

## **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. (The IO ESI plan's current income band is 0 – 200% of FPL.)

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, 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 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 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 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.

### **Eligibility and Enrollment**

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

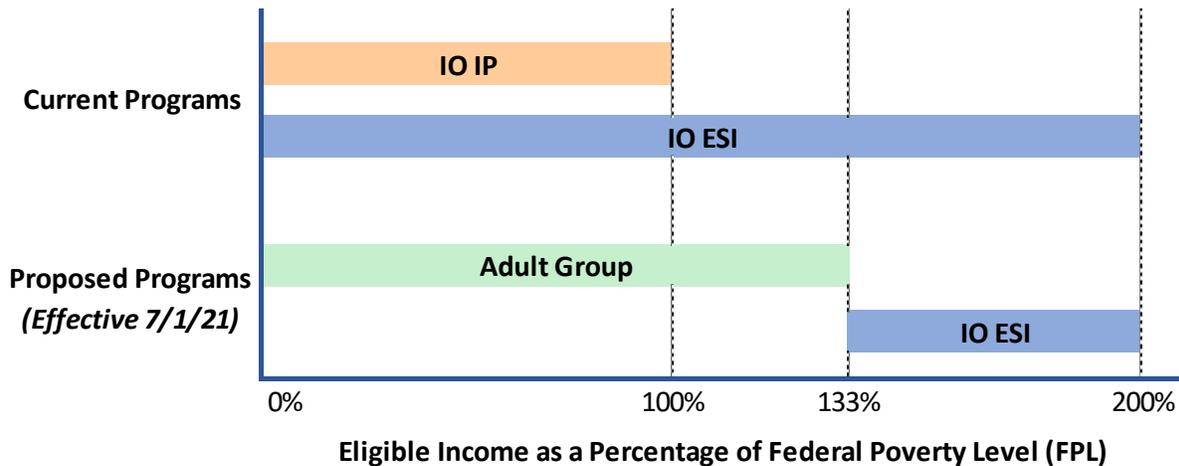
- Non-Disabled Working Adults ESI
- Full-Time College Students ESI
- Non-Disabled Working Adults IP
- Full-Time College Students IP

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	2021	2022	2023
Demonstration Year	26	27	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
Medical Education Programs			
<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 Demonstration Year</b>	<b>2021 (1/2) 26 (1/2)</b>	<b>2022 27</b>	<b>2023 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 Demonstration Year</b>	<b>2021 26</b>	<b>2022 27</b>	<b>2023 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**

<b>Program</b>	<b>Covered Services</b>
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 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)	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

### 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 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.

### **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.