



STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

September 25, 2001

Dana Pryor
Center for Medicare and Medicaid Services
7500 Security Boulevard, S2-06-15
Baltimore, Maryland 21244-1850

Dear Ms. Pryor,

On September 1, 2001, for children described in 1902(a)(10)(A)(i)(VII), 85% of the Federal Poverty Level as revised annually in the Federal Register, by family size, will be disregarded from income in Oklahoma (for the purposes of determining Medicaid eligibility). Oklahoma seeks permission to claim Title 21 enhanced funds for all these above mentioned low income uninsured children who did not have Medicaid eligibility on March 31, 1997.

Accordingly Oklahoma also seeks permission to amend its State Children's Health Insurance Plan effective September 1, 2001, which reflects a corresponding amendment to its Title XIX State Plan (see attachment). Please note that this amendment does not in any way restrict eligibility or benefits under the plan; in fact it serves to expand eligibility for some children. Also please note the attached budget. If you need additional information or clarifications, please contact Anita Ghosh at 405-522-7230.

Sincerely,

Michael Fogarty
Oklahoma Health Care Authority

Enclosures

Cc: Bobbie Sullivan, CMS Dallas Regional Office

OKLAHOMA--REPLACEMENT STATE PLAN PAGES

Section 2. General Background and Description of State Approach to Child Health Coverage (Section 2102 (a)(1)-(3)) and (Section 2105)(c)(7)(A)-(B))

2.3. Describe how the new State Title XXI program(s) is (are) designed to be coordinated with such efforts to increase the number of children with creditable health coverage so that only eligible targeted low-income children are covered: (Section 2102)(a)(3)

Prior to the enactment of the new Children's Health Insurance Program (CHIP) under the Balanced Budget Act of 1997, the Oklahoma Legislature recognized the need to establish a coordinated approach to delivering quality health care services to under-served/uninsured populations (specifically children and pregnant females). Accordingly S.B. 639 was enacted during the State's 1997 Legislative Session. This Bill expanded Medicaid eligibility through the State's successful Medicaid managed care program, *SoonerCare*¹, originally implemented through the State's §1915(b) Program Waiver, subsequently expanded under the State's § 1115(a) Research and Demonstration (R & D) Waiver (refer to section 5.1 *Outreach and Coordination*, for an overview of the § 1115(a) R&D Waiver).

S.B. 639 required the Oklahoma Health Care Authority (OHCA) to expand Medicaid coverage to children under the age of one year by increasing Oklahoma's maximum income level for these children from 150% of the Federal Poverty Level (FPL) up to a maximum family income level of 185% of the FPL. The bill also required OHCA to expand Medicaid coverage to children from one year through five years of age from a maximum family income level of 133% of the FPL to a maximum family income level of 185% of the FPL. Additionally, children six years of age and those born on or after 10-1-83 were increased to 185% of the FPL. These children were required to be covered at 100% of the FPL, pursuant to federal regulation. Under these federal regulations, such children born before 10-1-83 would be phased into Medicaid, one age group each year, starting with the youngest age group, through 17 years. The groups that are phased-in according to federal regulations will be eligible at 185% of the FPL instead of the 100% FPL requirement. This expansion became effective December 1, 1997. On November 1, 1998, Oklahoma accelerated the enrollment of children born prior to October 1, 1983 who have not yet reached their eighteenth birthday (who otherwise would have been phased into the Medicaid program on October 1, 1999 and October 1, 2000 respectively, according to existing Federal requirements).

¹The *SoonerCare* population is defined as the group of Medicaid eligible beneficiaries enrolled into managed care based upon a categorical relationship to the Medicaid program. The State's Medicaid populations will be enrolled into managed care under a multi-year phase-in schedule. The initial enrollment category was the State's Aid to Families with Dependent Children (AFDC) and AFDC-related populations. In phase two, the State intends to enroll the non-institutionalized portion of its Aged, Blind, and Disabled populations. During other phases, the longterm care populations and individuals with chronic mental illnesses will be enrolled into managed care. New population groups of eligibles, resulting from Federal or State mandated categories of eligibles, may be enrolled into managed care during the phase-in schedule.

On September 1, 2001, for children described in 1902(a)(10)(A)(i)(VII), 85% of the Federal Poverty Level as revised annually in the Federal Register, by family size, will be disregarded from income in Oklahoma (for the purposes of determining Medicaid eligibility). Oklahoma will claim Title 21 enhanced funds for all these above mentioned low income uninsured children who did not have Medicaid eligibility on March 31, 1997.

Also, in order to further simplify the eligibility process and improve access to and participation in the Medicaid Program, face-to-face interviews have been eliminated from the application process. Local community involvement continues to be actively encouraged at all levels in order to ensure high levels of participation in the expansion.

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER <u>0 1 - 1 6</u>	2. STATE: OKLAHOMA
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE 09-01-01	

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT: a. FFY <u>2001</u> \$ <u>-0-</u> b. FFY <u>2002</u> \$ <u>693,000</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): S D

12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPED NAME: <u>Mike Fogarty</u> 14. TITLE: <u>Chief Executive Officer</u> 15. DATE SUBMITTED: <u>9-20-01</u>	16. RETURN TO: <u>Oklahoma Health Care Authority</u> <u>Attn: Billie Wright</u> <u>4545 N. Lincoln, #124</u> <u>Oklahoma City, OK 73105</u>
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FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	18. DATE APPROVED
19. PLAN APPROVED - ONE COPY ATTACHED	
20. EFFECTIVE DATE OF APPROVED MATERIAL	21. SIGNATURE OF REGIONAL OFFICIAL
22. TYPED NAME	23. TITLE
24. REMARKS: <u>Mike Fogarty</u> <u>Jin Hancock</u> <u>Billie Wright</u>	

Revision: Oklahoma
December 1997

Corrected
Supplement 8a to Attachment 2.6-A
Page 1 a

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: OKLAHOMA

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT

Section 1902(f) State

Non-Section 1902(f) State

For children described in 1902(a)(10)(A)(i)(VII), 85% of the Federal Poverty Level as revised annually in the Federal Register, by family size, will be disregarded from income. (Benefits for children eligible under this category will terminate at the end of the month of the attainment of age 19).

Revised 09-01-01

TN No. _____ Approval Date _____ Effective Date _____
Supersedes
TN No. _____

**Oklahoma Health Care Authority
Cost Estimate for Adding 18 Year Old Recipients**

Number of 15 - 19 Children (1999 Census)	268,000
Estimated Number of 18 year Olds	53,600
% of Children at or below 200% of Poverty	0.354
Number of 18 year olds < 200% of Poverty	18,974
Estimated Medicaid Participation Rate with and w/o health insurance	0.40 6,135
Weighted Average Cost/Recipient	
(108.92*44%) Plus	47.92
(113.51*32%) Choice	36.32
(113.51*24%) FFS	27.24
	<hr/> 111.49

U.S. Census Bureau 3 yr average 96, 97, 98

Oklahoma Health Care Authority
Phase in for 18 Year Olds
Based on Lewin Model Projections

	July, 2001	Aug, 2001	Sept, 2001	Oct, 2001	Nov, 2001	Dec, 2001	Jan, 2002	Feb, 2002	Mar, 2002	Apr, 2002	May, 2002	Jun, 2002	Jul, 2002	Aug, 2002	Sept, 2002	
Phase In for SFY-2002																
Estimated number of eligibles @ 40%	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135
Projected Lewis Model Participation %	11%	15%	18%	21%	22%	22%	22%	22%	22%	22%	23%	23%	19%	16%	16%	18%
Projected participating eligibles	675	920	1,104	1,288	1,350	1,350	1,350	1,350	1,411	1,411	1,411	1,411	1,172	969	969	1,092
Blended Rate	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37	77.37
Estimated Cost for SFY-2002	52,213	71,200	85,440	99,680	104,426	104,426	104,426	104,426	104,426	109,173	109,173	109,173	90,661	74,997	74,997	84,490
State Share																234,575
Estimated based on actual participation	6.0%	7.3%	8.1%	9.4%	14.0%	14.7%	14.7%	14.7%	15.8%	16.9%	17.2%	17.2%	16.6%	17.4%	18.5%	21.0%
Projected participating eligibles	366	447	499	577	856	900	967	967	1,035	1,035	1,057	1,057	1,019	1,067	1,135	1,287
Estimated Cost for SFY-2002	28,337	34,603	38,638	44,666	66,263	69,633	74,855	74,855	80,076	80,076	81,785	81,785	78,842	82,555	87,845	99,556
State Share																\$867,684
Federal share																\$174,665
																\$693,019

Note: estimates based on actual participation are used