

SoonerSelect Medical Databook Narrative

December 14th, 2022

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Worksheet	Contents
1. General Information	Information about data sources, eligible populations, excluded services, categorizations, and limitations.
2. Reference	Additional lookup tables that provide information related to populations, age/gender categories, and region logic.
3. Service Category Descriptions	Descriptions of service categories used throughout this data book.
4. Rate-Setting Adjustments	Adjustments, both historical and prospective, used to develop SoonerSelect program capitation rates.
5. Program Changes	List and brief description of program changes that may impact capitation rate development for the SoonerSelect program.
6. Adult Expansion	Overview of the capitation rate methodology for the Adult Expansion population.

Category	Comments
Rate Effective Dates	<p>Rate development anticipated a rate effective date from October 1, 2023 – June 30, 2024. OHCA has recently amended the RFP for effective dates of April 1, 2024 – June 30, 2025. The language contained in this narrative reflects rate development for the 9-month period from October 1, 2023 – June 30, 2024.</p> <p>It is anticipated that rate development for the new 15-month rating period will reflect:</p> <ul style="list-style-type: none"> * Rate cell smoothing * Additional program changes * New seasonality factors * Managed care savings adjustments * CY 2022 base period * Emerging Expansion experience
Data Sources	<p>The Medicaid data, collected directly from the Oklahoma Health Care Authority (OHCA) Medicaid Management Information System (MMIS), represents eligibility and claims with dates of service from July 1, 2016 through December 31, 2021, and includes all records processed by OHCA through March 2022.</p> <p>Note: This includes the base period of CY 2021 (January 1, 2021 - December 31, 2021).</p>
Data Book Populations	<p>Consistent with the SoonerSelect program design, the Data Book reflects the following included and excluded populations:</p> <p><u>Included Populations</u></p> <ul style="list-style-type: none"> * TANF Parents and Caretaker Relatives * TANF Children and Oklahoma's Children's Health Insurance Program (CHIP) * Adult Expansion <p><u>Excluded Populations</u></p> <ul style="list-style-type: none"> * Individuals determined eligible for Medicaid on the basis of age, blindness or disability * Dual Eligible individuals * Individuals enrolled in the Medicare Savings Program, including Qualified Medicare Beneficiaries (QMB), Specified Low Income Medicare Beneficiaries (SLMB), Qualified Disabled Workers (QDW) and Qualified Individuals (QI) * Individuals during a period of Presumptive Eligibility * Individuals eligible for tuberculosis-related services under 42 CFR §435.215 * Individuals determined eligible for SoonerCare on the basis of needing treatment for breast or cervical cancer under 42 CFR § 435.213 * Individuals enrolled in a §1915(c) Waiver * Undocumented persons eligible for Emergency Services only in accordance with 42 CFR § 435.139 * Medicaid Maintenance of Eligibility Members that OHCA has determined will not move to managed care <p><u>Voluntary Enrollment Populations</u></p> <p>Native American beneficiaries who are determined eligible for the SoonerSelect program are not required to be enrolled in the SoonerSelect program, as described in the appropriate eligibility section of the RFP. We have included all Native American experience and enrollment in rate development and the data books. We will be assuming only 25% of the eligible Native American population will be enrolling under managed care and that reduced enrollment will be reflected in the draft rates.</p> <p>Note: Medicaid Expansion population became effective in Oklahoma on July 1, 2021. See tab 6. Adult Expansion for more information.</p>
Third Party Liability (TPL)	<p>Enrollees with medical TPL are eligible for the SoonerSelect program. To reflect differences in MMIS claims payments for those with TPL, the Data Book separates members with medical TPL coverage from those members with no TPL coverage.</p>
Excluded Services	<p>Dental services, excluding trauma-related oral surgeries in the inpatient and ambulatory surgery center settings, will be carved out of the SoonerSelect program. These excluded dental services will fall under the SoonerSelect Dental Plan program effective October 1, 2023.</p> <p>Title XIX services billed by Indian Health Services (IHS) or 638 Tribal Facilities are excluded from the SoonerSelect program. OHCA will separately pay for medically-necessary, acute-care services that are eligible for 100% Federal reimbursement and are provided by an IHS or 638 tribal facility to a Title XIX member enrolled with the Contractor who is eligible to receive services through an IHS or 638 Tribal Facility. Encounters for Title XIX services billed by IHS or 638 Tribal Facilities will not be accepted by OHCA or considered in capitation rate development.</p> <p>For a complete listing of SoonerSelect program covered benefits, please see the appropriate benefits section in the SoonerSelect program RFP# 807000052.</p>
Program Implementation Date	<p>The anticipated first program year for populations eligible for the SoonerSelect Program will be October 1, 2023 through June 30, 2024. Following the first year, program years will follow the OHCA state fiscal year (July 1 through June 30). (see First Note)</p>
Directed Payments	<p>OHCA will be implementing several directed payment programs as part of the managed care transition. These payments will be implemented as a separate payment term and are not reflected in the Data Book.</p>
Data Disclaimer	<p>This Data Book summarizes OHCA eligibility, FFS claims and NEMT capitation/encounter data for populations eligible for the SoonerSelect program. This information has been provided to potential bidders for use in understanding base data used to develop capitation rates for the SoonerSelect program. In preparing the Data Book, the OHCA and its vendors have used data from the Medicaid eligibility and claims systems. Data include only records with a service date corresponding to a valid Medicaid eligibility span for members of the target populations. The data have been reviewed for internal consistency and reasonableness, but have not been audited.</p>

Region Lookup

County	Region
Tulsa	Tulsa
Oklahoma	OKC
Adair	East
Atoka	East
Bryan	East
Cherokee	East
Choctaw	East
Coal	East
Craig	East
Creek	East
Delaware	East
Haskell	East
Hughes	East
Latimer	East
LeFlore	East
Mayes	East
McCurtain	East
McIntosh	East
Muskogee	East
Nowata	East
Okfuskee	East
Okmulgee	East
Osage	East
Ottawa	East
Pawnee	East
Pittsburg	East
Pushmataha	East
Rogers	East
Seminole	East
Sequoyah	East
Wagoner	East
Washington	East
Alfalfa	West

Region Lookup

County	Region
Beaver	West
Beckham	West
Blaine	West
Caddo	West
Canadian	West
Carter	West
Cimarron	West
Cleveland	West
Comanche	West
Cotton	West
Custer	West
Dewey	West
Ellis	West
Garfield	West
Garvin	West
Grady	West
Grant	West
Greer	West
Harmon	West
Harper	West
Jackson	West
Jefferson	West
Johnston	West
Kay	West
Kingfisher	West
Kiowa	West
Lincoln	West
Logan	West
Love	West
Major	West
Marshall	West
McClain	West
Murray	West
Noble	West
Payne	West
Pontotoc	West
Pottawatomie	West
Roger Mills	West
Stephens	West
Texas co.	West
Tillman	West
Washita	West
Woods	West
Woodward	West

Populations

Population Group	Age/Gender Categories
TANF/CHIP Child	Newborn < 1 Year
TANF/CHIP Child	1-14 Years, Male and Female
TANF/CHIP Child	15+ Years, Female
TANF/CHIP Child	15+ Years, Male
TANF Parent/Caretaker	< 45 Years, Adult Female
TANF Parent/Caretaker	< 45 Years, Adult Male
TANF Parent/Caretaker	45+ Years, Male and Female
Expansion	< 45 Years, Adult Female
Expansion	< 45 Years, Adult Male
Expansion	45+ Years, Male and Female

Service Category	Definition	Unit Type
Inpatient Hospital	Inpatient services that have not been identified as behavioral health or LTC. Includes services provided in acute and chronic hospital settings; includes both room and board data and ancillary data billed by the facility during the stay.	Days
Outpatient Hospital — ER	Emergency room services provided in acute hospital settings; does not include ancillary data associated with the visit if not coded "emergency room" on the claim. Emergency room discharges that result in an admission are not included in this category.	Visits
Outpatient Hospital — Non-ER	Outpatient facility services provided by acute care hospitals, chronic care hospitals, and ambulatory surgical centers, except those meeting categorization criteria for behavioral health and emergency room.	Visits
Physician/Professional	Physical health services provided by medical professionals; including physicians, nurse practitioners, podiatrists, chiropractors and physical therapists.	Visits
Clinics (w/FQHC/RHC)	Services provided by a variety of clinic types, including Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).	Visits
Laboratory/Radiology/Pathology	Laboratory and radiology services provided as outpatient services by acute or chronic care hospitals and freestanding facilities.	Services
Dental	Trauma-related oral surgeries in the inpatient and ambulatory surgery center settings.	Visits
DME and Supplies	Durable Medical Equipment (DME) and medical supplies; including hearing aids, orthotics, prosthetics and oxygen/respiratory care equipment.	Services
Home Health/Hospice	Services include home health and hospice.	Hospice — Days Other — Services
Physical/Occupational Therapy	Physical and occupational therapy services provided and billed by therapists.	Visits
ICF/MR Services	Long term care services provided in an intermediate care facility for individuals with intellectual or developmental disabilities (ICF-MR).	Days
Nursing Facility	Long term care services provided in a nursing facility.	Days
Pharmacy	Retail pharmacy.	Prescriptions
Non-Emergency Transportation	Non-Emergency transportation services.	Trips/Miles
Behavioral Health	Behavioral health services provided by behavioral health hospitals, mental health clinics, acute care hospitals, physicians and other appropriate behavioral health service providers.	Inpatient — Days Other — Visits
Indian Health Referrals	Referrals from Indian Health Services Hospitals/Tribal/Urban Indian Clinic settings. Note that services furnished at Indian Health Services Hospitals/Tribal/Urban Indian Clinic settings are carved out from managed care and are not included in capitation rate development.	Services
Family Planning	Family Planning services and contraceptives.	Contraceptives — Prescriptions Other — Services
All Other	Other services that are not categorized under other service categories, including state COS such as renal dialysis, transportation and other miscellaneous services.	Services

Adjustment Type	Description
Adjustments to Data Book	<p>Members Not Migrating to Managed Care — OHCA provided a list of members anticipated to lose eligibility after the end of the Public Health Emergency; these members will not be migrated to managed care. Claims and enrollment from these members has been removed from base period and data book experience.</p> <p>Retrospective Eligibility Coverage — MCOs that participate in the SoonerSelect program will not be responsible for claims incurred by members prior to managed care enrollment. Based on discussions with OHCA, a member's initial 60 days of eligibility and claims were removed from the Data Book. This excludes newborns, who will be enrolled under the mother's plan back to the date of birth.</p> <p>Non-System Payments — MMIS claims data did not reflect Non-Emergency Transportation capitated payments. For this reason, Guidehouse increased the Non-Emergency Transportation service category in CY2021 to account for \$4.4M in capitated payments. CY2021 units were adjusted to reflect the inclusion of Non-Emergency Transportation expenses.</p> <p>Non-System Recoveries — As part of capitation rate-setting, Guidehouse adjusted base period claims to reflect those medical refund amounts that are not included in the MMIS claims experience. The refund reduced claims by 0.1057% in the base period for all service categories except Non-Emergency Transportation. No adjustments for recoveries were made to years other than the base period. Units were adjusted to reflect the removal of recoveries.</p> <p>Incurred But Not Reported (IBNR) — The MMIS claims data reflects claims incurred between January 1, 2018 through December 31, 2021, with claims runout through March 2022. As part of capitation rate development, Guidehouse adjusted claims during the base period of January 1, 2021 to December 31, 2021, with runout through March 2022 to account for claims incurred during this period but not yet paid.</p> <p>Nursing Facility Limit — MCOs that participate in the SoonerSelect program will not be responsible for claims incurred by members after 60 consecutive days within a nursing facility.</p>
<i>The following adjustments are not reflected in the SoonerSelect Data Book</i>	
Base Data Adjustments	<p>Medical Refunds — The MMIS claims data reflects some of the amounts collected by OHCA related to audits, overpayment, legal settlements, and other reasons. As part of capitation rate-setting, Guidehouse will adjust base period claims to reflect those medical refund amounts that are not included in the MMIS claims experience.</p> <p>Program/Fee Schedule Changes — Changes in eligible benefits and provider reimbursements during the base data period (January 1, 2021 to December 31, 2021) will be considered as part of the capitation rate development. See tab "5. Program Changes" for additional detail on the program/fee schedule changes during the base period.</p> <p>Voluntary Population Selection — Not all populations eligible for the SoonerSelect program are mandatory. To account for a lower take-up rate for voluntary populations, a selection adjustment may be made within the capitation rate-setting process to reflect the impact of populations subject to voluntary selection.</p>
Prospective Adjustments	<p>Program/Fee Schedule Changes — Changes in eligible benefits and provider reimbursements that took place after the base data period will be considered as part of the capitation rate development. See tab "5. Program Changes" for additional detail on the program/fee schedule changes.</p> <p>Seasonality — The first contract period of the SoonerSelect program is anticipated to be a nine-month period. Since the base data period is a twelve-month period, if material, Guidehouse will apply an adjustment to reflect the impact of seasonality.</p> <p>Trend — Projected medical expenditures will be adjusted to account for other changes after the base period, such as utilization patterns, mix of services, changes in unit costs, etc.</p> <p>Enrollment Projections — Capitation rate cells represent combinations of certain population groups. To better project future costs, enrollment projections will be developed as part of the capitation rates.</p>
Managed Care Assumptions	<p>Projected claims expense will be adjusted to account for enhanced care management practices for SoonerSelect program enrollment. Certain services will be adjusted to account for changes in utilization patterns and unit cost levels anticipated under managed care. Some service utilization and cost will increase while some will decrease. Overall, managed care assumptions will result in reduced claims expense.</p>
Directed Payments	<p>OHCA will incorporate into the SoonerSelect program directed payments to hospitals, in order to support Oklahoma hospitals that provide critical access to quality health care services to Oklahoma Medicaid members.</p>
Administration	<p>The administrative load percentages (includes care management/coordination) vary by projected claims PMPM:</p> <ul style="list-style-type: none"> • 10.0% for PMPMs < or = \$100 • 9.5% for PMPMs \$100 < and < or = \$200 • 9.0% for PMPMs \$200 < and < or = \$300 • 8.5% for PMPMs \$300 < and < or = \$400 • 8.0% for PMPMs \$400 < and < or = \$500 • 7.5% for PMPMs \$500 < and < or = \$700 • 7.0% for PMPMs > \$700
Underwriting Gain	<p>A flat 1.5% of premium across all populations will be incorporated.</p>
Premium Tax	<p>OHCA confirmed that an Oklahoma Insurance Department 2.25% premium tax is to be applied to SoonerSelect.</p>
Capitation Withhold	<p>A capitation withhold may be applied and will be consistent with provisions in the contract and RFP.</p>
Risk Adjustment	<p>Risk adjustment will be applied to certain populations.</p>
Risk Mitigation/Sharing	<p>Risk mitigation/sharing will be applied through a minimum/maximum MLR and risk corridor combination.</p>

Change	Effective Date	Description	Annualized Impact ¹
<i>Examples of Program Changes which may impact the base data and prospective adjustments to the rate period.</i>			
Applied Behavioral Analysis	Jul 01, 2019	Reimburses codes 97151, 97155, and 97156 at \$23.55 per 15 min and 97153 at \$17.35 per 15 min. In 2019 OHCA established coverage and reimbursement for ABA services. The increase in utilization of these services has outpaced trend. Recent experience will be reviewed and an adjustment will be made to reflect the impact of increased utilization.	TBD
Behavioral Health Rate Increases	Jul 01, 2022	OHCA increased rates for the following services: individual and family therapy, individual assertive community treatment, individual and group community recovery support, group psychosocial rehabilitation/illness management and recovery, and screening and referral. Rate increases range from 7.5% to 100% and there is a new rate for complex screening and referral at \$75.00 per event.	TBD
Coverage for Adults in Psychiatric Hospitals	Jan 01, 2021	Established coverage, with prior authorization, for adults age 21 and older in a psychiatric unit of a general hospital or psychiatric hospital setting. These services were included as part of OHCA's new section 1115(a) demonstration titled, "Institutions for Mental Diseases Waiver for Serious Mental Illness/Substance Use Disorder."	TBD
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)	Mar 06, 2023	OHCA will begin reimbursing EPSDT and preventive or sick visits on the same day. This program change represents the cost of an additional office visit and only applies to children 18 and under.	TBD
FQHC LARC APM	Sep 01, 2021	The costs associated with providing Long-Acting Reversible Contraceptives (LARC) was previously considered to be included in the Federally Qualified Health Center (FQHC) encounter rate. These costs will now be reimbursed outside of that rate.	TBD
Leap Year	Feb 29, 2024	Adjustment to account for extra day in projection period as compared to base period.	TBD
Partial Hospitalization Program (PHP) for Adults	Sep 01, 2022	PHP benefits were previously only covered for children under the age of 21. As of September 1, 2022, OHCA has extend this benefit to individuals 21-64 with substance use disorders, mental health diagnoses, and/or co-occurring disorders.	TBD
Private Duty Nursing Rate increase	Jul 01, 2023	OHCA will increase the reimbursement rate for Private Duty Nursing to \$40 per hour.	TBD
PRTF Specialty Rate Increase	Jan 01, 2021	The new per diem base rates by PRFT type are as follows: Standard: \$336.57, Specialty: \$550.00	TBD
Removal of enhanced payments for University affiliated professionals	Jan 01, 2021	In CY 2021, State University Employed or Contracted Physicians were paid at 175% of the Medicare Physician Fee Schedule. As part of the managed care transition, the additional reimbursement for these providers over the baseline fee schedule will be incorporated as a directed payment and thus excluded from the claims used in rate development.	TBD
Residential Substance Use Disorder (SUD) Treatment Facilities (IMD)	Dec 22, 2020	Established coverage for residential SUD services for individuals residing in facilities with 17 beds or more. These services were included as part of OHCA's new section 1115(a) demonstration titled, "Institutions for Mental Diseases Waiver for Serious Mental Illness/Substance Use Disorder". Recent experience will be reviewed and an adjustment will be made, if necessary.	TBD
Residential SUD Services in a Non-IMD	Oct 01, 2020	Established coverage under a new provider type and reimbursement for residential substance use disorder (SUD) services for individuals under the age 21 and ages 21-64 residing in facilities with 16 beds or fewer. Residential SUD services will be provided in accordance with the American Society of Addiction Medicine (ASAM) Level 3 guidelines. The proposed reimbursement methodology will have two components: Per diem rates developed from historical Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) rates and the ASAM levels of care placement criteria & performance-based bonus payments to promote the goals and outcomes of residential treatment. Recent experience will be reviewed and an adjustment will be made, if necessary.	TBD
SUD Treatment	Oct 01, 2021	Created and established a new rate for intensive residential substance use disorder treatment for adolescents (Clinically Managed Medium-Intensity Residential Services for Adolescents, Intensive). The proposed rate for intensive residential substance use disorder treatment for adolescents is \$160.00 per day. The newly proposed rate for adolescents will match the rate for adults which is also \$160.00 per day.	TBD

Notes

1. The Annualized Impact is the estimated budget impact across all SoonerSelect populations.

Component	Description
Data Book	The SoonerSelect program Data Book includes very limited experience for members eligible under Adult Expansion coverage from July - December 2021.
Benefits	The Adult Expansion population will receive the same covered benefits as TANF adult enrollees otherwise eligible for the SoonerSelect program, subject to any necessary adjustments due to the Alternative Benefit Plan.
Base Data	Since individuals eligible under Adult Expansion have limited experience in the MMIS claims data covering the base experience period of January 1, 2021 to December 31, 2021, Guidehouse will use alternative base data. The base data will consist of TANF adult projected medical PMPMs. Furthermore, this source will already reflect most rate-setting adjustments applicable for the Adult Expansion population. Please note that the final rate development methodology may change to include a blend of more recent emerging Adult Expansion experience and the adjusted TANF manual rate.
Acuity Assumptions	Using experience from other states/other benchmarking sources, relativity adjustments were applied to the TANF adult projected medical PMPMs.
Administration	<p>The administrative load percentages (includes care management/coordination) vary by projected claims PMPM:</p> <ul style="list-style-type: none"> • 10.0% for PMPMs < or = \$100 • 9.5% for PMPMs \$100 < and < or = \$200 • 9.0% for PMPMs \$200 < and < or = \$300 • 8.5% for PMPMs \$300 < and < or = \$400 • 8.0% for PMPMs \$400 < and < or = \$500 • 7.5% for PMPMs \$500 < and < or = \$700 • 7.0% for PMPMs > \$700
Underwriting Gain	A flat 1.5% of premium across all populations will be incorporated.
Premium Tax	OHCA confirmed that an Oklahoma Insurance Department 2.25% premium tax is to be applied to SoonerSelect.
Capitation Withhold	A capitation withhold may be applied and will be consistent with provisions in the contract and RFP.
Risk Adjustment	Risk adjustment will be applied to certain populations.
Risk Mitigation/Sharing	Risk mitigation/sharing will be applied through a minimum/maximum MLR and risk corridor combination.