MIKE FOGARTY
CHIEF EXECUTIVE OFFICER

MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA

OKLAHOMA HEALTH CARE AUTHORITY

MEDICAL ADVISORY COMMITTEE MEETING
AGENDA
September 20, 2012
1:00 p.m. – Ponca Conference Room
2401 NW 23rd St., Suite 1A
Oklahoma City, OK 73107

I. Welcome, Roll Call, and Public Comment Instructions

II. Approval of minutes of the May 17, 2012 Medical Advisory Committee Meeting

III. MAC Member Comments/Discussion

IV. Financial Report: Gloria Hudson, Director of General Accounting

A. June Financial Summary
B. June Financial Detail Report

V. SoonerCare Operations Update:

A. SoonerCare Programs Report – Kevin Rupe
B. Productivity Report – Kevin Rupe
C. Motion Charts - A New Way to Visualize Healthcare Data – Alison Martinez
D. Medical Home 2013 - Possible Changes in Requirements – Melody Anthony

VI. Presentation on SoonerCare Choice Waiver Amendment for 2014 Compliance: Tywanda Cox

VII. Action Items:

OHCA Initiated

12-06 Medicaid Income Pension Trust— Emergency rule revisions are proposed to increase the income cap for the Medicaid Income Pension Trust (or Miller Trust) to the average monthly cost of nursing home care. The income cap in current rules is $3,000 per month. As of September 1, 2012, the average cost of nursing home care increases to $4,235 per month (as published in OKDHS Appendix C-1 Schedule VIII.B). Increasing the cap to the cost of care will help to eliminate the gap in coverage for people who have more than $3,000 in income per month but not enough to afford the full out-of-pocket cost of long term care services. This change affects financial eligibility rules for all long term care programs, including the waiver programs for Home and Community Based Services.
Budget Impact: SFY 2013 $6 million total; $2.15 million State share

VIII. New Business

IX. Adjourn

Next Meeting: Wednesday, November 14, 2012.

MEDICAL ADVISORY COMMITTEE MEETING
Draft Meeting Minutes
May 17, 2012

Members attending: Dr. Bourdeau (teleconference), Ms. Case, Dr. Crawford, Ms. Patti Davis, Ms. Felty, Ms. Fritz, Mr. Goforth, Dr. Grogg, Ms. Holiman-James, Ms. Mays, Mr. McAdoo, Ms. McLain for Dr. Ogle, Mr. Patterson, Mr. Pilgrim (teleconference), Dr. Post, Dr. Rhynes, Ms. Russell, Dr. Simon, Mr. Brose for Ms. Slatton-Hodges, Mr. Stein for Dr. McNeill, Dr. Wells, Ms. Wheaton for Ms. Sherry Davis, Dr. Woodward, Dr. Wright

Members absent: Ms. Bates, Ms. Bellah, Ms. Brinkley, Dr. Cavallaro, Mr. Jones, Dr. Rhoades, Ms. Stockton, Mr. Tallent

I. Welcome, Roll Call, and Public Comment Instructions
Roll call determined establishment of a quorum. There were no public comments.

II. Approval of minutes of the March 7, 2012 Medical Advisory Committee Meeting
Motion to approve by Dr. Simon. Dr. Post seconded.

III. MAC Member Comments/Discussion
There were no comments.

IV. Legislative Update: Nico Gomez, Deputy Chief Executive Officer
Mr. Gomez was at the Capitol and Mr. Fogarty reviewed the handout.
A question was asked about the mandate regarding payment of E&M codes to primary care physicians, and that Medicaid agencies in all states must pay 100% of the Medicare rate. All states that were paying less than 100% of Medicare, as of a specific date in the past, must raise their rates to 100%, and additional federal funds were provided to meet the cost of that requirement. Several states including Oklahoma already were paying 100% of Medicare for all physician services. Due to the budget crunch of 2010, however, Oklahoma reduced our payments by 3.25% after that date. So now, by federal law, we will have to raise the rate again, but will not get the federal financial help, because we were at 100% on the date set in legislation.

V. Behavioral Health and Information Technology (IT) Consolidation: Mike Fogarty, Chief Executive Officer
Mr. Fogarty spoke of the Governor's proposed transfer of certain behavioral health operations to the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) and along with that, transferring what was estimated to be about $136 million state matching dollars. There are on-going discussions regarding the transfer of funds to DMH monthly, and of a 12% payback to OHCA to pay DMH claims. Mr. Fogarty mentioned that the legislation may not have appropriated sufficient funding and we will have to address the shortfall. OHCA was not involved in legislative discussions. Ms. Fritz asked if policy remains the same in transition. Mr. Fogarty replied there is no new policy, Medicaid federal law is federal law. Ms. Patti Davis asked if there would be changes with the State Plan or a waiver amendment. Mr. Fogarty responded that there will be more conversations.

IT Consolidation – A number of state agencies have been instructed to transfer all IT assets and personnel to the Office of State Finance (OSF). Dr. Crawford asked if there was a drop dead date on the decision. Mr. Fogarty replied that we are beyond the date.

VI. Financial Report: Gloria Hudson, Director of General Accounting
A. March Financial Summary
B. March Financial Detail Report

Ms. Patti Davis commented there were a lot of changes as a result of the contract change from APS and Optum, and the Optum termination. She asked if there were additional measures to deal with it. Ms. Carrie Evans replied we have been able to address the issues this year; next year it will be up to DMH.

VII. SoonerCare Operations Update: Melody Anthony, Provider Services Director, and Chad Sickler, Health Information Technology Program Coordinator
   A. SoonerCare Programs Report
   B. May Health Access Network (HAN) Summary
   C. Electronic Health Record (EHR) Incentive Program Highlights

Ms. Anthony reviewed the SoonerCare Programs Report and the May HAN Summary.

Dr. Rhynes requested that the provider type Optometrist be added back to the SC Programs Report.

Ms. Anthony reported that OU-Tulsa network has developed a web-based PCMH for their practices, and the practices are tested after they take their training on the HAN. The training helps the primary care provider and staff to understand what this model is, and to ensure they have the information to make it successful in the practice. OSU is doing EPSDT quarterly telephonic outreach, and scheduling appointments. Canadian County is doing smoking cessation, and working on a web domain for providers and patients.

A suggestion was made by MAC members to have a representative from each of the HANs separately attend a future MAC meeting, to discuss their programs.

EHR Incentive Program – Mr. Sickler reviewed the handout. Ms. Case stated she heard that most hospitals have done EHR incentives through Medicare as opposed to Medicaid, and asked Mr. Sickler to comment. Mr. Sickler said the majority of all hospitals qualify as dual-eligible, meaning both Medicare and Medicaid. The hospital gets more funding from Medicare.

A question was asked about how hard the application process is and Mr. Sickler replied it is not too invasive. Registration is through CMS' website.

VIII. Action Items:

OKDHS Initiated

12-01 Homeward Bound Waiver HTS Providers
Emergency rule revisions are proposed to provide an exception for members of the Homeward Bound Waiver receiving Habilitation Training Specialist (HTS) services. The rule revision will allow the HTS to provide more than 40 hours of service per week, when the HTS resides in the same home as the member. The rule revision is promulgated as the result of a lawsuit filed on behalf of class members of the Homeward Bound waiver.
Budget Impact – Budget Neutral

Ms. Case motioned to approve. Dr. Rhynes seconded.

IX. New Business

No new business.

X. Meeting adjourned.

Next Meeting: Thursday, July 19, 2012.

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures: OHCA
For the Fiscal Year Ended June 30, 2012

REVENUES	FY12 Budget YTD	FY12 Actual YTD	Variance	% Over/ (Under)
State Appropriations	$ 903,719,389	$ 898,907,968	$ (4,811,421)	(0.5)%
Federal Funds	2,175,383,729	2,113,824,983	(61,558,746)	(2.8)%
Tobacco Tax Collections	55,313,385	60,202,729	4,889,344	8.8%
Quality of Care Collections	50,580,566	50,580,566	-	0.0%
Prior Year Carryover	55,003,490	55,003,490	-	0.0%
Federal Deferral - Interest	411,411	411,411	-	0.0%
Drug Rebates	158,801,516	176,738,721	17,937,205	11.3%
Medical Refunds	40,350,874	52,516,381	12,165,507	30.1%
SHOPP	372,724,034	372,724,034	-	0.0%
Other Revenues	17,460,043	18,105,616	645,574	3.7%
TOTAL REVENUES	**$ 3,829,748,437**	**$ 3,799,015,900**	**$ (30,732,537)**	**(0.8)%**

EXPENDITURES	FY12 Budget YTD	FY12 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	**$ 43,533,607**	**$ 40,771,187**	**$ 2,762,420**	**6.3%**
ADMINISTRATION - CONTRACTS	**$ 115,178,554**	**$ 95,383,873**	**$ 19,794,681**	**17.2%**
MEDICAID PROGRAMS				
Managed Care:				
SoonerCare Choice	32,187,142	31,325,476	861,667	2.7%
Acute Fee for Service Payments:				
Hospital Services	925,850,124	876,287,798	49,562,327	5.4%
Behavioral Health	316,056,196	344,657,827	(28,601,631)	(9.0)%
Physicians	449,351,376	441,590,566	7,760,809	1.7%
Dentists	146,649,630	144,140,918	2,508,712	1.7%
Other Practitioners	72,546,169	72,993,389	(447,221)	(0.6)%
Home Health Care	22,206,309	20,921,763	1,284,546	5.8%
Lab & Radiology	54,970,846	54,536,815	434,031	0.8%
Medical Supplies	48,942,350	48,989,317	(46,967)	(0.1)%
Ambulatory Clinics	90,819,604	82,575,141	8,244,462	9.1%
Prescription Drugs	382,109,025	382,915,967	(806,942)	(0.2)%
Miscellaneous Medical Payments	33,626,631	33,999,904	(373,273)	(1.1)%
OHCA TFC	-	-	-	0.0%
Other Payments:				
Nursing Facilities	487,574,085	488,782,319	(1,208,234)	(0.2)%
ICF-MR Private	59,358,483	56,890,389	2,468,094	4.2%
Medicare Buy-In	149,030,462	136,284,183	12,746,279	8.6%
Transportation	28,211,700	27,682,454	529,246	1.9%
EHR-Incentive Payments	44,062,545	44,062,545	-	0.0%
Part D Phase-In Contribution	75,219,620	75,172,223	47,397	0.1%
Total OHCA Medical Programs	**3,418,772,295**	**3,363,808,993**	**54,963,302**	**1.6%**
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	**$ 3,577,573,838**	**$ 3,499,964,053**	**$ 77,609,785**	**2.2%**
REVENUES OVER/(UNDER) EXPENDITURES	**$ 252,174,598**	**$ 299,051,847**	**$ 46,877,248**	

OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
For the Fiscal Year Ended June 30, 2012

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	$ 31,778,530	$ 31,304,618	$ -	$ 453,054	$ -	$ 20,858	$ -
Inpatient Acute Care	767,853,139	571,296,891	486,687	12,393,244	50,315,626	2,686,588	130,674,103
Outpatient Acute Care	262,216,747	246,390,587	41,604	10,714,740	-	5,069,815	
Behavioral Health - Inpatient	118,997,322	114,390,747	-	-	-	2,658	4,603,917
Behavioral Health - Outpatient	30,215,897	30,206,375	-	-	-	-	9,522
Behavioral Health Facility- Rehab	256,057,447	196,746,877	-	509,815	-	122,353	58,678,402
Behavioral Health - Case Management	-	-	-	-	-	-	
Residential Behavioral Management	20,668,059	-	-	-	-	-	20,668,059
Targeted Case Management	59,823,585	-	-	-	-	-	59,823,585
Therapeutic Foster Care	3,188,818	3,188,818	-	-	-	-	-
Physicians	494,517,412	371,162,360	58,101	15,213,412	61,319,869	9,050,237	37,713,433
Dentists	144,276,625	135,977,575	-	135,707	8,088,740	74,603	-
Other Practitioners	73,494,378	71,539,598	446,364	500,988	978,338	29,090	-
Home Health Care	20,921,774	20,882,353	-	12	-	39,409	-
Lab & Radiology	57,836,566	53,378,111	-	3,299,751	-	1,158,704	-
Medical Supplies	49,762,504	46,440,668	2,475,949	773,187	-	72,701	-
Ambulatory Clinics	96,321,631	82,209,393	-	1,827,614	-	365,749	11,918,876
Personal Care Services	12,596,089	-	-	-	-	-	12,596,089
Nursing Facilities	488,782,319	312,947,485	135,962,377	-	39,853,090	19,366	-
Transportation	27,682,454	25,012,258	2,595,093		69,641	5,462	-
GME/IME/DME	94,138,193	-	-	-	-	-	94,138,193
ICF/MR Private	56,890,389	46,628,630	9,412,869	-	848,890	-	-
ICF/MR Public	56,126,416	-	-	-	-	-	56,126,416
CMS Payments	211,456,406	208,857,096	2,599,310	-	-	-	-
Prescription Drugs	401,965,309	338,142,589	-	19,049,342	43,017,895	1,755,484	-
Miscellaneous Medical Payments	34,000,295	32,498,959	-	391	1,423,501	77,444	-
Home and Community Based Waiver	158,447,143	-	-	-	-	-	158,447,143
Homeward Bound Waiver	88,563,678	-	-	-	-	-	88,563,678
Money Follows the Person	3,302,545	-	-	-	-	-	3,302,545
In-Home Support Waiver	23,683,485	-	-	-	-	-	23,683,485
ADvantage Waiver	173,767,496	-	-	-	-	-	173,767,496
Family Planning/Family Planning Waiver	8,083,853	-	-	-	-	-	8,083,853
Premium Assistance*	56,210,347	-	-	56,210,347	-	-	-
EHR Incentive Payments	44,062,545	44,062,545					
Total Medicaid Expenditures	**$ 4,427,689,393**	**$2,983,264,531**	**$ 154,078,354**	**$ 121,081,606**	**$ 205,915,589**	**$ 20,550,520**	**$ 942,798,794**

* Includes $55,825,161.53 paid out of Fund 245

OKLAHOMA HEALTH CARE AUTHORITY

Summary of Revenues & Expenditures:
Other State Agencies
For the Fiscal Year Ended June 30, 2012

		FY12 Actual YTD
REVENUE		
Revenues from Other State Agencies	$	390,604,974
Federal Funds		607,524,026
TOTAL REVENUES	**$**	**998,129,000**
EXPENDITURES		**Actual YTD**
Department of Human Services		
Home and Community Based Waiver	$	158,447,143
Money Follows the Person		3,302,545
Homeward Bound Waiver		88,563,678
In-Home Support Waivers		23,683,485
ADvantage Waiver		173,767,496
ICF/MR Public		56,126,416
Personal Care		12,596,089
Residential Behavioral Management		15,714,523
Targeted Case Management		41,025,016
Total Department of Human Services		**573,226,390**
State Employees Physician Payment		
Physician Payments		37,713,433
Total State Employees Physician Payment		**37,713,433**
Education Payments		
Graduate Medical Education		46,750,000
Graduate Medical Education - PMTC		5,832,373
Indirect Medical Education		29,677,651
Direct Medical Education		11,878,169
Total Education Payments		**94,138,193**
Office of Juvenile Affairs		
Targeted Case Management		3,280,964
Residential Behavioral Management - Foster Care		29,670
Residential Behavioral Management		4,923,866
Multi-Systemic Therapy		9,522
Total Office of Juvenile Affairs		**8,244,022**
Department of Mental Health		
Targeted Case Management		-
Hospital		4,603,917
Mental Health Clinics		58,678,402
Total Department of Mental Health		**63,282,319**
State Department of Health		
Children's First		2,084,529
Sooner Start		2,438,125
Early Intervention		6,291,629
EPSDT Clinic		2,145,037
Family Planning		76,040
Family Planning Waiver		7,955,085
Maternity Clinic		79,364
Total Department of Health		**21,069,809**
County Health Departments		
EPSDT Clinic		764,126
Family Planning Waiver		52,727
Total County Health Departments		**816,853**
State Department of Education		**133,115**
Public Schools		**7,008,332**
Medicare DRG Limit		**123,216,696**
Native American Tribal Agreements		**6,492,225**
Department of Corrections		**918,961**
JD McCarty		**6,538,447**
Total OSA Medicaid Programs	**$**	**942,798,794**
OSA Non-Medicaid Programs	**$**	**79,215,414**
Accounts Receivable from OSA	**$**	**23,885,208**

OKLAHOMA HEALTH CARE AUTHORITY

SUMMARY OF REVENUES & EXPENDITURES:

Fund 205: Supplemental Hospital Offset Payment Program Fund

For the Fiscal Year Ended June 30, 2012

REVENUES		FY 12 Revenue
SHOPP Assessment Fee	$	153,862,494
Fiscal Year 2013 SHOPP Assessment Fee		158,323
Federal Draws		218,703,217
Penalties		-
State Appropriations		(30,200,000)
TOTAL REVENUES	$	342,524,034

EXPENDITURES	Quarter	Quarter		FY 12 Expenditures
Program Costs:	7/1/11 - 12/31/11	1/1/12 - 6/30/12		
Hospital	158,798,054	160,165,411	$	318,963,466
Psychiatric Facilities	11,216,600	11,320,763		22,537,363
Rehabilitation Facilities	430,753	434,131		864,884
Total Program Costs	170,445,407	171,920,305	$	342,365,712
Total Expenditures			$	342,365,712

CASH BALANCE	$	158,322

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
For the Fiscal Year Ended June 30, 2012

REVENUES	Total Revenue	State Share
Quality of Care Assessment	$ 51,313,161	$ 51,313,161
Interest Earned	37,651	37,651
TOTAL REVENUES	**$ 51,350,812**	**$ 51,350,812**

EXPENDITURES	FY 12 Total $ YTD	FY 12 State $ YTD	Total State $ Cost
Program Costs			
NF Rate Adjustment	$ 132,182,588	$ 47,387,458	
Eyeglasses and Dentures	288,329	103,366	
Personal Allowance Increase	3,491,460	1,251,688	
Coverage for DME and supplies	2,475,949	887,628	
Coverage of QMB's	1,032,756	370,243	
Part D Phase-In	2,599,310	2,599,310	
ICF/MR Rate Adjustment	4,983,827	1,786,702	
Acute/MR Adjustments	4,429,042	1,587,812	
NET - Soonerride	2,595,093	930,341	
Total Program Costs	**$ 154,078,354**	**$ 56,904,547**	**$ 56,904,547**
Administration			
OHCA Administration Costs	$ 567,475	$ 283,738	
DHS - 10 Regional Ombudsman	78,819	78,819	
OSDH-NF Inspectors	-	-	
Mike Fine, CPA	16,500	8,250	
Total Administration Costs	**$ 662,794**	**$ 370,807**	**$ 370,807**
Total Quality of Care Fee Costs	**$ 154,741,148**	**$ 57,275,354**	
TOTAL STATE SHARE OF COSTS			**$ 57,275,354**

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are tranferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

OKLAHOMA HEALTH CARE AUTHORITY

SUMMARY OF REVENUES & EXPENDITURES:

Fund 245: Health Employee and Economy Improvement Act Revolving Fund

For the Fiscal Year Ended June 30, 2012

REVENUES	FY 11 Carryover	FY 12 Revenue	Total Revenue
Prior Year Balance	$ 19,037,771	$ -	$ 15,915,070
State Appropriations			
Tobacco Tax Collections	-	49,514,723	49,514,723
Interest Income	-	580,436	580,436
Federal Draws	4,432,268	37,136,849	37,136,849
All Kids Act	(7,255,910)	286,721	286,721
TOTAL REVENUES	$ 16,214,129	$ 87,518,729	$ 103,147,078

EXPENDITURES		FY 11 Expenditures	FY 12 Expenditures	Total $ YTD
Program Costs:				
	Employer Sponsored Insurance		$ 55,156,798	$ 55,156,798
	College Students		360,185	360,185
	All Kids Act		668,364	668,364
Individual Plan				
	SoonerCare Choice		$ 439,635	$ 157,609
	Inpatient Hospital		12,353,787	4,428,832
	Outpatient Hospital		10,576,119	3,791,539
	BH - Inpatient Services		-	-
	BH Facility - Rehabilitation Services		501,002	179,609
	Physicians		15,060,431	5,399,164
	Dentists		120,758	43,292
	Other Practitioners		489,337	175,427
	Home Health		12	4
	Lab and Radiology		3,254,730	1,166,821
	Medical Supplies		763,643	273,766
	Ambulatory Clinics		1,807,196	647,880
	Prescription Drugs		18,802,021	6,740,525
	Miscellaneous Medical		25,000	25,000
	Premiums Collected		-	(2,400,978)
Total Individual Plan			$ 64,193,671	$ 20,628,491
	College Students-Service Costs		$ 571,171	$ 204,765
	All Kids Act- Service Costs		$ 131,416	$ 47,113
Total Program Costs			$ 121,081,606	$ 77,065,716
Administrative Costs				
	Salaries	$ 13,534	$ 1,629,054	$ 1,642,587
	Operating Costs	29,081	174,895	203,976
	Health Dept-Postponing	-	-	-
	Contract - HP	256,445	2,192,763	2,449,208
Total Administrative Costs		$ 299,059	$ 3,996,712	$ 4,295,772
Total Expenditures				$ 81,361,487
NET CASH BALANCE		$ 15,915,070		$ 21,785,590

OKLAHOMA HEALTH CARE AUTHORITY

SUMMARY OF REVENUES & EXPENDITURES:

Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund

For the Fiscal Year Ended June 30, 2012

REVENUES	FY 12 Revenue	State Share
Tobacco Tax Collections	**$ 988,186**	**$ 988,186**
TOTAL REVENUES	**$ 988,186**	**$ 988,186**

EXPENDITURES	FY 12 Total $ YTD	FY 12 State $ YTD	Total State $ Cost
Program Costs			
SoonerCare Choice	$ 20,858	$ 5,235	
Inpatient Hospital	2,686,588	674,333	
Outpatient Hospital	5,069,815	1,272,524	
Inpatient Free Standing	2,658	667	
MH Facility Rehab	122,353	30,711	
Case Mangement	0	-	
Nursing Facility	19,366	4,861	
Physicians	9,050,237	2,271,609	
Dentists	74,603	18,725	
Other Practitioners	29,090	7,301	
Home Health	39,409	9,892	
Lab & Radiology	1,158,704	290,835	
Medical Supplies	72,701	18,248	
Ambulatory Clinics	365,749	91,803	
Prescription Drugs	1,755,484	440,627	
Transportation	5,462	1,371	
Miscellaneous Medical	77,444	19,438	
Total Program Costs	$ 20,550,520	$ 5,158,180	**$ 5,158,180**
TOTAL STATE SHARE OF COSTS			**$ 5,158,180**

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are tranferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012
Submitted to the CEO & Board
August 22, 2012

- Revenues for OHCA through June, accounting for receivables, were **$3,799,015,900** or **(.8%) under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **$3,499,964,053** or **2.2% under** budget.
- The state dollar budget variance through June is **$46,877,248 positive.**
- The budget variance is primarily attributable to the following (in millions):

Expenditures:		
Medicaid Program Variance		15.3
Administration		10.8
Revenues:		
Tobacco Settlement Funds		4.8
Taxes and Fees		4.9
Drug Rebate		6.5
Overpayments/Settlements		4.6
Total FY 12 Variance	**$**	**46.9**

ATTACHMENTS

SoonerCare Programs

July 2012 Data for September 2012 Board Meeting

SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System			Monthly Enrollment Average SFY2012	Enrollment July 2012	Total Expenditures July 2012	Average Dollars Per Member Per Month July 2012
SoonerCare Choice Patient-Centered Medical Home			468,268	**479,210**	**$119,865,630**	
	Lower Cost	*(Children/Parents; Other)*		434,805	$84,465,576	$194
	Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC)*		44,405	$35,400,055	$797
SoonerCare Traditional			241,278	**243,333**	**$160,047,745**	
	Lower Cost	*(Children/Parents; Other)*		135,451	$39,511,896	$292
	Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)*		107,882	$120,535,849	$1,117
SoonerPlan			41,378	**45,190**	**$576,950**	$13
Insure Oklahoma			31,502	**30,020**	**$8,464,724**	
	Employer-Sponsored Insurance		17,728	16,723	$3,781,356	$226
	Individual Plan		13,773	13,297	$4,683,368	$352
TOTAL			**782,425**	**797,753**	**$288,955,049**	

The enrollment totals above include all members enrolled during the report month; therefore, some members may not have expenditure data.
Custody expenditures are excluded. Non-member specific expenditures of $139,895,060 are excluded.

Net Enrollee Count Change from Previous Month Total	2,312

New Enrollees	21,460

Opportunities for Living Life (OLL) (subset of data above)

Qualifying Group	Age Group	Enrollment
Aged/Blind/Disabled	*Child*	19,298
Aged/Blind/Disabled	*Adult*	131,693
Other	*Child*	178
Other	*Adult*	20,654
PACE	*Adult*	103
TEFRA	*Child*	429
Living Choice	*Adult*	98
OLL Enrollment		**172,453**

The "Other" category includes DDSD State, PKU, Q1, Q2, Refugee, SLMB, Soon-to-be-Sooners (STBS) and TB members.

Medicare and SoonerCare	Monthly Average SFY2012	Enrolled July 2012
Dual Enrollees	**107,504**	**107,911**

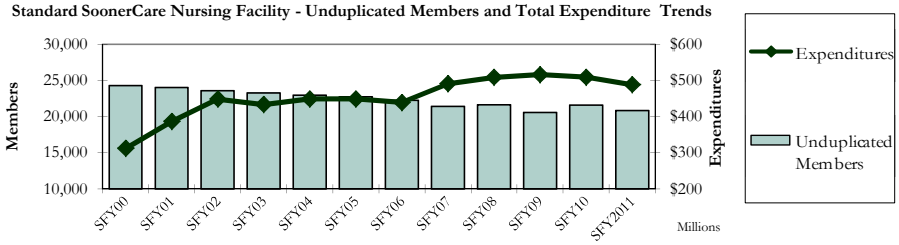
		Monthly Average SFY2012	Enrolled July 2012	FACILITY PER MEMBER PER MONTH
Long-Term Care Members		**15,770**	**15,743**	**$3,212**
	Child	87	77	
	Adult	15,683	15,666	

SFY2011 Long-Term Care

Statewide LTC Occupancy Rate - 71.0%
SoonerCare funded LTC Bed Days 68.2%

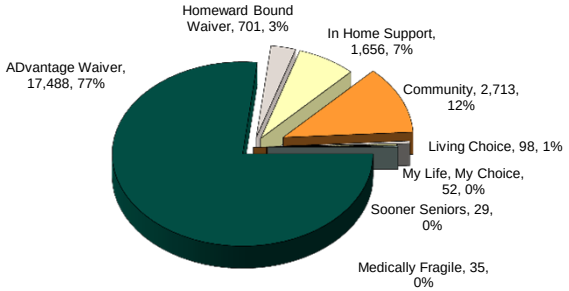
Data as of October 2011

Standard SoonerCare Nursing Facility - Unduplicated Members and Total Expenditure Trends



Data as of Aug. 8, 2011. Figures do not include intermediate care facilities for the intellectually disabled (ICF/ID).

Waiver Enrollment Breakdown Percent



ADvantage Waiver - Serves frail elderly individuals age 65 or older and adults age 21 and older with physical disabilities who would otherwise require placement in a nursing facility.
Community - serves individuals 3 years of age and older who have intellectual disabilities and certain persons with related conditions who would otherwise require placement in an intermediate care facility for the intellectually disabled (ICF/ID).
Homeward Bound Waiver - Designed to serve the needs of individuals with intellectual disabilities or "related conditions" who are also members of the Plaintiff Class in Homeward Bound et al. v. The Hissom Memorial Center, et al, who would otherwise qualify for placement in an ICF/ID.
In Home Support - Serves the needs of individuals 3 years of age and older with intellectual disabilities who would otherwise require placement in an ICF/ID.
Living Choice - Promotes community living for people of all ages who have disabilities or long-term illnesses.
Medically Fragile - This program serves qualifying individuals who meet hospital or skilled nursing facility level of care.
My Life, My Choice - This program is for adults with physical disabilities who transitioned to the community under the Living Choice program.
Sooner Seniors - This program is for adults 65 and older with long term illnesses who transitioned to community-based services in the Living Choice program.

SoonerCare Programs

SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts		Monthly Average SFY2012	Enrolled July 2012*
Total Providers		**29,723**	**38,258**
	In-State	20,881	28,012
	Out-of-State	8,842	10,246

*Effective July 2012, the methodology for counting providers has changed to count provider network. Previous counts include group practice and its members; the current count will include members only. Provider Network is providers who are contracted to provide health care services by locations, programs, types, and specialties. Providers are being counted multiple times if they have multiple locations, programs, types,

Program	% of Capacity Used
SoonerCare Choice	41%
SoonerCare Choice I/T/U	14%
Insure Oklahoma IP	3%

Select Provider Type Counts	*In-State*		*Totals*	
	Monthly Average SFY2012	*Enrolled July 2012**	Monthly Average SFY2012	Enrolled July 2012
Physician	*7,497*	*8,650*	*13,790*	15,344
Pharmacy	*874*	*888*	*1,153*	1,185
Mental Health Provider**	*3,395*	*5,038*	*3,449*	5,103
Dentist	*986*	*1,169*	*1,124*	1,329
Hospital	*194*	*199*	*934*	1,034
Optometrist	*550*	*586*	*587*	622
Extended Care Facility	*375*	*368*	375	368

Above counts are for specific provider types and are not all-inclusive.

Total Primary Care Providers	*4,915*	*5,217*	6,955	7,216
Patient-Centered Medical Home	*1,711*	*1,921*	1,739	1,957

Including Physicians, Physician Assistants and Advance Nurse Practitioners.

*Items shaded above represent a 10% or more increase (green) or decrease (red) from the previous fiscal year's average.

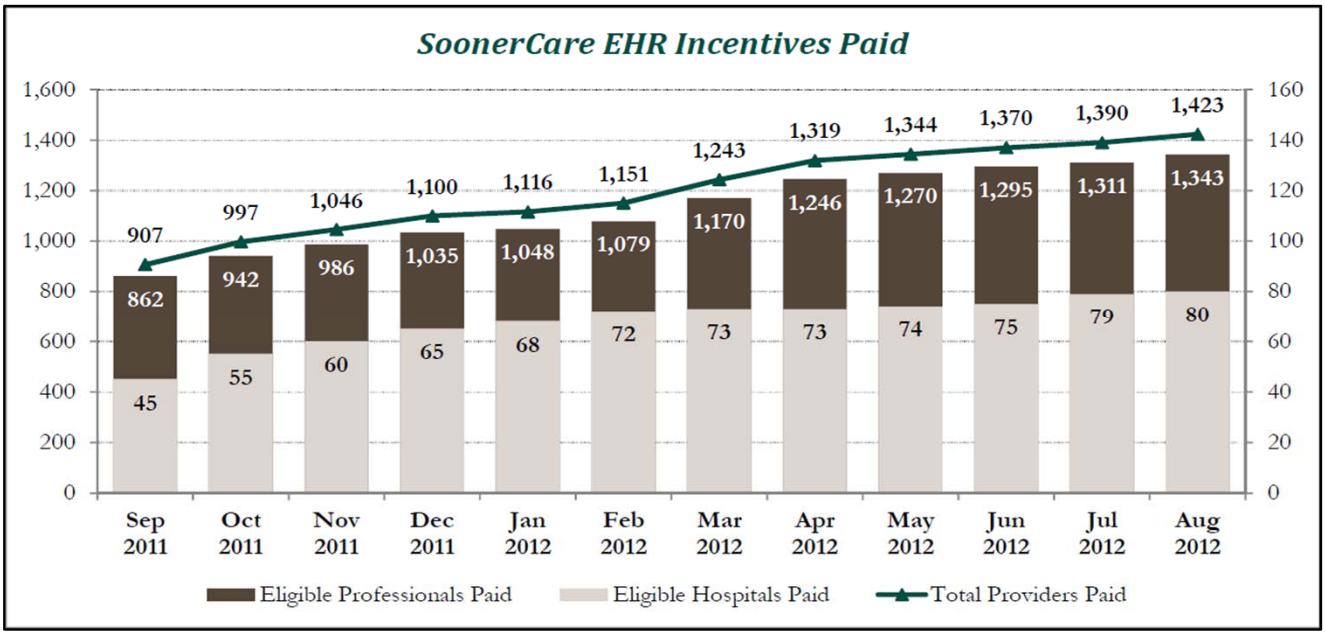
**Due to federal regulations, OHCA must have an approved agreement on file for all providers providing care to our members. To meet this requirement OHCA is directly contracting with providers that had previously billed through a group or agency. This contributed to the increase in the provider counts for Mental Health Providers.

ELECTRONIC HEALTH RECORDS (EHR) INCENTIVE STATISTICS

The Electronic Health Records Incentive Program is a federal program that offers major financial support to assist certain providers to adopt (acquire and install), implement (train staff, deploy tools, exchange data), upgrade (expand functionality or interoperability) or meaningfully use certified EHR technology.

As Of 9/4/2012	August 2012		Since Inception	
	Number of Payments	Payment Amount	Total Number of Payments	Total Payment Amount
Eligible Professionals	52	$888,250	1,343	$28,829,167
Eligible Hospitals	2*	$864,333	80	$53,751,135
Totals	54	$1,752,583	1,423	$82,580,302

*Current Eligible Hospitals Paid
GREAT PLAINS REGIONAL MEDICAL CENTER
JEAY MEDICAL SERVICES



SoonerCare Program Operations
September 20, 2012 MAC Meeting
Productivity Report: January – June 2012

Care Management	
Active Cases Under Care Management	3,272
Number of Activities Related to Oklahoma Cares Program	1,928
Number of Children Receiving Private Duty Nursing	205
TEFRA In-Home Evaluations	6
Phone Calls Handled	8,582
Member Services	
Electronic Newborn -1 PCP Enrollments Facilitated	2,553
SoonerRide Assistance Calls Handled	4,134
Member Services Calls Handled	40,262
Spanish Member Services Calls Handled	2,027
Patient Dismissal Requests Processed	2,997
Member Services Surveys & Outreach letters	28,708
Inbound Member Calls Resulting from Surveys & Outreach letters	7,942
Referrals to Care Management	420
Member Manual Enrollments Completed	2,920
Provider Services	
Provider Manual Enrollments Completed	880
Dental Prior Authorizations Processed (avg per month)	2,000
Provider On-Site Education/Recruitment Visits Completed	1,200
Inpatient Notifications to PCPs Completed	6,000
Phone Calls Handled	16,000
Regional Provider Training Sessions	6 with approximately 1,000 attendees

Initial list of possible changes to SoonerCare Choice Patient Centered Medical Home
Tier revisions for 2013

1. Tier 1 Add Behavioral Health Screening requirement
   Change this requirement from optional to mandatory in Tier 2
   Currently mandatory in Tier 3

   PROVIDER uses behavioral health screening, brief intervention and referral to treatment for appropriate members requiring treatment. Through the usage of these procedures, the provider will expedite treatment with the goal of improving outcomes for panel members suffering from mental illness and/or alcohol or substance abuse.

2. Add Developmental Screening requirement in all tiers

   PROVIDER uses health assessment tools to characterize patient needs and risk utilizing any OHCA recommended format to (examples include AAP approved standardized developmental screening tool, SoonerCare Health Assessment form, disease-specific screening tool, etc.). Tools may be publicly available, purchased or created by the OHCA and available on the website.

3. Increase the after hours requirement for tier 3 provider from 4 hours per week to 6 hours per week. Keep the requirement at 4 hours per week for tier 2 providers

   PROVIDER offers at least 4 hours of after hours care to SoonerCare members. (After hours care is defined as appointments, scheduled or work-ins, readily available to SoonerCare members outside the hours of 8 a.m. - 5 p.m. Monday – Friday). This requirement is per location regardless of number of providers. Solo practitioners can arrange after hours coverage through another approved choice provider location. Multiple locations can submit for a single location to provide after hours coverage. These requests will be reviewed and decided on a case by case basis. Provider maintains vacation coverage in the same manner.

   Additional considerations for this requirement:
   If a provider wants to keep their after hours at 4 hours per week. They can choose to do so IF the after hours are on a weekend. OR
   If the provider is not able to do after hours on the weekend they can do Monday through Friday but they must do 6 hours per week.

4. Make the option requirement regarding quality improvement mandatory for tier 3.

   PROVIDER regularly measures their performance for quality improvement, using national benchmarks for comparison. Provider takes necessary actions to continuously improve services/processes and reports that information to the OHCA regularly.

Amended

SoonerCare Choice Waiver Amendment for 2014 Compliance

OHCA proposes to amend the 1115(a) SoonerCare Choice Research & Demonstration Waiver in order to comply with the provisions mandated under the Patient Protection and Affordable Care Act (PPACA). Modifications will become effective, January 1, 2014, and include:

All 2014 SoonerCare Choice modifications are subject to State and Federal approval and are also subject to change. This document is effective as of September 20, 2012.

- ✓ Income Guidelines:
  - Pregnant women with an income level between 134 and 185 percent FPL will receive pregnancy-related benefits under Title XXI for the unborn child.
  - Mandatory Former Foster Care Recipients eligibility group for adults 19-26 who were previously in foster care and enrolled in SoonerCare at age 18. This eligibility group replaces the existing Foster Care Independence Act of 1999.

  Populations Not Eligible for Federal Financial Participation after 2014:
  - Insure Oklahoma

- ✓ Mandatory Enrollment and Eligibility Determination
  Modified Adjustment Gross Income (MAGI) requirements for income verification are effective January 1, 2014 for eligible groups. MAGI-exempt groups include Aged, blind, and disabled, TEFRA, and Breast and Cervical Cancer. MAGI methodologies will not be applied for current SoonerCare beneficiaries until March 31, 2014 or the next scheduled redetermination date, whichever is later.

- ✓ Optional Expansion Population Subject to State Legislative Approval:
  New Adult population for non-pregnant, childless adults, ages 19-64, within the State's set income level, and who are not receiving Medicare up to 133 percent FPL.

  - Expansion Package includes the Ten Essential Health Benefits as outlined by Secretary of Health and Human Services (HHS)
    - Ambulatory patient services,
    - Emergency services,
    - Hospitalizations,
    - Maternity and newborn care,
    - Mental health and substance abuse disorder services (including behavioral health treatment),
    - Prescription drugs,
    - Rehabilitative and habilitative services and devices,
    - Laboratory services,
    - Preventive and wellness and chronic disease management, and
    - Pediatric services (including oral and vision care).
  - Expansion Plan Package and cost sharing will mirror SoonerCare Choice.

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY
CHAPTER 35. MEDICAL ASSISTANCE FOR ADULTS AND CHILDREN-ELIGIBILITY
SUBCHAPTER 5. ELIGIBILITY AND COUNTABLE INCOME
PART 5. COUNTABLE INCOME AND RESOURCES

317:35-5-41.6. Trust accounts

Monies held in trust for an individual applying for or receiving SoonerCare must have the availability of the funds determined. Funds held in trust are considered available when they are under the direct control of the individual or his/her spouse, and disbursement is at their sole discretion. Funds may also be held in trust and under the control of someone other than the individual or his/her spouse, such as the courts, agencies, other individuals, etc., or the Bureau of Indian Affairs (BIA).

(1) **Availability determinations.** The worker should be able to determine the availability of a trust using the definitions and explanations listed in (2) of this subsection. However, in some cases, the worker may wish to submit a trust to the OKDHS State Office for determination of availability. In these instances, all pertinent data is submitted to Family Support Services Division, Attention: Health Related and Medical Services Section, for a decision.

(2) **Definition of terms**. The following words and terms, when used in this paragraph, have the following meaning, unless the context clearly indicates otherwise:

(A) **Beneficiary**. Beneficiary means the person(s) who is to receive distributions of either income or principal, or on behalf of whom the trustee is to make payments.

(B) **Corpus/principal**. Corpus/principal means the body of the trust or the original asset used to establish the trust, such as a sum of money or real property.

(C) **Discretionary powers**. Discretionary powers means the grantor gives the trustee the power to make an independent determination whether to distribute income and/or principal to the beneficiary(ies) or to retain the income and add it to the principal of the trust.

(D) **Distributions**. Distributions means payments or allocations made from the trust from the principal or from the income produced by the principal (e.g., interest on a bank account).

(E) **Grantor (trustor/settlor)**. Grantor (trustor/settlor) means the individual who establishes the trust by transferring certain assets.

(F) **Irrevocable trust**. Irrevocable trust means a trust in which the grantor has expressly not retained the right to

terminate or revoke the trust and reclaim the trust principal and income.

(G) **Pour over or open trust**. Pour over or open trust means a trust which may be expanded from time to time by the addition to the trust principal (e.g., a trust established to receive the monthly payment of an annuity, a workers' compensation settlement, a disability benefit or other periodic receivable). The principal may accumulate or grow depending upon whether the trustee distributes the receivable or permits it to accumulate. Generally, the terms of the trust will determine the availability of the income in the month of receipt and the availability of the principal in subsequent months.

(H) **Primary beneficiary**. Primary beneficiary means the first person or class of persons to receive the benefits of the trust.

(I) **Revocable trust**. Revocable trust means a trust in which the grantor has retained the right to terminate or revoke the trust and reclaim the trust principal and income. Unless a trust is specifically made irrevocable, it is revocable. Even an irrevocable trust is revocable upon the written consent of all living persons with an interest in the trust.

(J) **Secondary beneficiary**. Secondary beneficiary means the person or class of persons who will receive the benefits of the trust after the primary beneficiary has died or is otherwise no longer entitled to benefits.

(K) **Testamentary trust**. Testamentary trust means a trust created by a will and effective upon the death of the individual making the will.

(L) **Trustee**. Trustee means an individual, individuals, a corporation, court, bank or combination thereof with responsibility for carrying out the terms of the trust.

(3) **Documents needed.** To determine the availability of a trust for an individual applying for or receiving SoonerCare, copies of the following documents are obtained:

(A) Trust document;

(B) When applicable, all relevant court documents including the Order establishing the trust, Settlement Agreement, Journal Entry, etc.; and

(C) Documentation reflecting prior disbursements (date, amount, purpose).

(4) **Trust accounts established on or before August 10, 1993**. The rules found in (A) - (C) of this paragraph apply to trust accounts established on or before August 10, 1993.

(A) **Support trust.** The purpose of a support trust is the provision of support or care of a beneficiary. A support

trust will generally contain language such as "to provide for the care, support and maintenance of ...", "to provide as necessary for the support of ...", or "as my trustee may deem necessary for the support, maintenance, medical expenses, care, comfort and general welfare." Except as provided in (i)-(iii) of this subparagraph, the amount from a support trust deemed available to the beneficiary is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the beneficiary, assuming the full exercise of discretion by the trustee(s) for distribution of the maximum amount to the beneficiary. The beneficiary of a support trust, under which the distribution of payments to the beneficiary is determined by one or more trustees who are permitted to exercise discretion with respect to distributions, may show that the amounts deemed available are not actually available by:

(i) Commencing proceedings against the trustee(s) in a court of competent jurisdiction;

(ii) Diligently and in good faith asserting in the proceedings that the trustee(s) is required to provide support out of the trust; and

(iii) Showing that the court has made a determination, not reasonably subject to appeal, that the trustee must pay some amount less than the amount deemed available. If the beneficiary makes the showing, the amount deemed available from the trust is the amount determined by the court. Any action by a beneficiary or the beneficiary's representative, or by the trustee or the trustee's representative, in attempting a showing to make the Agency or the State of Oklahoma a party to the proceeding, or to show to the court that SoonerCare benefits may be available if the court limits the amounts deemed available under the trust, precludes the showing of good faith required.

(B) **Medicaid Qualifying Trust (MQT).** A Medicaid Qualifying Trust is a trust, or similar legal device, established (other than by will) by an individual or an individual's spouse, under which the individual may be the beneficiary of all or part of the distributions from the trust and such distributions are determined by one or more trustees who are permitted to exercise any discretion with respect to distributions to the individual. A trust established by an individual or an individual's spouse includes trusts created or approved by a representative of the individual (parent, guardian or person holding power of attorney) or the court where the property placed in trust is intended to satisfy or settle a claim made by or on behalf of the individual or the

individual's spouse. This includes trust accounts or similar devices established for a minor child pursuant to 12 O.S. 83. In addition, a trust established jointly by at least one of the individuals who can establish an MQT and another party or parties (who do not qualify as one of these individuals) is an MQT as long as it meets the other MQT criteria. The amount from an irrevocable MQT deemed available to the individual is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the individual assuming the full exercise of discretion by the trustee(s). The provisions regarding MQT apply even though an MQT is irrevocable or is established for purposes other than enabling an individual to qualify for SoonerCare, and, whether or not discretion is actually exercised.

(i) **Similar legal device**. MQT rules listed in this subsection also apply to "similar legal devices" or arrangements having all the characteristics of an MQT except that there is no actual trust document. An example is the member petitioning the court to irrevocably assign all or part of his/her income to another party (usually the spouse). The determination whether a given document or arrangement constitutes a "similar legal device" should be made by the OKDHS Office of General Counsel, Legal Unit.

(ii) **MQT resource treatment**. For revocable MQTs, the entire principal is an available resource to the member. Resources comprising the principal are subject to the individual resource exclusions (e.g., the home property exclusion) since the member can access those resource items without the intervention of the trustee. For irrevocable MQTs, the countable amount of the principal is the maximum amount the trustee can disburse to (or for the benefit of) the member, using his/her full discretionary powers under the terms of the trust. If the trustee has unrestricted access to the principal and has discretionary power to disburse the entire principal to the member (or to use it for the member's benefit), the entire principal is an available resource to the member. Resources transferred to such a trust lose individual resource consideration (e.g., home property transferred to such a trust is no longer home property and the home property exclusions do not apply). The value of the property is included in the value of the principal. If the MQT permits a specified amount of trust income to be distributed periodically to the member (or to be used for his/her benefit), but those distributions are not made, the member's countable resources increase cumulatively by

the undistributed amount.

(iii) **Income treatment.** Amounts of MQT income distributed to the member are countable income when distributed. Amounts of income distributed to third parties for the member's benefit are countable income when distributed.

(iv) **Transfer of resources**. If the MQT is irrevocable, a transfer of resources has occurred to the extent that the trustee's access to the principal (for purposes of distributing it to the member or using it for the member's benefit) is restricted (e.g., if the trust stipulates that the trustee cannot access the principal but must distribute the income produced by that principal to the member, the principal is not an available resource and has, therefore, been transferred).

(C) **Special needs trusts**. Some trusts may provide that trust benefits are intended only for a beneficiary's "special needs" and require the trustee to take into consideration the availability of public benefits and resources, including SoonerCare benefits. Some trusts may provide that the trust is not to be used to supplant or replace public benefits, including SoonerCare benefits. If a trust contains such terms and is not an MQT, the trust is not an available resource.

(5) **Trust accounts established after August 10, 1993.** The rules found in (A) - (C) of this paragraph apply to trust accounts established after August 10, 1993.

(A) For purposes of this subparagraph, the term "trust" includes any legal document or device that is similar to a trust. An individual is considered to have established a trust if assets of the individual were used to form all or part of the principal of the trust and if the trust was established other than by will and by any of the following individuals:

(i) the individual;

(ii) the individual's spouse;

(iii) a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse; or

(iv) a person, including a court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse.

(B) Where trust principal includes assets of an individual described in this subparagraph and assets of any other person(s), the provisions of this subparagraph apply to the portion of the trust attributable to the assets of the individual. This subparagraph applies without regard to the purposes for which the trust is established, whether the

trustees have or exercise any discretion under the trust, and restrictions on when or whether distributions may be made from the trust, or any restrictions on the use of the distribution from the trust.

(C) There are two types of trusts, revocable trusts and irrevocable trusts.

(i) In the case of a revocable trust, the principal is considered an available resource to the individual. Home property in a revocable trust under the direct control of the individual, spouse or legal representative retains the exemption as outlined in OAC 317:35-5-41.8(a)(2). Payments from the trust to or for the benefit of the individual are considered income of the individual. Other payments from the trust are considered assets disposed of by the individual for purposes of the transfer of assets rule and are subject to the 60 months look back period.

(ii) In the case of an irrevocable trust, if there are any circumstances under which payments from the trust could be made to or for the benefit of the individual, the portion of the principal of the trust, or the income on the principal, from which payment to the individual could be made is considered available resources. Payments from the principal or income of the trust is considered income of the individual. Payments for any other purpose are considered a transfer of assets by the individual and are subject to the 60 months look back period. Any portion of the trust from which, or any income on the principal from which no payment could under any circumstances be made to the individual is considered as of the date of establishment of the trust (or if later, the date on which payment to the individual was foreclosed) to be assets disposed by the individual for purposes of the asset transfer rules and are subject to the 60 months look back period.

(6) **Exempt trusts.** Paragraph (5) of this subsection does not apply to the following trusts:

(A) A trust containing the assets of a disabled individual under the age of 65 which was established for the benefit of such individual by the parent, grandparent, legal guardian of the individual or a court if the State receives all amounts remaining in the trust on the death of the individual up to an amount equal to the total medical assistance paid on behalf of the individual. This type of trust requires:

(i) The trust may only contain the assets of the disabled individual.

(ii) The trust must be irrevocable and cannot be amended or dissolved without the written agreement of the Oklahoma

Department of Human Services or the Oklahoma Health Care Authority.
(iii) Trust records must be open at all reasonable times to inspection by an authorized representative of the OHCA or OKDHS.
(iv) The exception for the trust continues after the disabled individual reaches age 65. However, any addition or augmentation after age 65 involves assets that were not the assets of an individual under age 65; therefore, those assets are not subject to the exemption.
(v) Establishment of this type of trust does not constitute a transfer of assets for less than fair market value if the transfer is made into a trust established solely for the benefit of a disabled individual under the age of 65.
(vi) Payments from the trust are counted according to SSI rules. According to these rules, countable income is anything the individual receives in cash or in kind that can be used to meet the individual's needs for food, clothing and shelter. Accordingly, any payments made directly to the individual are counted as income to the individual because the payments could be used for food, clothing, or shelter for the individual. This rule applies whether or not the payments are actually used for these purposes, as long as there is no legal impediment which would prevent the individual from using the payments in this way. In addition, any payments made by the trustee to a third party to purchase food, clothing, or shelter for the individual can also count as income to the individual. For example, if the trustee makes a mortgage payment for the individual, that payment is a shelter expense and counts as income.
(vii) A corporate trustee may charge a reasonable fee for services in accordance with its published fee schedule.
(viii) The OKDHS Form 08MA018E, Supplemental Needs Trust, is an example of the trust. Workers may give the sample form to the member or his/her representative to use or for their attorney's use.
(ix) To terminate or dissolve a Supplemental Needs Trust, the worker sends a copy of the trust instrument and a memorandum to OKDHS Family Support Services Division, Attention: Health Related and Medical Services (HR&MS) explaining the reason for the requested termination or dissolution of the Supplemental Needs Trust, and giving the name and address of the trustee. The name and address of the financial institution and current balance are also required. Health Related and Medical Services notifies

OHCA/TPL to initiate the recovery process.

(B) A trust (known as the Medicaid Income Pension Trust) established for the benefit of an individual if:

(i) The individual is in need of long-term care and has countable income above the categorically needy standard for long-term care (OKDHS Appendix C-1) but less than ~~$3000~~ the average cost of nursing home care per month (OKDHS Appendix C-1 Schedule VIII.B).

(ii) The Trust is composed only of pension, social security, or other income of the individual along with accumulated income in the trust. Resources can not be included in the trust.

(iii) All income is paid into the trust and the applicant is not eligible until the trust is established and the monthly income has been paid into the trust.

(iv) The trust must retain an amount equal to the member's gross monthly income less the current categorically needy standard of OKDHS Appendix C-1. The Trustee distributes the remainder.

(v) The income disbursed from the trust is considered as the monthly income to determine the cost of their care, and can be used in the computations for spousal diversion.

(vi) The trust must be irrevocable and cannot be amended or dissolved without the written agreement of the OHCA. Trust records must be open at all reasonable times to inspection by an authorized representative of the OHCA or OKDHS.

(vii) The State will receive all amounts remaining in the trust up to an amount equal to the total SoonerCare benefits paid on behalf of the individual subsequent to the date of establishment of the trust.

(viii) Accumulated funds in the trust may only be used for medically necessary items not covered by SoonerCare, or other health programs or health insurance and a reasonable cost of administrating the trust. Reimbursements cannot be made for any medical items to be furnished by the nursing facility. Use of the accumulated funds in the trust for any other reason will be considered as a transfer of assets and would be subject to a penalty period.

(ix) The trustee may claim a fee of up to 3% of the funds added to the trust that month as compensation.

(x) An example trust is included on OKDHS Form 08MA011E. Workers may give this to the member or his/her representative to use or for their attorney's use as a guide for the Medicaid Income Pension Trust.

(xi) To terminate or dissolve a Medicaid Income Pension

Trust, the worker sends a memorandum with a copy of the trust to OKDHS Family Support Services Division, Attention: HR&MS, explaining the reason for the requested termination or dissolution of the Medicaid Income Pension Trust, and giving the name and address of the trustee. The name and address of the financial institution, account number, and current balance are also required. Health Related and Medical Services notifies OHCA/TPL to initiate the recovery process.

(C) A trust containing the assets of a disabled individual when all of the following are met:

(i) The trust is established and managed by a non-profit association;

(ii) The trust must be made irrevocable;

(iii) The trust must be approved by the Oklahoma Department of Human Services and may not be amended without the permission of the Oklahoma Department of Human Services;

(iv) The disabled person has no ability to control the spending in the trust;

(v) A separate account is maintained for each beneficiary of the trust but for the purposes of investment and management of funds, the trust pools these accounts;

(vi) The separate account on behalf of the disabled person may not be liquidated without payment to OHCA for the medical expenses incurred by the members;

(vii) Accounts in the trust are established by the parent, grandparent, legal guardian of the individual, the individual, or by a court;

(viii) To the extent that amounts remaining in the beneficiary's account on the death of the beneficiary are not retained by the trust, the trust pays to the State from such remaining amounts an amount equal to the total medical assistance paid on behalf of the individual. A maximum of 30% of the amount remaining in the beneficiary's account at the time of the beneficiary's death may be retained by the trust.

(7) **Funds held in trust by Bureau of Indian Affairs (BIA).** Interests of individual Indians in trust or restricted lands are not considered in determining eligibility for assistance under the Social Security Act or any other federal or federally assisted program.

(8) **Disbursement of trust.** At any point that disbursement occurs, the amount disbursed is counted as a non-recurring lump sum payment in the month received. Some trusts generate income on a regular basis and the income is sent to the beneficiary. In those instances, the income is treated as unearned income in

the month received.