

REINS Report: TITLE 317 CHAPTER 30 SUBCHAPTER 5 PART 3 ADOPTED CODES

Summary of proposed rule change

The Oklahoma Health Care Authority (OHCA) has proposed updates to Title 317, Chapter 30 to amend their administrative rules to establish coverage under Medicaid for reimbursement for rapid whole genome sequencing (rWGS), as instructed by House Bill 1576 (2025).

According to the OHCA, “The testing may help identify genetic changes and determine the member’s condition. When medically necessary, coverage on behalf of the child will include comparator testing of one or both parents.”¹ Coverage is limited to persons under the age of 21 and will require a prior authorization before coverage is applied.

The OHCA’s rule change cited two sections of statute for its legal authority: 63 O.S. §5007(C)(2) and 56 O.S. §4005. The specific authority for this rule change is 56 O.S. §4005, which outlines the program in statute. In this case, 63 O.S. §5007(C)(2) does not need to be cited as providing authority because the statute clearly authorizes the agency to promulgate rules for this program.

Even though the statute is clear in its intent for OHCA to create rules, questions remain about the economic impact of the program. OHCA cites implementation costs as justification for the rule’s status as a major rule, which LOFT assumes are the increased reimbursement costs associated with the new coverage. However, OHCA does not provide information about whether the new comprehensive test may save costs in avoidance of numerous, more targeted tests that were previously performed to obtain diagnoses.

Apart from the fiscal impact on the agency, OHCA does not provide any analysis for the economic impact to providers, which LOFT assumes to be a positive impact.

Further, between the committee presentation of the bill, the house floor presentation and the impact currently provided by OHCA, no fewer than three different fiscal impacts have been provided, leaving legislators with an unclear cost analysis. In response to the varying figures and limited data provided through the rules submission, LOFT sent a request for information to the agency on March 10, 2026, to obtain the information required to assess the economic impact. The responses to that request have been incorporated into LOFT’s analysis.

LOFT analysis of agency compliance with Section 303 of Title 75 of the Oklahoma Statutes

LOFT provides the following analysis in accordance with 62 O.S. § 8016: “LOFT shall inform the chairs of the designated committees if the rule impact statement from the agency is incomplete or contains substantive inaccuracies.”

Determination: LOFT finds the agency’s rule impact statement incomplete.

¹ OHCA Agency Rule Report

75 O.S. §303 directs agencies on how to promulgate a new administrative rule. The agency followed the process correctly: the OHCA’s Notice of Rulemaking Intent appeared in the Oklahoma Register, the comment period duration was sufficient, a public hearing was held and the OHCA created all necessary documents to support the fulfillment of the statute. However, the agency’s Rule Impact Statement does not provide a complete economic impact.

LOFT analysis of rule impact

In OHCA’s Rule Impact Statement, the annual implementation and compliance cost is provided as \$867,880, totaling \$4,339,400 over five years. The agency estimated the annual cost by using the “...estimated number of individuals that would meet criteria and would receive these services.” LOFT finds this explanation to be incomplete on two bases: first, OHCA does not present the number of people that will be receiving these services and secondly, they do not explain the average cost per patient. According to the Rule Impact Statement, there are two tests that could be run if needed. The cost of each test is \$5,031.20 and \$2,709.95, respectively.

Further, the Rule Impact Statement does not specify whether the costs cited include any tests of the parents of the patient, which may be required in some cases. OHCA also failed to provide a breakout of the sources of revenue being used to cover these costs, as required by Title 75 Section 303 (D)(2)(e). OHCA states “These funds (state funds matched with federal funds) would be paid directly to providers that complete whole genome sequencing,” and do not specify the expected share of state to federal dollars. Lastly, LOFT expects that this service is correlated with the reimbursement rate provided under the Federal Medical Assistance Percentage, the FMAP. If the new test is going to increase the allowable expenditures under FMAP then the state’s drawdown of Medicaid dollars will also be affected. OHCA fails to address this correlation in the Rule Impact Statement.

Using just the information provided through the Rule Impact Statement, LOFT could not verify or quantify the effect of the proposed rule change. However, with OHCA’s fulfillment of LOFT’s Request for Information on March 12, 2026, LOFT was able to conduct further analysis, which is provided below.

In 2023 there were 6,495 people under the age of 21 that were admitted to either the PICU, NICU, or ICU. OHCA estimates that between five and ten percent of this admitted group would qualify for rapid whole genome sequence testing, or anywhere between 325 to 650 patients. These patients would receive the \$5,031.20 test, and if the biological parents of the patient were available for testing, each would receive the \$2,709.95 test. Applying these costs to the higher range of the patient population (10 percent), LOFT estimates this rule will result in an agency fiscal impact of \$5,094,911.25 annually. As these expenditures would be covered under the federal Children’s Health Insurance Program (CHIP), which draws an enhanced federal match rate, the annual cost to the state would be \$1,195,775.67.

Number of PICU, NICU and ICU Patients	Percentage Eligible for Test	Number of Patients Eligible for Tests	Cost of Test for Patient \$5,031.20	Cost of Test for Parent 1 \$2,709.95	Cost of Test for Parent 2 \$2,709.95	Total Cost of Patient and Parents Tested	Average of Total Cost Between 5% and 10%
6495	10%	650	\$ 3,270,280.00	\$ 1,761,467.50	\$ 1,761,467.50	\$ 6,793,215.00	\$ 5,094,911.25
6495	5%	325	\$ 1,635,140.00	\$ 880,733.75	\$ 880,733.75	\$ 3,396,607.50	

March 18, 2026



LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

Summary of attachments:

- Checklist of Title 303.75 completion
- Request for Information sent to OHCA on March 10, 2026
- OHCA's Response to the Request for Information
- OHCA's Data Accompanying the Response to the Request for Information

Section Reference	Requirement Description	Completion Status
Section 303(A)(1)	NRI to 'The Oklahoma Register'.	12/15/2025
Section 303(A)(2)	Hold comment period	12-15-25 Through 1/15/26
Section 303 (A)(3)	Hold a Hearing, if required.	Hearing Held 1/15/26
Section 303 (A)(4)	Effect the various types of business and governmental entities.	Yes
Section 303 (A)(5)	Effect on the various types of consumer groups.	Yes
Section 303(A)(6)	Notice to the Governor and appropriate cabinet secretary.	Yes
Section 303(A)(6)	Governor or Cabinet express disapproval?	N/A
Continued		
	'Notice of Rulemaking Intent (NRI)	1/0/1900
Section 303(B)	Requirements for the Oklahoma Register Publication	1/0/1900
Section 303 (B)	NRI in correct format?	Yes
Section 303 (C)	If a hearing was not originally scheduled, Did the public request a hearing?	N/A
Section 303(D)(1)	Issue a rule impact statement	Yes
Section 303(D)(2)	Consult with counties, municipalities, and school boards if revenue or expenditures are affected.	Yes
Section 303(D)(3)	Rule Impact Statement Must include the following:	1/0/1900
Section 303(D)(3)(a)	Statement of need	No
D3B	Major or nonmajor classification.	Yes
D3C	Description of the rule.	Yes, this was implemented with HB1576
D3D	Classes of persons the rule will affect/who will bear the costs.	Yes
D3E	Classes of persons the rule will benefit	Yes
D3F	A comprehensive analysis of the rule's economic impact	Yes, with some caveats
D3G	Methodology and assumptions used to determine the economic impact.	Some, but not very detailed.
D3H	Economic impact on any political subdivisions	Yes
D3I	Economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,	Yes
D3J	Cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals,	Yes
D3K	Eeffect of the proposed rule on the public health, safety, and environment.	Yes
D3L	Detrimental effect on the public health, safety, and environment if the proposed rule is not implemented	Yes
D3M	Date of preparation	Prepared: October 24, 2025 Prepared: October 24, 2025 Modified: November 5, 2025; November 20, 2025; November 25, 2025; Januarv 22. 2026
Section 303(D)(4)	Was Rule Impact Statement waived by Governor? Adoption of rule possible If adopted in substantial compliance with Title 75, Section 303	N/A



March 10th, 2026

Clay Bullard, Director
Oklahoma Health Care Authority
4345 North Lincoln Boulevard
Oklahoma City, Oklahoma, 73105-5101

Director Bullard,

I am reaching out today to The Oklahoma Health Care Authority with the Legislative Office of Fiscal Transparency's (LOFT) 1st official request for fulfillment of data and necessary information for evaluation on **proposed rule change APA WF #25-06.**

The full authority and responsibilities of this office can be found in Oklahoma Statutes, Title 62, sections 8011-8015, but below is the section of statute pertaining to requests for information:

Each agency or institution of the state shall, upon request, furnish and make available to the Legislative Office of Fiscal Transparency all records, documents, materials, personnel, information or other resources the Office deems necessary to conduct performance evaluation as required by this act. 62 O.S. § 8014 (A).

LOFT requests fulfillment of this request for information by the end of business on March 12, 2026. Please submit all responses via email to jeromy.knapp@okloft.gov. Our office strives to minimize agency time, so to the extent possible, we are requesting that existing records or documents be shared. Should any request create an undue burden on staff or require further clarification, please contact our office to discuss how this request can best be accommodated. Please provide working copies of any requested Excel documents and any associated computer models, spreadsheets, work papers and calculations used to prepare such documents; the spreadsheets and models should be provided in Excel-compatible format and be fully functional with all formulas intact. Should any changes or updates to information or data provided in response to this request for information occur, please provide a supplemental response with such updated information or data in as timely a manner possible.

Please be assured that in accordance with 62 O.S. § 8014, legally confidential documents provided to LOFT will retain their confidentiality with our office.

Respectfully,

Jeromy Knapp
Economist / Financial Analyst



1st Request to Oklahoma Healthcare Authority for Information (OHCA-1)

Request Sent: 3/10/2026

Response Due: 3/12/2026

- 1-1** Between the presentation of the bill in the House Public Health Committee on Feb 5, 2025, and the presentation of the bill on the Oklahoma House floor on March 3, 2025, the economic impact changed substantially. It also changed from the impact announced on the floor to the one listed in the Rule Impact Statement. Please explain the discrepancy of the different estimates.
- 1-2** How were the diagnoses of these tests discovered prior to the implementation of the genome testing? Provide the number of tests and the associated cost of each test prior to the use of rWGS.
- 1-3** The Rule Impact Statement states that the cost for both tests is \$7,741.15. How often are both tests administered to one parent, how often are both tests administered to both parents? Describe the required circumstances that dictate who must receive the tests.
- 1-4** What is the estimated number of children these tests will be administered to on an annual basis? How was this number determined?
 - a)** Provide all working papers showing how this calculation arrived at the annual cost of \$867,880.



OKLAHOMA

Health Care Authority

Clay Bullard | Chief Executive Officer

J. Kevin Stitt | Governor

March 12, 2026

Jeromy Knapp, Economist/Financial Analyst
Legislative Office of Fiscal Transparency
2300 North Lincoln Boulevard, Room 107
Oklahoma City, Oklahoma 73105

RE: APA WF #25-06 Rapid Whole Genome Sequencing LOFT Request for Information

Mr. Knapp,

The following is submitted in response to the letter dated March 10, 2026, in which additional information was requested for APA WF #25-06 Rapid Whole Genome Sequencing.

LOFT Request for Information

1. Between the presentation of the bill in the House Public Health Committee on Feb 5, 2025, and the presentation of the bill on the Oklahoma House floor on March 3, 2025, the economic impact changed substantially. It also changed from the impact announced on the floor to the one listed in the Rule Impact Statement. Please explain the discrepancy of the different estimates.

Initially cost data was obtained and calculated for children ages 0-20 and then separately for ages 0-1. Both totals were inadvertently added together when reported initially which artificially inflated the expected impact. This error was corrected for the later presentation in March.

2. How were the diagnoses of these tests discovered prior to the implementation of the genome testing? Provide the number of tests and the associated cost of each test prior to the use of rWGS.

This change allows inpatient facilities to be reimbursed for rWGS testing separate from the DRG facility payment. Previously if a hospital performed testing while the member was inpatient, there was no separate reimbursement as it was part of the DRG payment. Whole genome sequencing was not a previously covered benefit in any setting.

3. The Rule Impact Statement states that the cost for both tests is \$7,741.15. How often are both tests administered to one parent, how often are both tests administered to both parents? Describe the required circumstances that dictate who must receive the tests.



ADDRESS

4345 N: Lincoln Blvd.
Oklahoma City, OK 73105



WEBSITES

oklahoma.gov/ohca
mysoonerhealth.org



PHONE

Admin: 405-522-7300
Helpline: 800-987-7767

[REPLACE WITH DOCUMENT TITLE]

CPT code 81425 is used for testing of the child and CPT code 81426 is used for testing of the parent(s). If the child meets criteria for rWGS testing, 81425 is performed on the child, and 81426 would be performed for each of the biological parents, if available. Testing of the parent(s) is necessary to optimize results for the child.

4. What is the estimated number of children these tests will be administered to on an annual basis? How was this number determined?
 - a. Provide all working papers showing how this calculation arrived at the annual cost of \$867,880.

For CY 2023, there were 6,495 unique members ages 0-20 with a hospital admission to NICU, PICU, or ICU. It is estimated that 5-10% of members ages 0-20 who meet criteria for testing will have the testing performed annually, which is approximately 325-650 children.

Thank you,



Clay Bullard
Chief Executive Officer

Ages 0-1			81425 - Child	81426 - Parent	Child and One Parent
#unique members			\$4,475.18	\$2,410.46	
4257	100%	4257	\$19,050,841.26	\$10,261,328.20	\$29,312,169.46
4257	75%	3193	\$14,288,130.95	\$7,696,598.78	\$21,984,729.73
4257	50%	2129	\$9,527,658.22	\$5,131,869.34	\$14,659,527.56
4257	25%	1064	\$4,761,591.52	\$2,564,729.44	\$7,326,320.96
4257	10%	426	\$1,906,426.68	\$1,026,855.96	\$2,933,282.64
4257	5%	213	\$953,213.34	\$513,427.98	\$1,466,641.32

Ages 0-20			81425 - Child	81426 - Parent	Child and One Parent
# Unique Members			\$4,475.18	\$2,410.46	
6495	100%	6495	\$29,066,294.10	\$15,652,950.00	\$44,719,244.10
6495	75%	4871	\$21,798,601.80	\$11,741,350.70	\$33,539,952.50
6495	50%	3248	\$14,526,434.30	\$7,829,174.08	\$22,355,608.38
6495	25%	1624	\$7,267,692.32	\$3,914,587.04	\$11,182,279.36
6495	10%	650	\$2,908,867.00	\$1,566,799.00	\$4,475,666.00
6495	5%	325	\$1,454,433.50	\$783,399.50	\$2,237,833.00

81426 -Parent	Child and Both Parents
\$2,410.46	
\$10,261,328.20	\$39,573,497.66
\$7,696,598.78	\$29,681,328.51
\$5,131,869.34	\$19,791,396.90
\$2,564,729.44	\$9,891,050.40
\$1,026,855.96	\$3,960,138.60
\$513,427.98	\$1,980,069.30

81426 -Parent	Child and Both Parents
\$2,410.46	
\$15,652,950.00	\$60,372,194.10
\$11,741,350.70	\$45,281,303.20
\$7,829,174.08	\$30,184,782.46
\$3,914,587.04	\$15,096,866.40
\$1,566,799.00	\$6,042,465.00
\$783,399.50	\$3,021,232.50