

PUBLIC NOTICE

Pursuant to 42 CFR § 447.205 the Oklahoma Health Care Authority (OHCA) is required to give public notice of any significant proposed change in methods and standards for setting payment rates for services in the SoonerCare program. The state plan amendment was presented at the March 6, 2018, May 16, 2018, and January 7, 2020 tribal consultations as well as the State Plan Advisory Committee (SPARC) meeting on January 21, 2020. The proposal will also be presented at the OHCA Board of Directors meeting on March 18, 2020 at 3:00 PM at the OHCA offices located at 4345 N. Lincoln Blvd., OKC, OK 73105 in the OHCA Charles Ed McFall boardroom. Date and location of the OHCA Board meeting is subject to change based potential restrictions due to CDC's COVID-19 social distancing recommendations.

Durable Medical Equipment, Supplies, and Appliances; Effective date: July 1, 2020, contingent upon CMS approval.

The proposed revisions establish reimbursement methodology of durable medical equipment, supplies, and appliances. All services will be tied to the Medicare fee schedule and will be updated annually. Durable medical equipment, supplies, and appliances will be reimbursed as follows:

- 1) Enteral supplies will be reimbursed at 150 percent of the lowest four Medicare prices;
- 2) Durable medical equipment, oxygen, and purchase equipment that Medicare only rents will be reimbursed at 100 percent of the lowest four Medicare prices;
- 3) Supplies will be reimbursed at 80 percent of the lowest four Medicare prices;
- 4) Prosthetics, orthotics, and parenteral equipment and food will be reimbursed at 70 percent of the lowest four Medicare prices;
- 5) products that do not have a rate published on the Medicare fee schedule, one of the following manual pricing methods will be used:
 - a. Manufacturer's suggested retail price (MSRP) less 30 percent or the provider's documented invoice cost plus 30 percent, whichever is lesser of the two; or
 - b. Fair Market Value fee will be established through claims review and analysis, from cost information from providers or manufacturers, surveys of rates from other Medicaid states, or other reliable pricing data.
- 6) For durable medical equipment, supplies, and appliances purchased at the pharmacy point of sale, providers will be reimbursed the equivalent of Medicare Part B, ASP + 6%. When ASP is not available, an equivalent price is calculated using Wholesale Acquisition Cost (WAC). If no Medicare, ASP, or WAC pricing is available, then the price will be calculated based on invoice cost.

Payment for durable medical equipment, supplies, and appliances will be calculated using the current Medicare rates issued by the Centers for Medicare and Medicaid Services (CMS). Payment is not made for durable medical equipment, supplies, and appliances that are not deemed as medically necessary or considered over-the-counter. Additionally, durable medical equipment and supplies will no longer be reimbursed separately for residents in a nursing facility or when services are included as part of the payment for another treatment program.

The estimated budget impact for State Fiscal Year (SFY) 2021 and SFY 2022 will be an increase in the total amount of \$2,615,007; with \$912,376 state share.

The proposed changes may be viewed and receive written comments on the agency's website at www.okhca.org/PolicyBlog. Persons wishing to present their views in writing or obtain copies of the proposed changes may do so at the following address: Federal Authorities Unit, Oklahoma Health Care Authority, 4345 N. Lincoln Blvd., Oklahoma City, Oklahoma, 73105, or by email at federal.authorities@okhca.org. Written and/or oral comments or requests for copies of the proposed changes will be accepted during regular business hours by contacting the OHCA as indicated. Comments submitted will be available for review by the public Monday – Friday, 9:00 AM to 4:30 PM, at OHCA located at the above address or online at

www.okhca.org/PolicyBlog.