

## **AGENDA**

September 20<sup>th</sup>, 2018  
1:00 PM – 3:30 PM

Charles Ed McFall Board Room

- I. Welcome, Roll Call, and Public Comment Instructions: **Chairman, Steven Crawford, M.D.**
- II. Action Item: Approval of Minutes of the July 19th, 2018: **Medical Advisory Committee Meeting**
- III. Public Comments (2 minute limit)
- IV. MAC Member Comments/Discussion
- V. Financial Report: **Tasha Black, Director, Senior Director of Financial Services**
- VI. SoonerCare Operations Update: **Marlene Asmussen, Director of Population Care Management**
- VII. Section 1115(a) Waiver Amendment Proposals: Community Engagement and Health Management Program: **Tywanda Cox, Chief of Federal & State Policy**
- VIII. Proposed Rule Changes: Presentation, Discussion, and vote: **Sandra Puebla, Director of Federal & State Authorities**
  - A. **18-01 Laboratory Services Policy Update**
- IX. Action Item: Vote on Proposed Rule Changes: **Chairman, Steven Crawford, M.D.**
- X. New Business: **Chairman, Steven Crawford, M.D.**
- XI. Future Meeting:  
November 15<sup>th</sup>, 2018
- XII. Adjourn

Oklahoma Health Care Authority  
MEDICAL ADVISORY COMMITTEE  
MINUTES of the July 19<sup>th</sup>, 2018 Meeting  
4345 N. Lincoln Blvd., Oklahoma City, OK 73105

**I. Welcome, Roll Call, and Public Comment Instructions:**

Chairman Steven Crawford called the meeting to order at 1:00 PM.

***Delegates present were:*** Ms. Debra Billingsly, Dr. Joe Catalano, Mr. Victor Clay, Mr. Brett Coble, Dr. Steve Crawford, Ms. Wanda Felty, Ms. Terrie Fritz, Mr. Mark Jones, Ms. Annette Mays, Mr. James Patterson, Ms. Toni Pratt-Reid, Dr. Edd Rhoades, Dr. Jason Rhynes, Dr. Dwight Sublett, Mr. Rick Snyder, Mr. Jeff Tallent, and Mr. William Whited.

***Alternates present were:*** Ms. Sarah Baker, Ms. Lois Baer, Ms. Danna Fowble, Mr. Traylor Rains-Sims and Dr. Mike Talley, providing a quorum.

***Delegates absent without an alternate were:*** Ms. Renee Banks, Dr. Kenneth Calabrese, Mr. Don Flinn, Dr. Arlen Foulks, Mr. Steve Goforth, Dr. Ashley Orynich, Dr. J. Daniel Post, and Dr. Raymond Smith.

**II. Approval of the May 17th, 2018 Minutes**

Medical Advisory Committee

**The motion to approve the minutes was by Dr. Joe Catalano and seconded by Ms. Toni Pratt-Reid and passed unanimously.**

**III. Public Comments (2 minute limit):**

Sacra Nicholas highly suggests that the Oklahoma Health Care Authority withdraw the proposal of work requirements.

Jaimie Tollison advises the Health Care Authority to proceed with caution, as there are too many unknowns with the proposal.

**IV. Financial Report:**

Aaron Morris, Chief Financial Officer

Mr. Morris presented the financial report ending in April 2018. The state dollar budget variance is at a positive .5 Million dollars. On the program administrative services side we are over budget in Medicaid program spending by 10.5 million state dollars, and under budget in administrative services by 4.5 million state dollars. On the revenue side we are over budget in tobacco taxes and collection fees for 2.6 million dollars in drug rebate for 4.8 million state dollars and under budget in Medicaid refunds for .9 million state dollars.

**A. 2019 Budget Work Program:**

Tasha Black, Director of Budget and Fiscal Planning

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Ms. Black presented an overview of the Agency's State Fiscal Year 2019 budget work program. The state was appropriated \$1,312,465,946. The appropriation consists of a little over \$1.1 billion in general revenue, special cash, approximately \$12.6 million from the tobacco settlement fund and there was a \$6 million transfer from the Health Employee and Economy Improvement Act Revolving fund. In addition to the appropriated dollars we have been approved to transfer \$30 million from the supplemental hospital offset payment fund.

The appropriation is an increase of \$113,752,380 over State Fiscal Year 2018, however, \$110 million is designated for the Supplemental Payments for Medical Schools for a net increase of \$3,708,061 to the Health Care Authority. For more detailed information, please see item 5A in the agenda.

**V. SoonerCare Operations Update:**

Melinda Thomason, Director of Health Care Systems Innovation

Ms. Thomason presented the SoonerCare Operations Update to the committee. She presented information based on data for April of 2018. Patient Centered Medical Home enrollment is at 532,606 which is 3,098 less than March. Sooner Care Traditional has a current enrollment of 233,001 which is 2,721 more than March. SoonerPlan is down by 125, giving a total of 29,529. Insure Oklahoma has a total enrollment of 19,691, of which 5,305 are in the Individual Plan and 14,386 are in the Employee Sponsored Plan. In total, SoonerCare enrollment is at 814,827 for April which is a decrease of 480. For more detailed information, see item 6 in the MAC agenda.

Ms. Thomason briefly updated the committee on the Quality Improvement Plan. Directed by the CEO, Becky Pasternik-Ikard, a workgroup was formed with a consultant also contracted on development of the plan. Results of the plan will be collaboration on initiatives within the agency, how to prevent duplications, and how to do things more efficiently. A draft report is posted on the public site, and comments are welcome until the COB on Monday, July 23<sup>rd</sup>.

**A. Value Based Care SoonerCare Pharmacy:**

Burl Beasley, Assistant Director of Pharmacy

Mr. Beasley provided an update on Value Based Care and the rise in prescription drug costs. For more detailed information, please see item 6A in the MAC agenda.

**VI. Proposed Rule Changes: Presentation, Discussion, and vote:**

Oklahoma Health Care Authority  
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MINUTES of the July 19<sup>th</sup>, 2018 Meeting  
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Tywanda Cox, Chief of Federal & State Policy

Ms. Cox presented the committee with an update on the Work/Community Engagement Proposal. She included the context of the proposal, who would be impacted, who would be exempt, along with proposed additional agency exemptions and finally where the agency is now with the proposal. In January of 2016, the Secretary of Health and Human Services issued a letter to all state Governors that talked about flexibility's, that the current administration would entertain as it relates to Health coverage as part of the flexibilities Community Engagement Activities as a condition as Medicaid eligibility. A workgroup was convened and compromised of all our Health and Human Services agencies, Department of Rehab, and technical assistants from some National organizations to look at our current infrastructure for SNAP, along with requirements under Insure Oklahoma.

The workgroup was tasked with giving some recommendations to the governor, as to what it would look like in Oklahoma to implement a requirement for work engagement. Once the recommendations were sent to the Governor, on March 5th, our Governor issued an executive order for the OHCA to present a proposal to her within 6 months of her executive order. HB 2932 directed OHCA to apply for a waiver, adopt the existing eligibility requirements under the SNAP program, as well as the exemptions. Once the bill was signed into law on May 7th, we drafted the proposal. June 27th, OHCA met with the governor and presented her with the proposal. With her blessing of approval we could move forward with the public comments.

The Work/Community Engagement proposal does not include members who are eligible as children, pregnant women, or aged, blind or disabled. This automatically excludes members in nursing facilities and home and community-based waivers. The group to be subject to work and community engagement requirements is Parent/Caretaker Relatives. She indicated that while 179,000 parent/caretaker relatives were currently in SoonerCare, the number impacted was estimated to be closer to 6,000, as many members can be presently identified as meeting exemptions. MAC members expressed concern with the proposal itself and also the timing, asking if the rules had to be considered now or if the rules could be postponed to the September meeting. MAC members pointed out that if a member had a minimum wage job, they would be above income limits and lose SoonerCare coverage. Further, those members would be above the Insure Oklahoma Individual Plan guidelines, so no health coverage there. If the member was employed by a small business that is in Insure Oklahoma employer sponsored insurance, the individual may not fall into a coverage gap. Concern was expressed for the member's health and for the providers that will serve a member who is self-pay and cannot afford health care bills. This puts our state providers at risk and creates more uninsured.

Exemptions will conclude: Individuals under the age of 19 and over age 50, Pregnant women through the end of post-partum care (for XIX only), Individuals who are certified as physically/mentally unfit for employment, A parent/caretaker responsible for the care of an

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incapacitated person, Persons with a disability under the definitions of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, or Section 1557 of the Affordable Care Act, Those currently complying with TANF work registration requirements, Those participating in substance abuse treatment/rehab, Students enrolled at least part-time, Persons complying with a work registration requirement Title IV of the Social Security Act or Federal-State unemployment compensation system or Federal-State unemployment compensation, Employed individuals working 30 hours/week or receiving weekly earnings equal to minimum wage multiplied by 30 hours, Self-employed individuals working 30 hours/week or receiving weekly earnings equal to minimum wage multiplied by 30 hours.

A few of the proposed agency exemptions: American Indians and Alaska Natives, Oklahoma foster care parents, Former foster care members, Members enrolled in the OHCA Breast and Cervical Cancer Program (Oklahoma Cares), Members enrolled in the OHCA family planning program under the state plan (SoonerPlan), Insure Oklahoma members, Persons released from incarceration within the last 6 months are exempted from work/community engagement requirements for 6 months from date of Medicaid eligibility. All of which have been accepted. We are actively engaged in the public comment process, not just the feedback. We do recognize this is a challenging program to implement, we have struggled with recognizing this is a population below the national poverty level. However, we have a law that we have to submit the waiver, so as we do that, we are going to look to our providers, our members, and advocates to help us with the infrastructure.

Following discussion, Ms. Toni Pratt-Reid made a motion to table the **18-02 Work and Community Engagement Requirements as a Condition of SoonerCare Eligibility for Adults**, and bring it back to the September MAC Meeting. The motion was seconded by Dr. Joe Catalano and passed unanimously. The MAC members asked that their extreme opposition to the proposal be reflected in the minutes.

**VII. New Business: Chairman, Steven Crawford, M.D.**

No new business was identified.

**VIII. Future Meeting**

July 19<sup>th</sup>, 2018

**IX. Adjournment**

Dr. Crawford made a motion to adjourn and seconded by Ms. Annette Mayes. There was no dissent and the meeting was adjourned at 2:58p.m.



## FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018  
Submitted to the CEO & Board

- Revenues for OHCA through June, accounting for receivables, were **\$4,111,936,830** or **.4% over** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$4,091,342,492** or **.3% under** budget.
- The state dollar budget variance through June is a positive **\$29,853,992**
- The budget variance is primarily attributable to the following (in millions):

<b>Expenditures:</b>	
Medicaid Program Variance	10.3
Administration	4.9
<b>Revenues:</b>	
Drug Rebate	15.3
Medical Refunds	(1.4)
Taxes and Fees	.7
<b>Total FY 18 Variance</b>	<b>\$ 29.8</b>

### ATTACHMENTS

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**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures: OHCA**  
**SFY 2018, For the Fiscal Year Ended June 30, 2018**

REVENUES	FY18 Budget YTD	FY18 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 1,014,364,399	\$ 1,014,364,399	\$ -	0.0%
Federal Funds	2,277,119,848	2,259,351,251	(17,768,597)	(0.8)%
Tobacco Tax Collections	52,648,361	53,690,556	1,042,195	2.0%
Quality of Care Collections	78,142,306	77,518,193	(624,113)	(0.8)%
Prior Year Carryover	44,249,967	44,249,967	-	0.0%
Federal Deferral	12,897,134	12,897,134	-	0.0%
Drug Rebates	327,842,473	364,704,500	36,862,027	11.2%
Medical Refunds	38,596,658	35,317,357	(3,279,301)	(8.5)%
Supplemental Hospital Offset Payment Program	230,340,666	230,340,666	-	0.0%
Other Revenues	19,166,317	19,502,808	336,491	1.8%
<b>TOTAL REVENUES</b>	<b>\$ 4,095,368,129</b>	<b>\$ 4,111,936,830</b>	<b>\$ 16,568,702</b>	<b>0.4%</b>
EXPENDITURES	FY18 Budget YTD	FY18 Actual YTD	Variance	% (Over/ Under)
<b>ADMINISTRATION - OPERATING</b>	<b>\$ 58,025,115</b>	<b>\$ 49,953,524</b>	<b>\$ 8,071,591</b>	<b>13.9%</b>
<b>ADMINISTRATION - CONTRACTS</b>	<b>\$ 108,685,355</b>	<b>\$ 104,674,535</b>	<b>\$ 4,010,820</b>	<b>3.7%</b>
<b>MEDICAID PROGRAMS</b>				
<u>Managed Care:</u>				
SoonerCare Choice	40,746,106	40,427,326	318,779	0.8%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	907,168,861	908,495,524	(1,326,663)	(0.1)%
Behavioral Health	21,740,149	19,273,670	2,466,479	11.3%
Physicians	403,106,632	396,177,843	6,928,789	1.7%
Dentists	124,634,154	124,507,037	127,117	0.1%
Other Practitioners	53,697,258	51,825,290	1,871,968	3.5%
Home Health Care	18,646,404	19,942,637	(1,296,233)	(7.0)%
Lab & Radiology	29,144,887	26,688,992	2,455,895	8.4%
Medical Supplies	50,689,690	51,159,700	(470,010)	(0.9)%
Ambulatory/Clinics	208,988,789	217,541,847	(8,553,058)	(4.1)%
Prescription Drugs	611,586,313	612,943,009	(1,356,696)	(0.2)%
OHCA Therapeutic Foster Care	12,000	56,226	(44,226)	0.0%
<u>Other Payments:</u>				
Nursing Facilities	546,305,329	544,891,538	1,413,791	0.3%
Intermediate Care Facilities for Individuals with Intellectual Disabilities Private	61,233,048	61,273,474	(40,426)	(0.1)%
Medicare Buy-In	175,264,062	174,067,604	1,196,458	0.7%
Transportation	65,281,400	66,820,576	(1,539,176)	(2.4)%
Money Follows the Person-OHCA	236,807	342,919	(106,112)	0.0%
Electronic Health Records-Incentive Payments	10,086,604	10,086,604	-	0.0%
Part D Phase-In Contribution	111,583,546	111,778,468	(194,922)	(0.2)%
Supplemental Hospital Offset Payment Program	487,096,331	487,096,331	-	0.0%
Telligen	10,579,560	11,300,327	(720,767)	(6.8)%
<b>Total OHCA Medical Programs</b>	<b>3,937,827,930</b>	<b>3,936,696,943</b>	<b>1,130,987</b>	<b>0.0%</b>
OHCA Non-Title XIX Medical Payments	89,382	17,490	71,892	0.0%
<b>TOTAL OHCA</b>	<b>\$ 4,104,627,782</b>	<b>\$ 4,091,342,492</b>	<b>\$ 13,285,290</b>	<b>0.3%</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>\$ (9,259,653)</b>	<b>\$ 20,594,338</b>	<b>\$ 29,853,992</b>	

**OKLAHOMA HEALTH CARE AUTHORITY**  
**Total Medicaid Program Expenditures**  
**by Source of State Funds**  
**SFY 2018, For the Fiscal Year Ended June 30, 2018**

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	SHOPP Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 40,536,697	\$ 40,416,305	\$ -	\$ 109,371	\$ -	\$ 11,021	\$ -
Inpatient Acute Care	1,096,373,624	596,862,054	486,687	3,256,689	366,034,962	907,350	128,825,882
Outpatient Acute Care	416,186,698	306,910,105	41,604	4,242,792	101,704,472	3,287,725	-
Behavioral Health - Inpatient	42,520,163	10,900,470	-	355,895	17,883,336	-	13,380,463
Behavioral Health - Psychiatrist	9,846,761	8,373,200	-	-	1,473,561	-	-
Behavioral Health - Outpatient	15,155,157	-	-	-	-	-	15,155,157
Behavioral Health-Health Home	51,932,524	-	-	-	-	-	51,932,524
Behavioral Health Facility- Rehab	240,938,173	-	-	-	-	78,177	240,938,173
Behavioral Health - Case Management	5,909,731	-	-	-	-	-	5,909,731
Behavioral Health - PRTF	53,404,644	-	-	-	-	-	53,404,644
Behavioral Health - CCBHC	46,451,581	-	-	-	-	-	46,451,581
Residential Behavioral Management	13,687,574	-	-	-	-	-	13,687,574
Targeted Case Management	67,344,825	-	-	-	-	-	67,344,825
Therapeutic Foster Care	56,226	56,226	-	-	-	-	-
Physicians	465,556,215	391,165,720	58,101	5,368,726	-	4,954,023	64,009,646
Dentists	124,561,308	124,495,894	-	54,272	-	11,143	-
Mid Level Practitioners	2,323,888	2,307,580	-	15,464	-	843	-
Other Practitioners	50,020,176	48,956,760	446,364	503,310	-	113,743	-
Home Health Care	19,954,191	19,933,360	-	11,554	-	9,278	-
Lab & Radiology	27,442,795	26,473,755	-	753,804	-	215,237	-
Medical Supplies	51,469,900	48,419,675	2,711,532	310,200	-	28,493	-
Clinic Services	220,012,536	210,391,221	-	1,492,138	-	178,328	7,950,850
Ambulatory Surgery Centers	7,132,343	6,965,734	-	160,044	-	6,565	-
Personal Care Services	11,011,825	-	-	-	-	-	11,011,825
Nursing Facilities	544,891,538	331,030,033	213,844,697	-	-	16,808	-
Transportation	66,789,014	64,207,473	2,351,338	108,300	-	121,903	-
IME/DME	41,426,209	-	-	-	-	-	41,426,209
ICF/IID Private	61,273,474	49,950,379	11,323,095	-	-	-	-
ICF/IID Public	12,746,293	-	-	-	-	-	12,746,293
CMS Payments	285,846,072	285,302,175	543,897	-	-	-	-
Prescription Drugs	625,736,946	610,416,820	-	12,793,937	-	2,526,189	-
Miscellaneous Medical Payments	139,861	134,571	-	-	-	5,290	-
Home and Community Based Waiver	195,114,818	-	-	-	-	-	195,114,818
Homeward Bound Waiver	75,678,260	-	-	-	-	-	75,678,260
Money Follows the Person	342,919	342,919	-	-	-	-	-
In-Home Support Waiver	23,730,201	-	-	-	-	-	23,730,201
ADvantage Waiver	160,919,260	-	-	-	-	-	160,919,260
Family Planning/Family Planning Waiver	4,461,376	-	-	-	-	-	4,461,376
Premium Assistance*	59,619,328	-	-	59,619,328	-	-	-
Telligen	11,300,327	11,300,327	-	-	-	-	-
Electronic Health Records Incentive Payments	10,086,604	10,086,604	-	-	-	-	-
<b>Total Medicaid Expenditures</b>	<b>\$ 5,259,932,055</b>	<b>\$ 3,205,399,360</b>	<b>\$ 231,807,315</b>	<b>\$ 89,155,823</b>	<b>\$ 487,096,331</b>	<b>\$ 12,472,114</b>	<b>\$ 1,234,079,289</b>

\* Includes \$59,192,618.81 paid out of Fund 245



**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures:**  
**Other State Agencies**  
**SFY 2018, For the Fiscal Year Ended June 30, 2018**

<b>REVENUE</b>	<b>FY18 Actual YTD</b>
Revenues from Other State Agencies	\$ 612,232,239
Federal Funds	751,274,112
<b>TOTAL REVENUES</b>	<b>\$ 1,363,506,352</b>
<b>EXPENDITURES</b>	<b>Actual YTD</b>
<b>Department of Human Services</b>	
Home and Community Based Waiver	\$ 195,114,818
Money Follows the Person	-
Homeward Bound Waiver	75,678,260
In-Home Support Waivers	23,730,201
ADvantage Waiver	160,919,260
Intermediate Care Facilities for Individuals with Intellectual Disabilities Public	12,746,293
Personal Care	11,011,825
Residential Behavioral Management	8,350,648
Targeted Case Management	59,052,050
<b>Total Department of Human Services</b>	<b>546,603,355</b>
<b>State Employees Physician Payment</b>	
Physician Payments	64,009,646
<b>Total State Employees Physician Payment</b>	<b>64,009,646</b>
<b>Education Payments</b>	
Indirect Medical Education	34,013,202
Direct Medical Education	7,413,007
<b>Total Education Payments</b>	<b>41,426,209</b>
<b>Office of Juvenile Affairs</b>	
Targeted Case Management	2,317,067
Residential Behavioral Management	5,336,926
<b>Total Office of Juvenile Affairs</b>	<b>7,653,992</b>
<b>Department of Mental Health</b>	
Case Management	5,909,731
Inpatient Psychiatric Free-standing	13,380,463
Outpatient	15,155,157
Health Homes	51,932,524
Psychiatric Residential Treatment Facility	53,404,644
Certified Community Behavioral Health Clinics	46,451,581
Rehabilitation Centers	240,938,173
<b>Total Department of Mental Health</b>	<b>427,172,271</b>
<b>State Department of Health</b>	
Children's First	997,340
Sooner Start	3,068,777
Early Intervention	4,417,897
Early and Periodic Screening, Diagnosis, and Treatment Clinic	1,591,630
Family Planning	211,466
Family Planning Waiver	4,206,744
Maternity Clinic	6,161
<b>Total Department of Health</b>	<b>14,500,015</b>
<b>County Health Departments</b>	
EPSDT Clinic	667,006
Family Planning Waiver	43,165
<b>Total County Health Departments</b>	<b>710,172</b>
<b>State Department of Education</b>	<b>120,657</b>
<b>Public Schools</b>	<b>439,815</b>
<b>Medicare DRG Limit</b>	<b>119,103,673</b>
<b>Native American Tribal Agreements</b>	<b>2,617,276</b>
<b>Department of Corrections</b>	<b>1,501,222</b>
<b>JD McCarty</b>	<b>8,220,987</b>
<b>Total OSA Medicaid Programs</b>	<b>\$ 1,234,079,289</b>
<b>OSA Non-Medicaid Programs</b>	<b>\$ 135,972,324</b>
<b>Accounts Receivable from OSA</b>	<b>\$ 6,545,262</b>

**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
Fund 205: Supplemental Hospital Offset Payment Program Fund  
SFY 2018, For the Fiscal Year Ended June 30, 2018

REVENUES	FY 18 Revenue
SHOPP Assessment Fee	\$ 230,140,273
Federal Draws	287,104,988
Interest	152,371
Penalties	48,023
State Appropriations	(30,200,000)
<b>TOTAL REVENUES</b>	<b>\$ 487,245,654</b>

EXPENDITURES	Quarter	Quarter	Quarter	Quarter	FY 18 Expenditures
	7/1/17 - 9/30/17	10/1/17 - 12/31/17	1/1/18 - 3/31/18	4/1/18 - 6/30/18	
<b>Program Costs:</b>					
Hospital - Inpatient Care	98,870,820	100,810,689	81,365,975	84,987,478	\$ 366,034,962
Hospital -Outpatient Care	25,537,046	26,042,806	24,474,682	25,649,937	101,704,472
Psychiatric Facilities-Inpatient	7,574,695	4,905,352	2,050,433	3,352,856	17,883,336
Rehabilitation Facilities-Inpatient	328,886	335,409	392,978	416,290	1,473,561
<b>Total OHCA Program Costs</b>	<b>132,311,447</b>	<b>132,094,256</b>	<b>108,284,068</b>	<b>114,406,560</b>	<b>\$ 487,096,331</b>
<b>Total Expenditures</b>					<b>\$ 487,096,331</b>

<b>CASH BALANCE</b>	<b>\$ 149,323</b>
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**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
**Fund 230: Nursing Facility Quality of Care Fund**  
**SFY 2018, For the Fiscal Year Ended June 30, 2018**

<b>REVENUES</b>	<b>Total Revenue</b>	<b>State Share</b>
Quality of Care Assessment	\$ 77,478,243	\$ 77,478,243
Interest Earned	39,950	39,950
<b>TOTAL REVENUES</b>	<b>\$ 77,518,193</b>	<b>\$ 77,518,193</b>

<b>EXPENDITURES</b>	<b>FY 18 Total \$ YTD</b>	<b>FY 18 State \$ YTD</b>	<b>Total State \$ Cost</b>
<b>Program Costs</b>			
Nursing Facility Rate Adjustment	\$ 210,189,014	\$ 86,366,666	
Eyeglasses and Dentures	268,963	110,517	
Personal Allowance Increase	3,386,720	1,391,603	
Coverage for Durable Medical Equipment and Supplies	2,711,532	1,114,168	
Coverage of Qualified Medicare Beneficiary	1,032,756	424,359	
Part D Phase-In	543,897	543,897	
ICF/IID Rate Adjustment	5,346,375	2,196,826	
Acute Services ICF/IID	5,976,720	2,455,834	
Non-emergency Transportation - Soonerride	2,351,338	966,165	
<b>Total Program Costs</b>	<b>\$ 231,807,315</b>	<b>\$ 95,570,035</b>	<b>\$ 95,570,035</b>
<b>Administration</b>			
OHCA Administration Costs	\$ 518,843	\$ 259,421	
DHS-Ombudsmen	241,540	\$ 120,770	
OSDH-Nursing Facility Inspectors	549,389	\$ 274,695	
Mike Fine, CPA	19,200	\$ 9,600	
<b>Total Administration Costs</b>	<b>\$ 1,328,972</b>	<b>\$ 664,486</b>	<b>\$ 664,486</b>
<b>Total Quality of Care Fee Costs</b>	<b>\$ 233,136,286</b>	<b>\$ 96,234,521</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 96,234,521</b>

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are transferred 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  
SFY 2018, For the Fiscal Year Ended June 30, 2018**

<b>REVENUES</b>	<b>FY 17 Carryover</b>	<b>FY 18 Revenue</b>	<b>Total Revenue</b>
Prior Year Balance	\$ 7,673,082	\$ -	\$ 4,811,312
State Appropriations	(3,000,000)	-	-
Tobacco Tax Collections	-	44,159,135	44,159,135
Interest Income	-	187,068	187,068
Federal Draws	307,956	36,696,138	36,696,138
<b>TOTAL REVENUES</b>	<b>\$ 4,981,038</b>	<b>\$ 81,042,340</b>	<b>\$ 85,853,652</b>

<b>EXPENDITURES</b>	<b>FY 17 Expenditures</b>	<b>FY 18 Expenditures</b>	<b>Total \$ YTD</b>
<b>Program Costs:</b>			
Employer Sponsored Insurance		\$ 59,192,619	\$ 59,192,619
College Students/ESI Dental		426,709	175,335
<b>Individual Plan</b>			
SoonerCare Choice		\$ 105,945	\$ 43,533
Inpatient Hospital		3,225,265	1,325,261
Outpatient Hospital		4,177,754	1,716,639
BH - Inpatient Services-DRG		341,774	140,435
BH -Psychiatrist		-	-
Physicians		5,369,995	2,206,531
Dentists		52,003	21,368
Mid Level Practitioner		15,209	6,249
Other Practitioners		497,849	204,566
Home Health		11,554	4,747
Lab and Radiology		738,252	303,348
Medical Supplies		305,644	125,589
Clinic Services		1,453,178	597,111
Ambulatory Surgery Center		160,044	65,762
Prescription Drugs		12,531,900	5,149,358
Transportation		107,564	44,198
Premiums Collected		-	(608,026)
<b>Total Individual Plan</b>		<b>\$ 29,093,930</b>	<b>\$ 11,346,670</b>
<b>College Students-Service Costs</b>		<b>\$ 442,564</b>	<b>\$ 181,850</b>
<b>Total OHCA Program Costs</b>		<b>\$ 89,155,823</b>	<b>\$ 70,896,474</b>
<b>Administrative Costs</b>			
Salaries	\$ 40,359	\$ 2,157,812	\$ 2,198,171
Operating Costs	25,578	171,143	196,721
Health Dept-Postponing	-	-	-
Contract - HP	103,788	1,267,899	1,371,687
<b>Total Administrative Costs</b>	<b>\$ 169,725</b>	<b>\$ 3,596,854</b>	<b>\$ 3,766,580</b>
<b>Total Expenditures</b>			<b>\$ 74,663,053</b>
<b>NET CASH BALANCE</b>	<b>\$ 4,811,312</b>		<b>\$ 11,190,599</b>

**OKLAHOMA HEALTH CARE AUTHORITY  
SUMMARY OF REVENUES & EXPENDITURES:**

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund  
SFY 2018, For the Fiscal Year Ended June 30, 2018**

<b>REVENUES</b>	<b>FY 18 Revenue</b>	<b>State Share</b>
Tobacco Tax Collections	\$ 881,220	\$ 881,220
<b>TOTAL REVENUES</b>	<b>\$ 881,220</b>	<b>\$ 881,220</b>

<b>EXPENDITURES</b>	<b>FY 18 Total \$ YTD</b>	<b>FY 18 State \$ YTD</b>	<b>Total State \$ Cost</b>
<b>Program Costs</b>			
SoonerCare Choice	\$ 11,021	\$ 3,170	
Inpatient Hospital	907,350	260,954	
Outpatient Hospital	3,287,725	945,550	
Inpatient Services-DRG	-	-	
Psychiatrist	-	-	
TFC-OHCA	-	-	
Nursing Facility	16,808	4,834	
Physicians	4,954,023	1,424,777	
Dentists	11,143	3,205	
Mid-level Practitioner	843	243	
Other Practitioners	113,743	32,712	
Home Health	9,278	2,668	
Lab & Radiology	215,237	61,902	
Medical Supplies	28,493	8,195	
Clinic Services	178,328	51,287	
Ambulatory Surgery Center	6,565	1,888	
Prescription Drugs	2,526,189	726,532	
Transportation	121,903	35,059	
Miscellaneous Medical	5,290	1,521	
<b>Total OHCA Program Costs</b>	<b>\$ 12,393,937</b>	<b>\$ 3,564,496</b>	
<b>OSA DMHSAS Rehab</b>	<b>\$ 78,177</b>	<b>\$ 22,484</b>	
<b>Total Medicaid Program Costs</b>	<b>\$ 12,472,114</b>	<b>\$ 3,586,980</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 3,586,980</b>

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

## MAC Meeting September 20, 2018 (July 2018 Data)

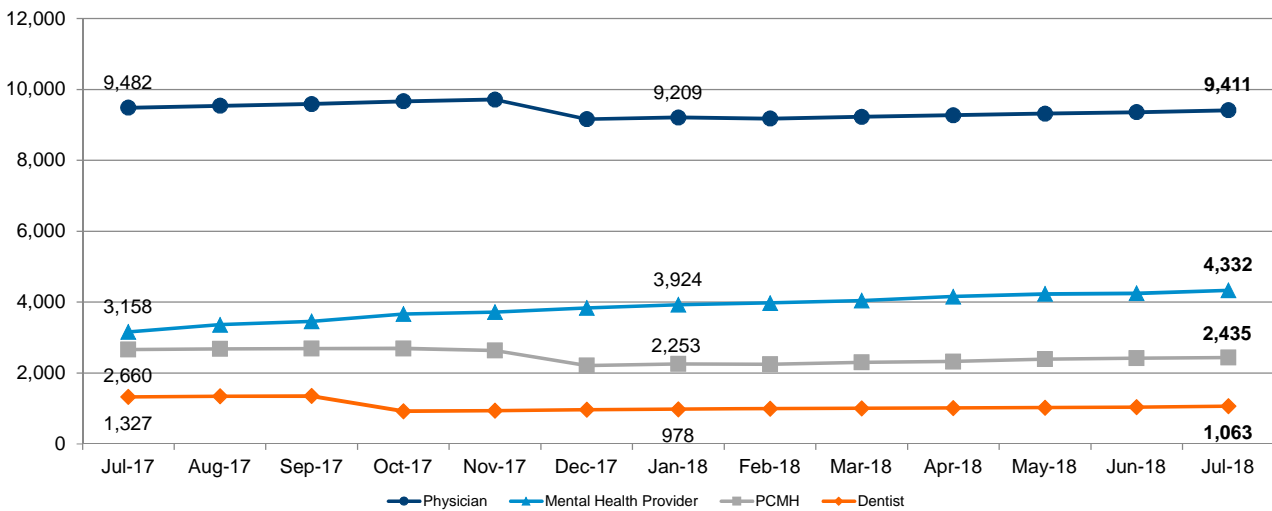
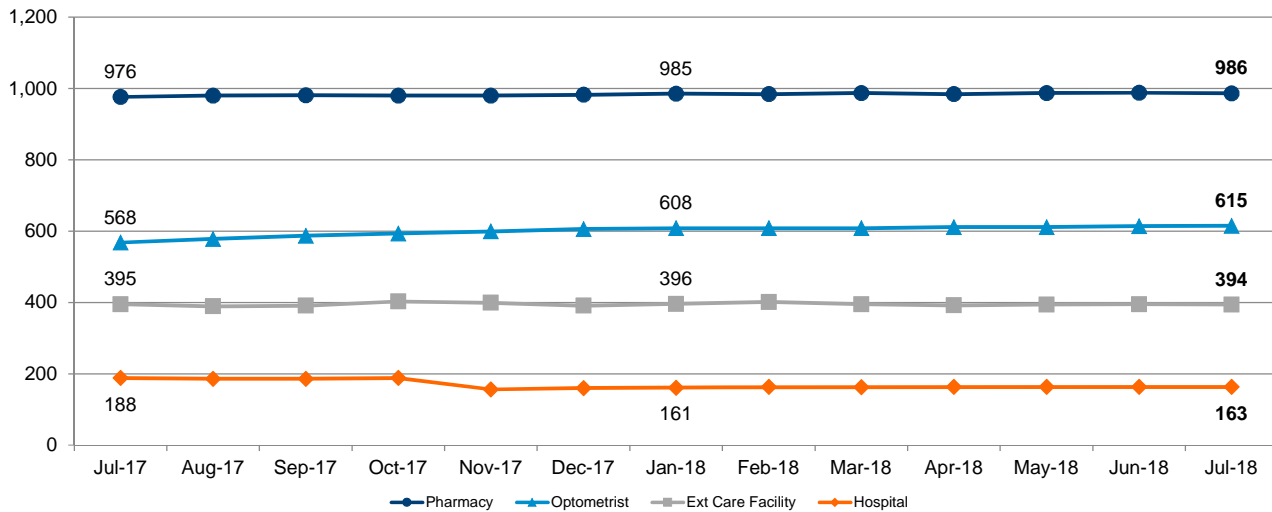
### SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System		Enrollment July 2018	Children July 2018	Adults July 2018	Enrollment Change	Total Expenditures July 2018	PMPM July 2018
<b>SoonerCare Choice Patient-Centered Medical Home</b>		<b>533,758</b>	<b>441,907</b>	<b>91,851</b>	<b>-347</b>	<b>\$140,118,384</b>	
Lower Cost	(Children/Parents; Other)	489,883	428,069	61,814	-259	\$99,260,835	\$203
Higher Cost	(Aged, Blind or Disabled; TEFRA; BCC)	43,875	13,838	30,037	-88	\$40,857,550	\$931
<b>SoonerCare Traditional</b>		<b>231,931</b>	<b>85,115</b>	<b>146,816</b>	<b>1,489</b>	<b>\$162,260,014</b>	
Lower Cost	(Children/Parents; Other; Q1; SLMB)	117,077	80,348	36,729	1,432	\$37,744,000	\$322
Higher Cost	(Aged, Blind or Disabled; LTC; TEFRA; BCC & HCBS Waiver)	114,854	4,767	110,087	57	\$124,516,014	\$1,084
<b>Insure Oklahoma</b>		<b>19,509</b>	<b>528</b>	<b>18,981</b>	<b>24</b>	<b>\$7,217,481</b>	
Employer-Sponsored Insurance		14,180	325	13,855	80	\$4,914,310	\$347
Individual Plan		5,329	203	5,126	-56	\$2,303,170	\$432
<b>SoonerPlan</b>		<b>29,888</b>	<b>2,542</b>	<b>27,346</b>	<b>249</b>	<b>\$262,875</b>	<b>\$9</b>
<b>TOTAL</b>		<b>815,086</b>	<b>530,092</b>	<b>284,994</b>	<b>1,415</b>	<b>\$309,858,754</b>	

Enrollment totals include all members enrolled during the report month. Members may not have expenditure data. Children are members aged 0 - 20 or for Insure Oklahoma enrolled as Students or Dependents. Dual Eligibles (Medicare & Medicaid) are in the Traditional delivery system in both the Low Cost (Q1 & SLMB) and High Cost (ABD) groups. OTHER includes DDSD, PKU, Q1, Refugee, SLMB, STBS and TB.

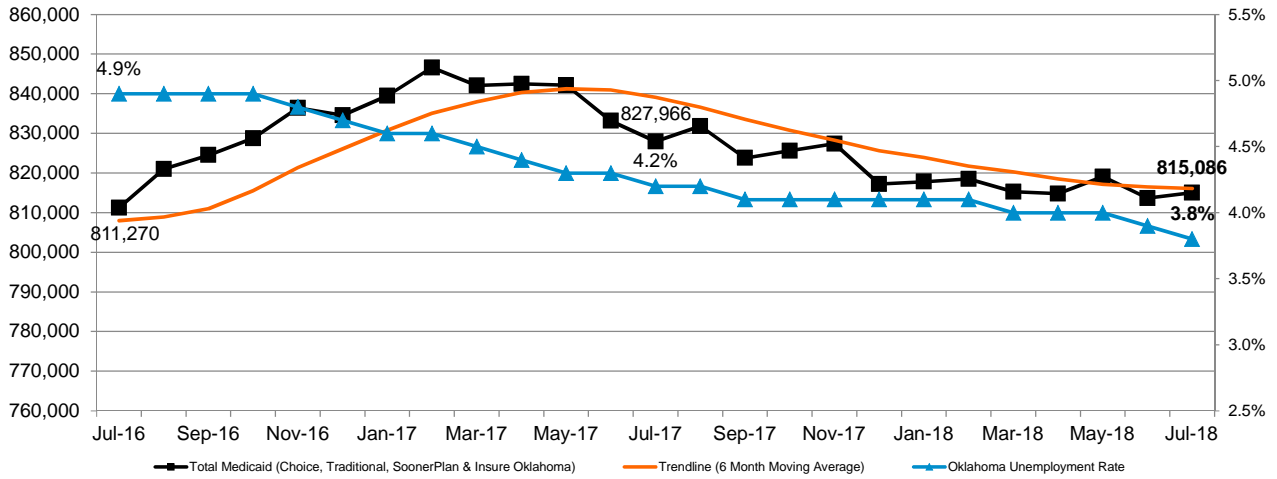
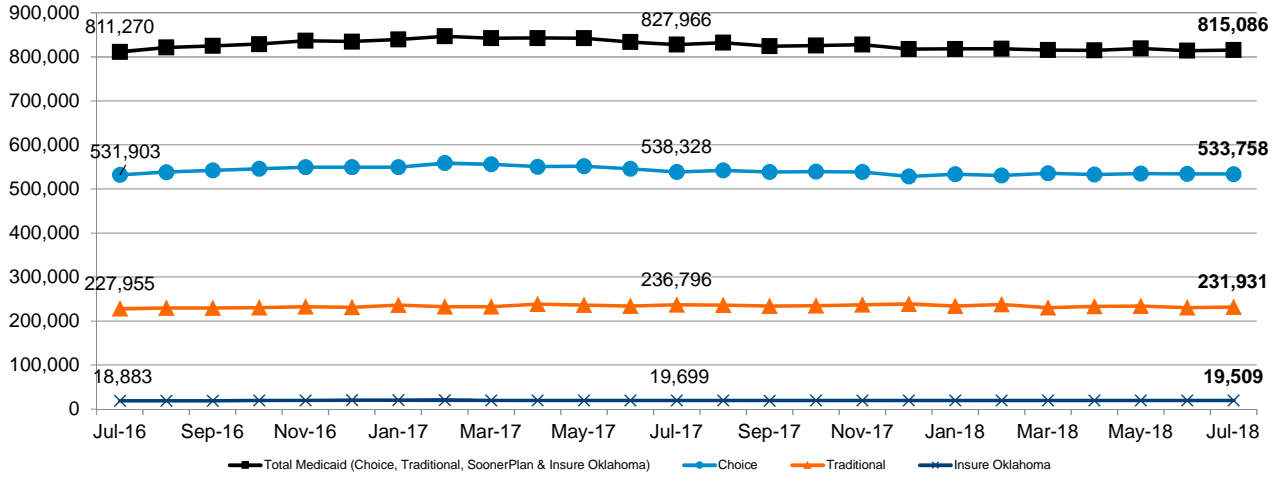
### IN-STATE CONTRACTED PROVIDERS

**Total In-State Providers: 31,932 (+266)** (In-State Providers counted multiple times due to multiple locations, programs, types, and specialties)



\*In general, decreases are due to contract renewal. Decrease during contract renewal period is typical during all renewal periods. Hospital decrease in November 2017 was due to psychiatric hospitals and residential treatment centers changing from provider type hospital to provider type inpatient psychiatric facility.

## ENROLLMENT BY MONTH



Oklahoma Unemployment Rate is from the Bureau of Labor Statistics 'Local Area Unemployment Statistics' (<https://www.bls.gov/lau/>) and is seasonally adjusted. Data was extracted on August 22, 2018. In June 2017 there were changes to the passive renewal system criteria that reduced the number of passively renewed members by 2/3rds.

# IT TAKES A COMMUNITY

*An Update on the Proposed Work/Community Engagement Requirements for SoonerCare Members*

To best serve our members, the Oklahoma Health Care Authority needs community input and feedback on this proposed waiver

## Background

In March 2017, the federal government granted states flexibility in their work requirements for Medicaid members. In October 2017, Gov. Mary Fallin formed a workgroup on work requirements. She then signed an executive order in March 2018 directing the Oklahoma Health Care Authority (OHCA) to apply for a waiver that would allow the state to carry out work requirements. She also signed HB 2932, directing the agency to apply for the waiver so that gaining SoonerCare coverage is dependent upon documentation of certain education, skills training, work or job activities.

## What counts as work or community engagement?

OHCA is still working to define what will count as work or community engagement so members easily understand how to maintain eligibility and to streamline reporting requirements for member and employers.

## Who is exempt from the proposed changes?

Members who are:

- Enrolled in Insure Oklahoma
- Under age 19 and over 50
- A pregnant or postpartum woman
- Certified mentally or physically unable to work
- A parent or caretaker of a child less than age 6
- A parent or caretaker for an incapacitated person
- A person with a disability under the Americans with Disabilities Act (ADA)

## OHCA is also proposing these additional exemptions:

- American Indians and Alaska Natives
- Oklahoma foster care parents
- Members that were formerly in foster care
- Members enrolled in Oklahoma Cares, the OHCA Breast and Cervical Cancer Program

## What is the timeline?

- > The public comment period closes September 30, 2018
- > OHCA submits the plan to the federal government in October
- > November and December are a negotiating period between the federal government and OHCA
- > The application moves to Centers for Medicare & Medicaid Services (CMS) for consideration
- > Implementation efforts can begin upon CMS approval

## Who will be impacted?

- Non-exempted individuals between ages 19 and 50
- Parents/Caretakers of children ages 6 or older

Or members who are:

- In compliance with Temporary Assistance for Needy Families (TANF) work registration requirements
  - In substance abuse treatment
  - A student enrolled at least part time
  - Employed and working at least 30 hours per week
  - Self-employed and working at least 30 hours per week
- Please note, the 30 hour work requirement is to maintain TANF eligibility and different from the proposed changes*

- Those enrolled in SoonerPlan, the OHCA family planning program
- Those released from incarceration in the last six months

## Questions and comments can be emailed to:

[OHCACommunityEngagement@OKHCA.org](mailto:OHCACommunityEngagement@OKHCA.org)

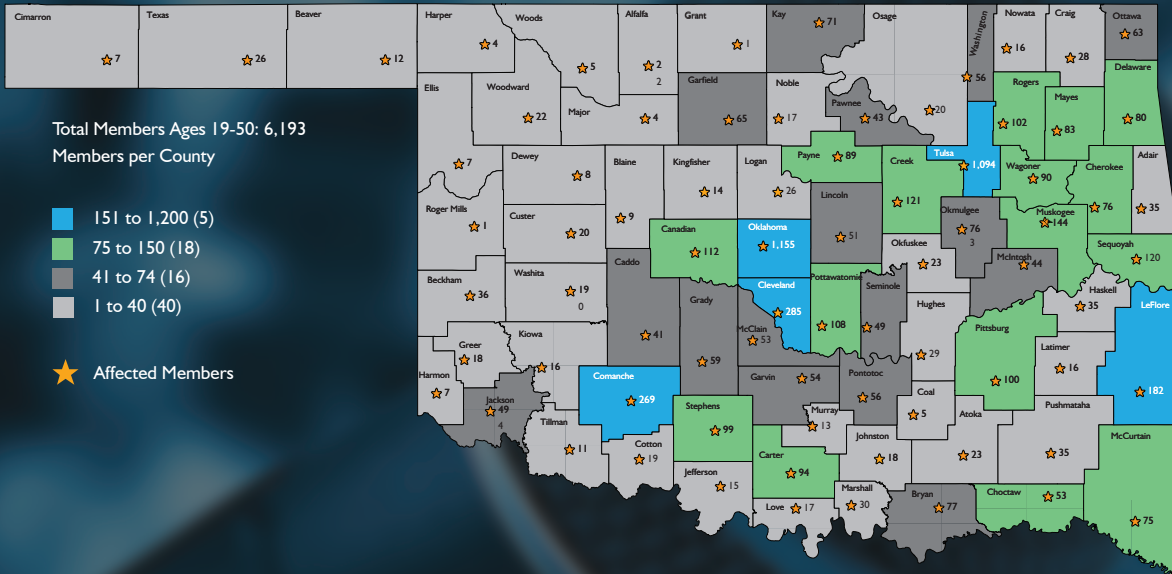
Find more information at [www.okhca.org](http://www.okhca.org)

Oklahoma  
**HealthCare**  
Authority



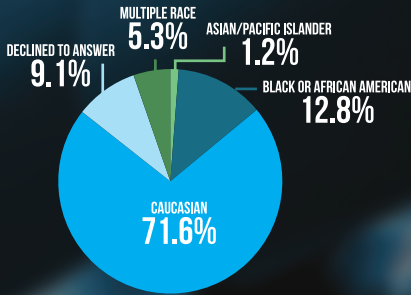
# Who are they?

Learn about the SoonerCare members potentially impacted by the proposed community engagement requirements.

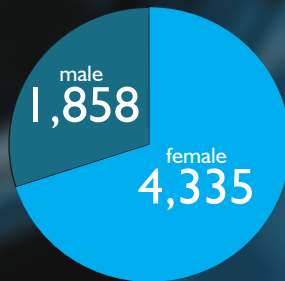


## By the numbers

### Race



### Gender



### Number of Parent/Caretakers Per Household\*

Total Single Parent/Caretakers: **4,003/ 79.7%**

Total Multiple Parent/Caretakers: **1,017/ 20.3%**

\*Excludes 19 year-olds (1,173 out of 6,193)

## Affected members' income levels

The average household has three members and an annual income of

**\$9,348**

A family of **three** at 45% of the federal poverty level (FPL) earns no more than

**\$779/month or \$9,348 annually**

A family of **four** at 45% of FPL earns no more than

**\$941/month or \$11,292 annually**

A family of **three** at **20% of FPL** earns \$340/mo., or \$4,085 annually.  
A family of **four** at **20% of FPL** earns \$410/mo., or \$4,920 annually.

Number of enrolled adults in household based on case number. Case number is used to group members of same family living in same household. Members are non-pregnant. Excludes Insure Oklahoma, SoonerPlan, Oklahoma Cares, Native Americans and foster care (former and current).

## Health Management Program 1115(a) Waiver Amendment Request

The OHCA Health Management Program (HMP) started in 2008 through the SoonerCare and Insure Oklahoma 1115 (a) demonstration waiver. Over the past 10 years ad hoc amendments have been made to the waiver and various trends have emerged in the delivery of health care. This project will request an update in the waiver approval language to better reflect current HMP activities and allow greater flexibility for future managed care and care coordination efforts.

OHCA will submit a waiver amendment to ask the Centers for Medicare and Medicaid Services to revise the waiver Special Terms and Conditions (STCs) supporting the HMP to reflect current interventions and allow vehicles to address emerging trends.

**September MAC  
Proposed Rule Amendment Summary**

A face-to-face tribal consultation regarding the following proposed change was held on Wednesday, May 16, 2018, in the Charles Ed McFall Boardroom of the Oklahoma Health Care Authority (OHCA).

APA work folder 18-01 will be posted on the OHCA public website for a comment period through September 24, 2018.

**18-01 Laboratory (Lab) Services Policy Update** — The proposed revisions to the lab services policy strengthen the language delineating medical necessity and compensable and non-compensable lab services. Additional revisions add language to define penalties that can be enforced if a provider does not abide by the rules regarding medical necessity of lab services. Further revisions clarify that OHCA does not pay for all lab services listed in the Centers for Medicare & Medicaid Services (CMS) fee schedule, but only those that are medically necessary in addition to the four other conditions required for payment.

**Budget Impact:** Agency staff has determined that the proposed rule changes will result in a budget savings by decreasing reimbursement of medically unnecessary lab tests. Between 2014 and 2017, despite a decrease in member enrollment of 1.8 percent, there has been a 9.8 percent increase in members receiving laboratory tests and an increase of approximately \$502,384 in reimbursement for laboratory testing.

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY  
CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE

SUBCHAPTER 5. INDIVIDUAL PROVIDERS AND SPECIALTIES

PART 1. PHYSICIANS

**317:30-5-20. Laboratory services**

This Section covers the guidelines for payment of laboratory services by a provider in his/her office, a certified laboratory and for a pathologist's interpretation of laboratory procedures.

(1) **Compensable services.** Providers may be reimbursed for compensable clinical diagnostic laboratory services only when they personally perform or supervise the performance of the test. If a provider refers specimen to a certified laboratory or a hospital laboratory serving outpatients, the certified laboratory or the hospital must bill for performing the test.

(A) Reimbursement for lab services is made in accordance with the Clinical Laboratory Improvement Amendment of 1988 (CLIA). These regulations provide that payment may be made only for services furnished by a laboratory that meets CLIA conditions, including those furnished in physicians' offices. Eligible providers must be certified under the CLIA program and have obtained a CLIA ID number from CMSCenters for Medicare and Medicaid Services and have a current contract on file with the OHCAOklahoma Health Care Authority (OHCA). Providers performing laboratory services must have the appropriate CLIA certification specific to the level of testing performed.

(B) Only medically necessary laboratory services are compensable.

(i) Testing must be medically indicated as evidenced by patient-specific indications in the medical record.

(ii) Testing is only compensable if the results will affect patient care and are performed to diagnose conditions and illnesses with specific symptoms.

(iii) Testing is only compensable if the services are performed in furtherance of the diagnosis and/or treatment of conditions that are covered under SoonerCare.

(C) Laboratory testing must be ordered by the physician or non-physician provider, and must be individualized to the patient and the patient's medical history or assessment indicators as evidenced in the medical documentation.

(2) **Non-compensable laboratory services.**

(A) Laboratory testing for routine diagnostic or screening tests performed without apparent relationship to treatment

or diagnosis of a specific illness, symptom, complaint or injury is not covered.

(B) Non-specific, blanket panel or standing orders for laboratory testing, custom panels particular to the ordering provider, or lab panels which have no impact on the patient's plan of care are not covered.

(C) Split billing, or dividing the billed services for the same patient for the same date of service by the same re-rendering laboratory into two or more claims is not allowed.

~~(A)~~(D) Separate payment is not made for blood specimens obtained by venipuncture or urine specimens collected by a laboratory. These services are considered part of the laboratory analysis.

~~(B)~~(E) Claims for inpatient full service laboratory procedures are not covered since this is considered a part of the hospital rate.

~~(C)~~(F) Billing multiple units of nucleic acid detection for individual infectious organisms when testing for more than one infectious organism in a specimen is not permissible. Instead, OHCA considers it appropriate to bill a single unit of a procedure code indicated for multiple organism testing.

~~(D)~~(G) Billing multiple Current Procedural Terminology (CPT) codes or units for molecular pathology tests that examine multiple genes or incorporate multiple types of genetic analysis in a single run or report is not permissible. Instead, OHCA considers it appropriate to bill a single CPT code for such test. If an appropriate code does not exist, then one unit for an unlisted molecular pathology procedure may be billed.

**(3) Covered services by a pathologist.**

(A) A pathologist may be paid for the interpretation of inpatient surgical pathology specimen when the appropriate CPT procedure code and modifier is used.

(B) Full service or interpretation of surgical pathology for outpatient surgery performed in an outpatient hospital or ~~Ambulatory Surgery Center~~ ambulatory surgery center setting.

**(4) Non-compensable services by a pathologist.** The following are non-compensable pathologist services:

(A) Experimental or investigational procedures.

(B) Interpretation of clinical laboratory procedures.

**(5) Penalties.** The OHCA reserves the right to take such action as it may deem appropriate against any provider as a result of medically unnecessary laboratory testing, including, without limitation, recoupment and possible termination of the provider's underlying provider agreement with OHCA. In addition, appropriate cases may be referred for further

investigation and possible action by the Office of the Attorney General's Medicaid Fraud Control Unit.

### PART 3. HOSPITALS

#### 317:30-5-40.1. General information

(a) This Chapter applies to coverage in an inpatient and/or outpatient setting. Coverage is the same for adults and children unless otherwise indicated.

(b) **Professional Services.** Payment is made to a participating hospital group or corporation for hospital based physician's services. The hospital must have a Hospital Group Physician's Contract with OHCA for this method of billing.

(c) **Prior Authorization.** OHCA requires prior authorization for certain procedures to validate the medical need for the service.

(d) **Medical necessity.** Medical necessity requirements are listed at OAC 317:30-3-1(f) and 317:30-5-20.

#### 317:30-5-42.10. Laboratory

~~Payment is made for all laboratory tests listed in the Clinical Diagnostic Laboratory fee schedule from CMS. To be eligible for payment as a laboratory/pathology service, the service must be:~~

- ~~(1) Ordered and provided by or under the direction of a physician or other licensed practitioner within the scope of practice as defined by state law;~~
- ~~(2) Provided in a hospital or independent laboratory;~~
- ~~(3) Directly related to the diagnosis and treatment of a medical condition; ~~and~~~~
- ~~(4) Authorized under the laboratory's CLIA certification; and~~
- ~~(5) Considered medically necessary as defined in OAC 317:30-3-1(f) and 317:30-5-20.~~