposed income eligibility criteria by program.

*Summary of Program Eligibility as a Percentage of Federal Poverty Level, Current and Proposed*



## Program Benefits

The proposed amendment will preserve and enhance covered services for eligible individuals. The table below provides a summary of covered benefits for the IO IP, IO ESI, and Adult Group expansion.

### *Summary of Covered Services, by Program*

| Program     | Covered Services                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IO IP       | Benefit package includes, but is not limited to, office visits, emergency care, inpatient and outpatient hospital benefits, pharmacy, X-rays, maternity care, and durable medical equipment. Does not include coverage for transplants and non-emergency transportation services.                                                                                                                                |
| IO ESI      | Qualified plans must include the following minimum benefits: <ul style="list-style-type: none"><li>• Hospital services;</li><li>• Physician services;</li><li>• Clinical laboratory and radiology;</li><li>• Pharmacy;</li><li>• Office visits;</li><li>• Well baby/well child exams;</li><li>• Age appropriate immunizations as required by law; and</li><li>• Emergency services as required by law.</li></ul> |
| Adult Group | Benefits based on Alternative Benefit Plan; benefit package includes, but is not limited to, office visits, emergency care, inpatient and outpatient hospital benefits, pharmacy, X-rays, maternity care, durable medical equipment, transplants and non-emergency transportation services.                                                                                                                      |

Individuals enrolled in the IO IP plan access covered services through IO-participating providers. Upon transition to the Adult Group, individuals will access services through the full network of SoonerCare-participating providers.

IO ESI plan participants access services through the network of providers participating in their employers' health plans. IO ESI plan participants with incomes at or below 133% of the FPL, plus any applicable income disregards, will transition to the Adult Group and will access services through SoonerCare-participating providers.

## Premiums and Cost Sharing

Individuals who transition from IO IP and IO ESI to the Adult Group will no longer be required to pay monthly premiums and will have lower cost sharing obligations. Premiums and cost sharing for individuals with incomes between 134 and 200% of the FPL (plus any applicable income disregards) who enroll in the IO ESI plan will remain unchanged. A summary of monthly premiums and other cost sharing obligations for each program is presented in the table on the following page.

*Summary of Premiums and Cost Sharing Requirements, by Plan*

| Program     | Monthly Premiums                                                                                         | Copayments and Deductibles                                                                                                                                                                                                                                                                                                                                                                                                  | Annual Cost Sharing Limit                               |
|-------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| IO IP       | Up to 15 percent of estimated costs (not to exceed four percent of the monthly gross household income)   | Not to exceed amounts permitted under federal regulations (42 CFR 447), except emergency room copay <ul style="list-style-type: none"> <li>• Office Visit: \$10</li> <li>• Pharmacy: \$5 Generic</li> <li>• Pharmacy: \$10 Brand</li> <li>• Emergency: \$30 (waived if admitted)</li> <li>• Hospital Inpatient Stay: \$50</li> <li>• Hospital Outpatient Visit: \$25</li> </ul> Members must pay copays to receive services | Not to exceed five percent of the family's gross income |
| IO ESI      | Up to 15 percent of total premium (not to exceed three percent of the five percent household income cap) | Based on the requirements for the employer plan, subject to the following limitations: <ul style="list-style-type: none"> <li>• Copays for physician office visits: not to exceed \$50 per visit</li> <li>• Annual pharmacy deductible not to exceed \$500 per individual</li> <li>• Annual out-of-pocket maximum not to exceed \$3,000 per individual, excluding pharmacy deductible</li> </ul>                            | Not to exceed five percent of family's total income     |
| Adult Group | None                                                                                                     | Not to exceed amounts permitted under federal law and as described within the Oklahoma State Plan                                                                                                                                                                                                                                                                                                                           | Not to exceed five percent of family's total income     |

**Requested Waivers**

Insure Oklahoma already operates under authority of the demonstration. Therefore, Oklahoma is not seeking any waivers of federal laws or regulations.

## Conforming State Plan Amendment

Insure Oklahoma already operates under authority of the demonstration. Therefore, no Title XIX or Title XXI State Plan Amendments are required.

## Requested Expenditure Authority

This amendment seeks to eliminate and revise current expenditure authorities. Expenditure authority to operate the IO IP plan will no longer be required and expenditure authority for the IO ESI plan will be limited to individuals with incomes between 134 and 200% of the FPL, plus any applicable income disregards.

The table below presents a summary of the current expenditure authorities for the IO programs and the proposed revisions to demonstration authorities.

### *Summary of Current Demonstration Authorities and Proposed Revisions*

| IO Program | Demonstration Populations | Current Authority                     | Proposed Revision                                                                                      |
|------------|---------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------|
| ESI        | 5, 6, 8, 10 & 11          | Incomes between 0 and 200% of the FPL | Incomes between 134 and 200% of the FPL, plus any applicable income disregards, effective July 1, 2021 |
| IP         | 12, 13, 14, 15 & 16       | Incomes between 0 and 100% of the FPL | Phased out, effective July 1, 2021                                                                     |

The table on the following page presents a detailed listing of the currently approved expenditure authorities for the IO ESI demonstration Populations and the proposed revisions to these authorities to reflect the revised income eligibility criteria. Expenditure authorities for the IO IP plan will no longer be required, effective July 1, 2021.

*Current and Proposed Expenditure Authorities: IO ESI (Demonstration Populations 5, 6, 8, 10 & 11)*

| <b>Current Expenditure Authority</b>                                                                                                                                                                                                                                                                                      | <b>Proposed Revision to Expenditure Authority</b>                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Demonstration Population 5.</b> Expenditures for health benefits coverage who are “Non-Disabled Low Income Workers” age 19-64 years who work for a qualifying employer and have income no more than 200 percent of the federal poverty level (FPL), and their spouses                                                  | <b>Demonstration Population 5.</b> Expenditures for health benefits coverage who are “Non-Disabled Low Income Workers” age 19-64 years who work for a qualifying employer and have income greater than 133 percent and no more than 200 percent of the federal poverty level (FPL), and their spouses                                                             |
| <b>Demonstration Population 6.</b> Expenditures for health benefits coverage who are “Working Disabled Adults” 19-64 years of age who work for a qualifying employer and have income up to 200 percent of FPL                                                                                                             | <b>Demonstration Population 6.</b> Expenditures for health benefits coverage who are “Working Disabled Adults” 19-64 years of age who work for a qualifying employer and have income greater than 133 percent of the FPL and up to 200 percent of FPL                                                                                                             |
| <b>Demonstration Population 8.</b> Expenditures for health benefits coverage for no more than 3,000 individuals at any one time who are full-time college students age 19 through age 22 and have income not to exceed 200 percent of the FPL, who have no creditable health coverage, and work for a qualifying employer | <b>Demonstration Population 8.</b> Expenditures for health benefits coverage for no more than 3,000 individuals at any one time who are full-time college students age 19 through age 22 and have income greater than 133 percent of the FPL and not to exceed 200 percent of the FPL, who have no creditable health coverage, and work for a qualifying employer |
| <b>Demonstration Population 10.</b> Expenditures for health benefits coverage for foster parents who work for an eligible employer and their spouses with household incomes no greater than 200 percent of the FPL                                                                                                        | <b>Demonstration Population 10.</b> Expenditures for health benefits coverage for foster parents who work for an eligible employer and their spouses with household incomes greater than 133 percent of the FPL and no greater than 200 percent of the FPL                                                                                                        |
| <b>Demonstration Population 11.</b> Expenditures for health benefits coverage for individuals who are employees and spouses of not-for-profit businesses with 500 or fewer employees, work for a qualifying employer, and with household incomes no greater than 200 percent of the FPL                                   | <b>Demonstration Population 11.</b> Expenditures for health benefits coverage for individuals who are employees and spouses of not-for-profit businesses with 500 or fewer employees, work for a qualifying employer, and with household incomes greater than 133 percent of the FPL and no greater than 200 percent of the FPL                                   |

The current demonstration’s Special Terms and Conditions specify the Title XIX requirements that are not applicable to the Demonstration Expenditure Authorities. The table on the following page summarizes the Title XIX requirements currently specified in the demonstration’s Special Terms and Conditions and the proposed changes to these requirements.

*Title XIX Requirements Not Applicable to IO Programs, Current and Proposed*

| <b>Title XIX Requirement</b>                                             | <b>Citation</b>                                             | <b>Current Description in Special Terms and Conditions</b>                                                                                                                                                                                                | <b>Proposed Revision(s)</b>                                          |
|--------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Comparability                                                            | Section 1902(a)(10)(B) and 1902(a)(17)                      | To permit the state to provide different benefit packages to individuals in demonstration populations 5, 6, 8, 10, and 11 who are enrolled in the Premium Assistance Employer Coverage Plan that may vary by individual.                                  | <i>No changes</i>                                                    |
| Cost Sharing Requirements                                                | Section 1902(a)(14) insofar as it incorporates Section 1916 | To permit the state to impose premiums, deductions, cost sharing and similar charges that exceed the statutory limitations for individuals in populations 5, 6, 8, 10, and 11 who are enrolled in the Premium Assistance Employer Coverage Plan.          | <i>Revise “deductions” to “deductibles”</i>                          |
| Freedom of Choice                                                        | Section 1902(a)(23)(A)                                      | To permit the state to restrict choice of provider for beneficiaries eligible under populations 5, 6, 8, 10 and 11 enrolled in the Premium Assistance Employer Coverage Plan. No waiver of freedom of choice is authorized for family planning providers. | <i>No changes</i>                                                    |
| Retroactive Eligibility                                                  | Section 1902(a)(34)                                         | To enable the state to not provide retroactive eligibility for demonstration participants in populations 5, 6, 8, 10, 11, 12, 13, 14, 15, and 16                                                                                                          | <i>Remove IO IP demonstration populations 12, 13, 14, 15, and 16</i> |
| Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Services | Section 1902(a)(4)(B); 1902(a)(10)((A); and 1902(a)(43)     | To exempt the state from furnishing or arranging for EPSDT services for full-time college students age 19 through age 22 who are defined in populations 8 and 14.                                                                                         | <i>Remove IO IP demonstration population 14</i>                      |
| Assurance of Transportation                                              | Section 1902(a)(4) and 1902(a)(19); 42 CFR 431.53           | To permit the state not to provide non-emergency transportation benefits to individuals in populations 12, 13, 14, 15, and 16 enrolled in the Insure Oklahoma Premium Assistance Individual Plan.                                                         | <i>Remove (solely applicable to IO IP)</i>                           |

## 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 as appropriate to address the program modifications specified in this amendment request as well as the proposed Adult 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.

### Quarterly and Annual Progress Reports

The OHCA will continue to prepare and submit quarterly and annual progress reports, modified to address Insure Oklahoma transition activities, as described in the Insure Oklahoma Phase-Out Plan.

### Demonstration Evaluation

The approved evaluation design includes hypotheses related to waiving of retroactive eligibility for the IO plans. The OHCA's independent evaluator will continue to evaluate the IO ESI plan. The evaluator also will include the Adult Group as a distinct segment within the evaluation and will stratify all data to produce findings specific to this population.

## Section 3 Budget Neutrality

The following Medicaid Eligibility Groups (MEGs) under the currently approved demonstration are impacted by the proposed changes:<sup>1</sup>

- Non-Disabled Working Adults ESI
- Full-Time College Students ESI
- Non-Disabled Working Adults IP
- Full-Time College Students IP

The table below presents projected expenditures under the currently approved demonstration, prior to approval of this amendment request. (Impacted MEGs are highlighted with blue font.)

### *Projected “With Waiver” Expenditures – Currently Approved Demonstration*

| Calendar Year<br>Demonstration Year        | 2021<br>26             | 2022<br>27             | 2023<br>28             |
|--------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>          |                        |                        |                        |
| TANF-Urban                                 | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| TANF-Rural                                 | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| ABD-Urban                                  | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| ABD-Rural                                  | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b> |                        |                        |                        |
| <i>Non-Disabled Working Adults ESI</i>     | <i>\$65,789,186</i>    | <i>\$69,980,698</i>    | <i>\$74,439,257</i>    |
| TEFRA Children                             | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| <i>Full-Time College Students ESI</i>      | <i>\$516,218</i>       | <i>\$547,488</i>       | <i>\$580,653</i>       |
| <i>Non-Disabled Working Adults IP</i>      | <i>\$51,959,648</i>    | <i>\$56,876,221</i>    | <i>\$62,258,014</i>    |
| <i>Full-Time College Students IP</i>       | <i>\$428,088</i>       | <i>\$442,676</i>       | <i>\$457,760</i>       |
| HAN Expenditures                           | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| HMP Expenditures                           | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                               | <b>\$2,809,321,926</b> | <b>\$2,957,235,968</b> | <b>\$3,113,779,823</b> |

Effective July 1, 2021 (the second half of demonstration Year 26), the IO IP plan will end, along with the IO ESI plan for individuals with incomes up to 133% of the FPL, plus any applicable income disregards. The IO ESI plan will continue for individuals eligible with incomes between 134 and 200% of the FPL, plus any applicable income disregards.

Based on current enrollment data, 70.0% of the population enrolled in the Non-Disabled Working Adults ESI MEG and 66.0% of the population enrolled in the Full-Time College Students ESI MEG have incomes between 134 and 200% of the FPL, plus any applicable income disregards. The table on the following page presents the estimated financial impact on program expenditures under the approved demonstration.

<sup>1</sup> The currently approved Demonstration includes additional IO MEGs, but these MEGs do not have any reported expenditures and therefore are not included in the Budget Neutrality impact analysis.

*Impact: Phase-Out of IO IP and Partial Phase-Out of IO ESI*

| <b>Calendar Year<br/>Demonstration Year</b> | <b>2021 (1/2)<br/>26 (1/2)</b> | <b>2022<br/>27</b>   | <b>2023<br/>28</b>   |
|---------------------------------------------|--------------------------------|----------------------|----------------------|
| <i>Non-Disabled Working Adults ESI</i>      | -\$9,872,372                   | -\$21,002,706        | -\$22,340,816        |
| <i>Full-Time College Students ESI</i>       | -\$87,829                      | -\$186,298           | -\$197,583           |
| <i>Non-Disabled Working Adults IP</i>       | -\$25,979,824                  | -\$56,876,221        | -\$62,258,014        |
| <i>Full-Time College Students IP</i>        | -\$214,044                     | -\$442,676           | -\$457,760           |
| <b>Total</b>                                | <b>-\$36,154,069</b>           | <b>-\$78,507,901</b> | <b>-\$85,254,173</b> |

The table below presents projected expenditures under the approved demonstration upon implementation of the Insure Oklahoma phase-out plan.

*Projected “With Waiver” Expenditures – Phase-Out of IO IP and Partial Phase-Out of IO ESI*

| <b>Calendar Year<br/>Demonstration Year</b> | <b>2021<br/>26</b>     | <b>2022<br/>27</b>     | <b>2023<br/>28</b>     |
|---------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>           |                        |                        |                        |
| <i>TANF-Urban</i>                           | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| <i>TANF-Rural</i>                           | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| <i>ABD-Urban</i>                            | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| <i>ABD-Rural</i>                            | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b>  |                        |                        |                        |
| <i>Non-Disabled Working Adults ESI</i>      | \$55,916,814           | \$48,977,992           | \$52,098,441           |
| <i>TEFRA Children</i>                       | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| <i>Full-Time College Students ESI</i>       | \$428,389              | \$361,190              | \$383,070              |
| <i>Non-Disabled Working Adults IP</i>       | \$25,979,824           | \$0                    | \$0                    |
| <i>Full-Time College Students IP</i>        | \$214,044              | \$0                    | \$0                    |
| <i>HAN Expenditures</i>                     | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| <i>HMP Expenditures</i>                     | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                                | <b>\$2,773,167,857</b> | <b>\$2,878,728,067</b> | <b>\$3,028,525,650</b> |

Note: The fiscal impact analysis does not incorporate changes related to the OHCA’s proposed Medicaid expansion and introduction of the new Adult Group. The purpose of this analysis is to illustrate the specific impact of the Insure Oklahoma program changes on demonstration expenditures. The impact of the Medicaid expansion is presented in the OHCA’s separate expansion application.

## Section 4 Required Elements of Amendment Process

The OHCA began a 30-day public notice process on October 1, 2020 and concluded the process on October 31, 2020. An abbreviated public notice was posted on the OHCA's website on September 17, 2020; the public notice was also published in area newspapers with circulation dates prior to October 1, 2020. A full public notice was posted on the OHCA's website on October 1, 2020. A copy of the public notice and instructions about the public comment process is available at [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog).

The Agency conducted an in-person tribal consultation on September 1, 2020 to solicit stakeholder comments regarding the proposed amendment and phase-out plan.

### Summary of Tribal Consultation

A tribal partner in attendance asked whether Insure Oklahoma would still be available for individuals with incomes between 134-200% of the FPL. OHCA staff informed the individual that members 134-200% of the FPL enrolled in the IO ESI plan would continue to receive services through that plan and that the IO IP plan will be completely phased out. It was explained that IO IP members will transition into the Adult Group and be provided with services under the State Plan and by SoonerCare-contracted providers in the network. Finally, the individual was informed that individuals at or below 133% of the FPL and in the IO ESI plan would also transition into the Adult Group.

### 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

This amendment request will transition all individuals enrolled in the IO IP plan and individuals enrolled in the IO ESI plan with incomes at or below 133% of the FPL, plus any applicable income disregards, to the Adult Group expansion.

The OHCA will utilize multiple sources of non-federal share to fund the continuation of the IO ESI plan for individuals with incomes between 134 and 200% of the FPL, plus any applicable income disregards, and the Adult Group expansion. These include direct appropriations from the General Revenue Fund of the State Treasury, which totaled \$698,679,598 in SFY 2021; the Special Cash Fund, which totaled \$112,000,000 in SFY 2021; the Health Care Enhancement Fund, which totaled \$144,863,600 in SFY 2021; the Tobacco Settlement Endowment Trust (TSET), which totaled \$11,718,750 in SFY 2021; and the Opioid Lawsuit Fund, which totaled \$7,977,420 in SFY 2021.

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 may be used to fund the non-federal share of costs related to the demonstration.

## Attachments

1. Tribal Consultation Documentation
2. Public Notice Documentation

DRAFT

## 1. Tribal Consultation Documentation

### Agenda

#### **Tribal Consultation Meeting Agenda 11 AM, September 1st Web X Meeting Online Web X Webinar**

1. Welcome— Dana Miller, Director of Tribal Government Relations
2. Proposed Rule, State Plan, Waiver, and Rate Amendments— Dana Miller, Director of Tribal Government Relations

#### **Proposed Rule, State Plan, and Waiver Amendments**

- Therapy Assistants and Clinical Fellows
  - SoonerPlan Termination
  - SUPPORT Act Drug Utilization Review (DUR) Standard
  - Insure Oklahoma Changes
  - Bariatric Surgery Revisions
  - Dental Managed Care Organizations
  - Disaster Relief COVID-19 Mobile Testing Authority
  - Child Support Cooperation Exemption for Recipients of Indian Health Services
  - Residential SUD Services
  - PRTF Base Rate Increase for Specialty Populations
  - The Oklahoma Department of Human Services (DHS) Development Disabilities
  - Certified Community Behavioral Health (CCBH) Services
3. Other Business and Project Updates- Dana Miller, Director of Tribal Government Relations
    - ITU MCO Workgroup and Waiver update – Traylor Rains, Deputy State Medicaid Director
    - HIV Task Force- Michelle Dennison-Farris, Healthy Policy Liaison Oklahoma City Indian Clinic
    - Tribal Health Outreach- Vivian Morris, OHCA Health Promotion Coordinator
  4. Adjourn—Next Tribal Consultation Scheduled for 11 AM, November 3rd, 2020

#### **Proposed Rule, State Plan, and Waiver Amendments**

**Therapy Assistants and Clinical Fellows** — The OHCA originally presented policy changes to add provider qualifications, coverage, and reimbursement for services provided by therapy assistants and speech language pathology clinical fellows during the March 3, 2020 Tribal consultation. Due to public comment received, the OHCA has made revisions to its policy request. OHCA will continue to seek adding provider qualifications, coverage, and reimbursement for services performed by physical therapy assistants, occupational therapy assistants, speech language pathology assistants (SLPAs), and speech language pathology clinical fellows. However, as compared to the original request to reimburse all assistants and clinical fellows at 85% of the rate

of the fully licensed practitioner, the OHCA will seek to reimburse provisionally licensed speech language pathology clinical fellows at 100% of the fully licensed therapist rate and reimburse assistants (OT, PT, ST) at 85% of the fully licensed therapist rate. Additionally, the requested effective date of this proposal changed from 1/1/2021 to 2/1/2021. **This item requests an expedited 30-day tribal consultation comment period.**

**SoonerPlan Termination** — Effective July 1, 2021, the SoonerPlan program will terminate as adults served by SoonerPlan will transition to the new adult Medicaid expansion population and will be eligible to receive comprehensive SoonerCare services.

**SUPPORT Act Drug Utilization Review (DUR) Standard** — The proposed revisions update the standard for retrospective drug utilization reviews in accordance with Section 1004(b) of the SUPPORT Act, HR 6 including the standards of “excessive utilization” and “inappropriate or medically unnecessary care or prescribing or billing practices that indicate abuse or excessive utilization.”

**Insure Oklahoma Changes** — The OHCA will revise policies, including but not limited to, the 1115(a) demonstration waiver and agency rules, to reflect changes to the Insure Oklahoma (IO) program. Effective July 1, 2021, all IO Individual Plan (IP) members, and IO Employer-Sponsored Insurance (ESI) members with incomes at or below 133% of the federal poverty level (FPL), will transition to and be provided services by the SoonerCare program under the expansion adult option. Additionally, revisions will clarify that IO ESI members’ FPL threshold is 134%-200%.

**Bariatric Surgery Revisions** — The proposed revisions will update bariatric surgery requirements and guidelines to reflect current business practice. Additional revisions will involve fixing grammatical and/or formatting errors, as well as, revoking obsolete sections.

**Dental Managed Care Organization** — To improve Oklahoma’s health outcomes and increase access to care, the OHCA will seek proposals from qualified dental managed care organizations (DMO) to facilitate the delivery of dental services to eligible and enrolled members of Oklahoma’s Medicaid program, commonly known as SoonerCare. The agency will also obtain authority to operate DMOs and will revise and add federal and state policy including: 1915 waiver requests, Title XIX and XXI state plan amendments, and state rules.

**Disaster Relief COVID-19 Mobile Testing Authority** — In response to the COVID-19 public health emergency, the OHCA provided notice of the second submitted disaster relief Title XIX state plan amendment to the Centers for Medicare and Medicaid Services (CMS). Effective March 1st, 2020, the agency will allow for testing to diagnose or detect COVID-19 and COVID-19 antibodies within non-office settings, such as mobile test sites. The agency also provided notice of the request to allow for self-collected test systems that the FDA has authorized for home use; however, since submission to CMS, the agency has decided only to move forward with the request to allow for mobile testing sites only. **The proposed request will be in effect until the termination of the public health emergency.**

**Child Support Cooperation Exemption for Recipients of Indian Health Services** — Policy revisions are needed to note a difference in the Medicaid agency's process for medical child support referrals due to changes in federal regulations at 42 CFR 433.152 and 45 CFR 303.11. Policy revisions are needed to reflect the provisions within the federal regulation which notes that the Medicaid agency may not refer a case to the state child support agency for medical support enforcement when the Medicaid referral is based solely upon health care services provided through an Indian Health Program. System changes will be implemented to ensure compliance with agency and federal regulations.

**Residential SUD Services** — The proposed amendment will add coverage and reimbursement of residential substance use disorder (SUD) services for individuals (under age 64) residing in a facility with 16 beds or less to the Oklahoma state plan and rules. **This item requests an expedited 30-day tribal consultation comment period.**

**PRTF Base Rate Increase for Specialty Populations** — The proposed revisions will increase the per diem base rate paid to Psychiatric Residential Treatment Facilities (PRTFs) serving individuals under 21 considered specialty populations i.e., individuals with developmental delays, eating disorders). Revisions will help support infrastructure for specialty providers serving children with specialized treatment needs, with a goal of increasing access to services. **This item requests an expedited 30-day tribal consultation comment period.**

**The Oklahoma Department of Human Services (DHS) Development Disabilities** — To comply with federal regulations, DDS will implement a provider rate increase for current job coaching services for individuals. Additionally, DDS will make changes to their group job coaching services and group enhanced job coaching services based on new group sizes for participants. The services are available to waiver recipients on the Medicaid In-Home Supports Waiver for Adults, Homeward Bound Waiver and Community Based Waiver. These changes will be necessary to support individuals who work in competitive integrated settings; and allow DHS to better empower and support Oklahomans with developmental disabilities.

**Certified Community Behavioral Health (CCBH) Services** — The OHCA originally presented policy changes to replace the current process by which new rates for CCBHs are established during the July 1 tribal consultation. OHCA continues to seek the previously presented changes in addition to an adjustment to the provider-specific standard rate to facilitate the expanded use of new mobile technology and crisis stabilization services to transform the CCBH delivery system. A payment adjustment of \$50 per member per month (PMPM) added to the trended provider-specific standard rate will be paid to providers whose standard CCBH rate is less than 95% of the average of all urban and rural CCBH provider-specific standard rates and is effective 12 months following the determination of the final rate. These revisions and subsequent changes are requested on behalf of the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS). **This item requests an expedited 14-day tribal consultation comment period.**

## 2. Public Notice Documentation

### **NOTICE OF PUBLIC COMMENT PERIOD FOR TRANSITION OF CERTAIN INSURE OKLAHOMA MEMBERS**

Pursuant to Title 42 of the Code of Federal Regulations Sections 431.408 and 447.205 and the 1115 waiver's Standard Terms and Conditions (STCs) #15, the Oklahoma Health Care Authority (OHCA) is required to provide public notice of its intent to submit an amendment to its 1115(a) demonstration waiver as well as a phase-out plan required by the demonstration's special terms and conditions to the Centers for Medicare & Medicaid Services (CMS). The OHCA currently has an approved 1115(a) waiver for the 2018-2023 demonstration period.

This notice provides details about the waiver amendment submission and serves to open the 30-day public comment period, which closes on October 31, 2020. In addition to the 30-day public comment period, during which the public will be able to provide written comments to the OHCA, the agency presented the proposed policy changes during its virtual Tribal Consultation on September 1, 2020.

Prior to finalizing the proposed waiver amendment and phase-out plan, the OHCA will consider all written and verbal public comments received. The comments will be summarized and addressed in the final version submitted to CMS.

### **INSURE OKLAHOMA WAIVER AMENDMENT SUMMARY AND OBJECTIVES**

The OHCA plans to eliminate the Insure Oklahoma Individual Plan (IO IP) plan and to establish a new income band for the Insure Oklahoma Employer Sponsored Insurance (IO ESI) at 134% - 200% of FPL, plus any applicable income disregards. (The IO ESI plan's current income band is 0 – 200% of FPL, plus any applicable income disregards.)

The effective date for the changes will be July 1, 2021, concurrent with expansion of SoonerCare Medicaid eligibility to qualifying adults ages 19 to 64 with incomes at or below 133% of the FPL (plus any applicable income disregards) as per 42 CFR 435.119. Affected individuals in the IO IP and IO ESI plans will automatically be transitioned into the newly-established SoonerCare "Adult Group" with no interruption in coverage.

The IO waiver amendment and phase-out plan will ensure continuity of care by making the transition of eligible IO members to the Adult Group as seamless and effortless as possible. The transition will improve access to high-quality, person-centered services that produce positive health outcomes for individuals.

Oklahoma will continue to honor its commitment to promoting access to affordable coverage through the proposed IO waiver amendment, which will:

- **Enhance access to affordable coverage** – Effective July 1, 2021, Oklahomans with incomes at or below 133% of the FPL (plus any applicable income disregards) will be eligible for the Adult Group. Individuals who enroll in the Adult Group will not pay monthly premiums.

- **Enhance benefits for program participants** – Covered services for the Adult Group will be based on the Alternative Benefit Plan, which exceeds the IO IP covered benefits and the minimum qualified benefit plan requirements for IO ESI.
- **Streamline programs and eligibility policies** – Individuals eligible for the IO plans and with incomes at or below 133% of the FPL (plus any applicable income disregards) will transition to the Adult Group. The phase out of the IO IP plan and elimination of coverage for the IO ESI plan for individuals with incomes at or below 133% of the FPL, plus any applicable income disregards, will eliminate overlapping eligibility policies across programs. Streamlining programs will reduce confusion on the part of program participants and minimize the impact of transitioning across SoonerCare programs as individuals' incomes change.
- **Continue Oklahoma's commitment to making affordable health coverage accessible and reducing the number of uninsured** – IO ESI will continue to operate for individuals with incomes between 134 and 200% of the FPL (plus any applicable income disregards).

## Eligibility and Enrollment

The following Medicaid Eligibility Groups (MEGs) under the currently approved demonstration are impacted by the proposed changes:

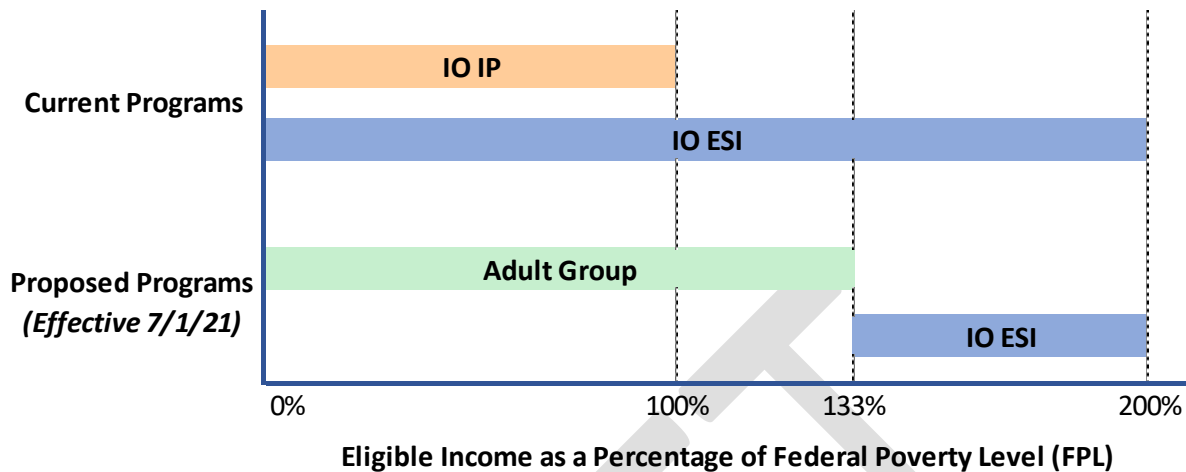
- Non-Disabled Working Adults ESI
- Full-Time College Students ESI
- Non-Disabled Working Adults IP
- Full-Time College Students IP

Approximately 29,000 individuals currently participate in the IO IP and IO ESI plans. The majority of current plan participants (approximately 21,000) have incomes at or below 133% of the FPL and will transition automatically to the new Adult group, effective July 1, 2021.

The IO ESI plan will continue for individuals with incomes between 134 and 200% of the FPL. Based on current enrollment data, 70.0% of the population enrolled in the Non-Disabled Working Adults ESI MEG and 66.0% of the population enrolled in the Full-Time College Students ESI MEG have incomes between 134 and 200% of the FPL.

The exhibit below summarizes the current and proposed income eligibility criteria by program.

## IO Eligibility – Current and Proposed



## Fiscal Projections

The proposed waiver amendment will eliminate expenditures for the IO IP plan and reduce expenditures for the IO ESI plan, as illustrated in the tables below. The affected Medicaid Eligibility Groups (MEGs) are highlighted in blue font. Other MEGs, which include Medicaid beneficiaries, will not be affected.

### Projected “With Waiver” Expenditures – Currently Approved Demonstration

| Calendar Year<br>Demonstration Year        | 2021<br>26             | 2022<br>27             | 2023<br>28             |
|--------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>          |                        |                        |                        |
| TANF-Urban                                 | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| TANF-Rural                                 | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| ABD-Urban                                  | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| ABD-Rural                                  | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b> |                        |                        |                        |
| Non-Disabled Working Adults ESI            | \$65,789,186           | \$69,980,698           | \$74,439,257           |
| TEFRA Children                             | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| Full-Time College Students ESI             | \$516,218              | \$547,488              | \$580,653              |
| Non-Disabled Working Adults IP             | \$51,959,648           | \$56,876,221           | \$62,258,014           |
| Full-Time College Students IP              | \$428,088              | \$442,676              | \$457,760              |
| HAN Expenditures                           | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| HMP Expenditures                           | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                               | <b>\$2,809,321,926</b> | <b>\$2,957,235,968</b> | <b>\$3,113,779,823</b> |

**Impact: Phase-Out of IO IP and Partial Phase-Out of IO ESI**

| <b>Calendar Year<br/>Demonstration Year</b> | <b>2021 (1/2)<br/>26 (1/2)</b> | <b>2022<br/>27</b>   | <b>2023<br/>28</b>   |
|---------------------------------------------|--------------------------------|----------------------|----------------------|
| <i>Non-Disabled Working Adults ESI</i>      | -\$9,872,372                   | -\$21,002,706        | -\$22,340,816        |
| <i>Full-Time College Students ESI</i>       | -\$87,829                      | -\$186,298           | -\$197,583           |
| <i>Non-Disabled Working Adults IP</i>       | -\$25,979,824                  | -\$56,876,221        | -\$62,258,014        |
| <i>Full-Time College Students IP</i>        | -\$214,044                     | -\$442,676           | -\$457,760           |
| <b>Total</b>                                | <b>-\$36,154,069</b>           | <b>-\$78,507,901</b> | <b>-\$85,254,173</b> |

**Projected “With Waiver” Expenditures – Phase-Out of IO IP and Partial Phase-Out of IO ESI**

| <b>Calendar Year<br/>Demonstration Year</b> | <b>2021<br/>26</b>     | <b>2022<br/>27</b>     | <b>2023<br/>28</b>     |
|---------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>           |                        |                        |                        |
| <i>TANF-Urban</i>                           | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| <i>TANF-Rural</i>                           | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| <i>ABD-Urban</i>                            | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| <i>ABD-Rural</i>                            | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b>  |                        |                        |                        |
| <i>Non-Disabled Working Adults ESI</i>      | \$55,916,814           | \$48,977,992           | \$52,098,441           |
| <i>TEFRA Children</i>                       | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| <i>Full-Time College Students ESI</i>       | \$428,389              | \$361,190              | \$383,070              |
| <i>Non-Disabled Working Adults IP</i>       | \$25,979,824           | \$0                    | \$0                    |
| <i>Full-Time College Students IP</i>        | \$214,044              | \$0                    | \$0                    |
| <i>HAN Expenditures</i>                     | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| <i>HMP Expenditures</i>                     | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                                | <b>\$2,773,167,857</b> | <b>\$2,878,728,067</b> | <b>\$3,028,525,650</b> |

Note: The fiscal impact analysis does not incorporate changes related to the OHCA’s proposed Medicaid expansion and introduction of the new Adult Group. The purpose of this analysis is to illustrate the specific impact of the Insure Oklahoma program changes on demonstration expenditures. The impact of the Medicaid expansion is presented in the OHCA’s separate expansion application.

## BENEFITS, COST SHARING AND DELIVERY SYSTEM

### Covered Benefits

The proposed amendment will preserve and enhance covered services for eligible individuals. Individuals transitioning from IO IP and IO ESI will be enrolled automatically into the new Adult Group and will receive services not covered by IO IP or mandated for IO ESI insurers, including non-emergency transportation and organ transplants. The table below provides a summary of covered benefits for the IO IP, IO ESI and Adult Group expansion.

#### Summary of Covered Services, by Program

| Program     | Covered Services                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IO IP       | Benefit package includes, but is not limited to, office visits, emergency care, inpatient and outpatient hospital benefits, pharmacy, X-rays, maternity care, and durable medical equipment. Does not include coverage for transplants and non-emergency transportation services.                                                                                                                                |
| IO ESI      | Qualified plans must include the following minimum benefits: <ul style="list-style-type: none"><li>• Hospital services;</li><li>• Physician services;</li><li>• Clinical laboratory and radiology;</li><li>• Pharmacy;</li><li>• Office visits;</li><li>• Well baby/well child exams;</li><li>• Age appropriate immunizations as required by law; and</li><li>• Emergency services as required by law.</li></ul> |
| Adult Group | Benefits based on Alternative Benefit Plan; benefit package includes, but is not limited to, office visits, emergency care, inpatient and outpatient hospital benefits, pharmacy, X-rays, maternity care, durable medical equipment, transplants and non-emergency transportation services.                                                                                                                      |

### Cost Sharing

Individuals who transition from IO IP and IO ESI to the Adult Group will no longer be required to pay monthly premiums and will have lower cost sharing obligations. Premiums and cost sharing for individuals with incomes between 134 and 200% of the FPL, plus any applicable income disregards, who enroll in the IO ESI will remain unchanged. A summary of monthly premiums and other cost sharing obligations for each program is presented in the table on the following page.

## Summary of Premiums and Cost Sharing Requirements, by Program

| Program     | Monthly Premiums                                                                                         | Copayments and Deductibles                                                                                                                                                                                                                                                                                                                                                                                                                | Annual Cost Sharing Limit                               |
|-------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| IO IP       | Up to 15 percent of estimated costs (not to exceed four percent of the monthly gross household income)   | <p>Not to exceed amounts permitted under federal regulations (42 CFR 447), except emergency room copay</p> <ul style="list-style-type: none"> <li>• Office Visit: \$10</li> <li>• Pharmacy: \$5 Generic</li> <li>• Pharmacy: \$10 Brand</li> <li>• Emergency: \$30 (waived if admitted)</li> <li>• Hospital Inpatient Stay: \$50</li> <li>• Hospital Outpatient Visit: \$25</li> </ul> <p>Members must pay copays to receive services</p> | Not to exceed five percent of the family's gross income |
| IO ESI      | Up to 15 percent of total premium (not to exceed three percent of the five percent household income cap) | <p>Based on the requirements for the employer plan, subject to the following limitations:</p> <ul style="list-style-type: none"> <li>• Copays for physician office visits: not to exceed \$50 per visit</li> <li>• Annual pharmacy deductible not to exceed \$500 per individual</li> <li>• Annual out-of-pocket maximum not to exceed \$3,000 per individual, excluding pharmacy deductible</li> </ul>                                   | Not to exceed five percent of family's total income     |
| Adult Group | None                                                                                                     | Not to exceed amounts permitted under federal law and as described within the Oklahoma State Plan.                                                                                                                                                                                                                                                                                                                                        | Not to exceed five percent of family's total income     |

## Delivery System

Individuals enrolled in the IO IP plan access covered services through IO-participating providers. Upon transition to the Adult Group, individuals will access services through the full network of SoonerCare-participating providers.

IO ESI plan participants access services through the network of providers participating in their employers' health plans. IO ESI plan participants with incomes at or below 133% of the FPL, plus any applicable income disregards, will transition to the Adult Group and also will access services through the full network of SoonerCare-participating providers.

### **Demonstration Evaluation**

The approved evaluation design includes hypotheses related to waiving of retroactive eligibility for the IO program. The OHCA's independent evaluator will continue to evaluate the IO ESI plan. The evaluator also will include the Adult Group as a distinct segment within the evaluation and will stratify all data to produce findings specific to this population.

### **WAIVER AND EXPENDITURE AUTHORITY**

This amendment seeks to eliminate and revise current expenditure authorities. Expenditure authority to operate the IO IP plan will no longer be required and expenditure authority for the IO ESI plan will be limited to individuals with incomes between 134 and 200% of the FPL (plus any applicable income disregards).

### **ADDITIONAL INFORMATION AND COMMENTS**

Interested persons may visit [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog) to view a copy of the proposed waiver amendment and phase-out plan, public notice(s), and a link to provide public comments on the proposal, supplemental information, and updates.

Due to the current public health emergency and the associated social distancing guidelines, 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](mailto:federal.authorities@okhca.org). Written comments or requests for copies of the proposed waiver will be accepted by contacting OHCA as indicated. Comments submitted through the OHCA policy blog will be available for review online at [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog). Other written comments are available upon request at [federal.authorities@okhca.org](mailto:federal.authorities@okhca.org). Comments will be accepted October 1-31, 2020.

## ABBREVIATED PUBLIC NOTICE

Pursuant to Section 431.408 and 447.205 of Title 42 of the Code of Federal Regulations, the Oklahoma Health Care Authority (OHCA) is required to provide public notice of its intent to submit an amendment to its 1115(a) demonstration waiver as well as a phase-out plan required by the demonstration's special terms and conditions to the Centers for Medicare & Medicaid Services (CMS). The OHCA currently has an approved 1115(a) waiver for the 2018-2023 demonstration period.

**Phase-out of the Insure Oklahoma Individual Plan, transition of certain Insure Oklahoma Employer-Sponsored Insurance (IO ESI) members, and establishment of the Federal Poverty Level (FPL) for the IO ESI program; Effective date: July 1, 2021, contingent upon CMS approval.**

With this amendment and phase-out plan request, the OHCA seeks approval of the following modifications to the 1115(a) demonstration Special Terms and Conditions (STCs) for the current extension period that will be in effect through the end of the waiver demonstration on December 31, 2023:

- Phase out the IO IP plan.
- Transition IO IP and IO ESI members with incomes at or below 133% of the FPL to the new expansion adult option, receiving services under the SoonerCare program.
- Clarify that the income threshold for the IO ESI program will be established at 134% - 200% of the FPL, plus any applicable income disregards.
- The waiver amendment and phase-out plan will ensure continuity of care by making the transition of eligible IO members to the new adult expansion population as seamless and effortless as possible and improve access to high-quality, person-centered services that produce positive health outcomes for individuals who were previously under or uninsured.
- The requested effective date of July 1, 2021 will coincide with the State's intent to expand Medicaid to adults ages 19-64, with incomes at or below 133% of the FPL, as per 42 CFR 435.119 and Oklahoma State Question 802.

Proposed changes are further detailed in the Insure Oklahoma phase-out plan required by the STCs of the 1115(a) waiver. The IO phase-out plan can be located on the Agency's website at [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog) or can be requested as per the information at the end of this notice.

*Budget Neutrality Impact: Current Demonstration*

The following Medicaid Eligibility Groups (MEGs) under the currently approved Demonstration are impacted by the proposed changes:<sup>2</sup>

- Non-Disabled Working Adults ESI
- Full-Time College Students ESI

---

<sup>2</sup> The currently approved Demonstration includes additional IO MEGs, but these MEGs do not have any enrollment or expenditures and therefore are not included in the Budget Neutrality impact analysis.

- Non-Disabled Working Adults IP
- Full-Time College Students IP

The table on the following page presents projected expenditures under the Demonstration and prior to implementation of the phase-out plan. (Impacted MEGs are highlighted with blue font.)

**Projected “With Waiver” Expenditures – Currently Approved Demonstration**

| Calendar Year<br>Demonstration Year        | 2021<br>26             | 2022<br>27             | 2023<br>28             |
|--------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>          |                        |                        |                        |
| TANF-Urban                                 | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| TANF-Rural                                 | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| ABD-Urban                                  | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| ABD-Rural                                  | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b> |                        |                        |                        |
| <i>Non-Disabled Working Adults ESI</i>     | \$65,789,186           | \$69,980,698           | \$74,439,257           |
| TEFRA Children                             | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| <i>Full-Time College Students ESI</i>      | \$516,218              | \$547,488              | \$580,653              |
| <i>Non-Disabled Working Adults IP</i>      | \$51,959,648           | \$56,876,221           | \$62,258,014           |
| <i>Full-Time College Students IP</i>       | \$428,088              | \$442,676              | \$457,760              |
| HAN Expenditures                           | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| HMP Expenditures                           | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                               | <b>\$2,809,321,926</b> | <b>\$2,957,235,968</b> | <b>\$3,113,779,823</b> |

Effective July 1, 2021 (the second half of Demonstration Year 26), the IO IP plan will be phased out along with the IO ESI plan for individuals with incomes up to 133% of the FPL. The IO ESI plan will continue for individuals eligible with incomes between 134 and 200% of the FPL. Based on current enrollment data, 70.0% of the population enrolled in the Non-Disabled Working Adults ESI MEG and 66.0% of the population enrolled in the Full-Time College Students ESI MEG have incomes between 134 and 200% of the FPL. The table below presents the estimated impact on program expenditures under the approved Demonstration.

**Impact: Phase-Out of IO IP and Partial Phase-Out of IO ESI**

| Calendar Year<br>Demonstration Year    | 2021 (1/2)<br>26 (1/2) | 2022<br>27           | 2023<br>28           |
|----------------------------------------|------------------------|----------------------|----------------------|
| <i>Non-Disabled Working Adults ESI</i> | -\$9,872,372           | -\$21,002,706        | -\$22,340,816        |
| <i>Full-Time College Students ESI</i>  | -\$87,829              | -\$186,298           | -\$197,583           |
| <i>Non-Disabled Working Adults IP</i>  | -\$25,979,824          | -\$56,876,221        | -\$62,258,014        |
| <i>Full-Time College Students IP</i>   | -\$214,044             | -\$442,676           | -\$457,760           |
| <b>Total</b>                           | <b>-\$36,154,069</b>   | <b>-\$78,507,901</b> | <b>-\$85,254,173</b> |

The table below presents projected expenditures under the approved Demonstration and upon implementation of the Insure Oklahoma phase-out plan.

# **Projected “With Waiver” Expenditures – Phase-Out of IO IP and Partial Phase-Out of IO ESI**

| <b>Calendar Year<br/>Demonstration Year</b> | <b>2021<br/>26</b>     | <b>2022<br/>27</b>     | <b>2023<br/>28</b>     |
|---------------------------------------------|------------------------|------------------------|------------------------|
| <b><u>Medicaid Per Capita</u></b>           |                        |                        |                        |
| <i>TANF-Urban</i>                           | \$1,041,752,175        | \$1,111,183,707        | \$1,185,242,768        |
| <i>TANF-Rural</i>                           | \$736,329,206          | \$777,532,273          | \$821,040,958          |
| <i>ABD-Urban</i>                            | \$492,959,366          | \$507,335,244          | \$522,130,357          |
| <i>ABD-Rural</i>                            | \$384,088,145          | \$395,448,243          | \$407,144,336          |
| <b><u>Medicaid Aggregate - WW only</u></b>  |                        |                        |                        |
| <i>Non-Disabled Working Adults ESI</i>      | \$55,916,814           | \$48,977,992           | \$52,098,441           |
| <i>TEFRA Children</i>                       | \$11,414,642           | \$12,728,688           | \$14,194,006           |
| <i>Full-Time College Students ESI</i>       | \$428,389              | \$361,190              | \$383,070              |
| <i>Non-Disabled Working Adults IP</i>       | \$25,979,824           | \$0                    | \$0                    |
| <i>Full-Time College Students IP</i>        | \$214,044              | \$0                    | \$0                    |
| <i>HAN Expenditures</i>                     | \$11,405,439           | \$11,720,229           | \$12,043,707           |
| <i>HMP Expenditures</i>                     | \$12,679,813           | \$13,440,501           | \$14,248,007           |
| <b>Total</b>                                | <b>\$2,773,167,857</b> | <b>\$2,878,728,067</b> | <b>\$3,028,525,650</b> |

Interested persons may visit [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog) to view a copy of the proposed waiver amendment, phase-out plan, public notice, and a link to provide public comments on the proposal. Due to the current public health emergency and the associated social distancing guidelines, persons wishing to present their views in writing or obtain copies of the proposed waiver amendment and phase-out plan 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](mailto:federal.authorities@okhca.org). Written comments or requests for copies of the proposed waiver will be accepted by contacting OHCA as indicated. Comments submitted will be available for review online at [www.okhca.org/PolicyBlog](http://www.okhca.org/PolicyBlog). Comments will be accepted October 1-31, 2020.