

OKLAHOMA HEALTH CARE AUTHORITY
REGULARLY SCHEDULED BOARD MEETING
January 13, 2011 at 1:00 P.M.
Oklahoma Health Care Authority
2401 NW 23rd, Suite 1-A
Ponca Conference Room
Oklahoma City, Oklahoma

A G E N D A

Items to be presented by Lyle Roggow, Chairman

1. Call To Order/Determination of Quorum
2. Action Item - Approval of December 9, 2010 OHCA Board Minutes

Item to be presented by Mike Fogarty, Chief Executive Officer

3. Discussion Item - Presentation of All Star Employee Annual Director's Award - Vickie Kersey; Supervisor Carrie Evans

Item to be presented by Mike Fogarty, Chief Executive Officer

4. Discussion Item - Chief Executive Officer's Report
 - a) Financial Update - Carrie Evans, Chief Financial Officer
 - b) Medicaid Director's Update - Garth Splinter, M.D.
 1. Cesarean Section Surgical Procedure Quality Initiative Update - Sylvia Lopez, M.D.
 - c) Legislative Update - Nico Gomez, Deputy Chief Executive Officer

Item to be presented by Kelly Shropshire, Director of Program Integrity and Accountability

5. Discussion Item - Program Integrity Update

Item to be presented by Terrie Fritz, External Relations Coordinator

6. Discussion Item - Advisory Groups and Task Forces Update

Item to be presented by Chairman Roggow

7. Discussion Item - Reports to the Board by Board Committees
 - a) Audit/Finance Committee - Member Miller
 - b) Legislative Committee - Member McFall

Item to be presented by Howard Pallotta, Director of Legal Services

8. Announcement of Conflicts of Interest Panel Recommendations for all action items regarding this board meeting.

Item to be presented by Nancy Nesser, PharmD. JD, Pharmacy Director

9. Action Item - Consideration and Vote Regarding Recommendations Made by the Drug Utilization Review Board Under 63 Oklahoma Statutes § 5030.3.
 - a) Consideration and vote to add **Suboxone®(buprenorphine/naloxone)** and **Subutex ® (buprenorphine)** to the utilization and scope prior authorization program under Oklahoma Administrative Code 317:30-5-77.2(e).
 - b) Consideration and vote to add **Metozolv® (metoclopramide)** to the utilization and scope prior authorization program under Oklahoma Administrative Code 317:30-5-77.2(e).
 - c) Consideration and vote to add medications used to treat **Alzheimer's Disease** to the utilization and scope prior authorization program under Oklahoma Administrative Code 317:30-5-77.2(e).

Item to be presented by Chairman Roggow

10. Discussion Item - Proposed Executive Session as Recommended by the Director of Legal Services and Authorized by the Open Meetings Act, 25 Okla. Stat. § 307(B)(1),(4)and(7)

A. Status of Pending Suits

Status of pending suits and claims

1. Assoc. for Direct Care Trainers v. OHCA CJ-08-4237(Okla. County)
2. Morris v. OKDHS No. 10-6241 (10th Circuit)
3. Harper v. OHCA 5:10 cv 00514-R(Western District)
4. Gohl v. Jones 108,993 (Supreme Ct. Okla.)
5. OHCA v. Merck 5:09 cv 01018-R (Western District)
6. State of Oklahoma (Edmondson) v. Abbott Labs CJ-10-474 (Pott. County)
7. U.S. v. Wyeth 03-12366-DPW and 06-11724-DPW (District of Massachusetts)

11. New Business

12. **ADJOURNMENT**

NEXT BOARD MEETING
February 10, 2011
Oklahoma Health Care Authority
Oklahoma City, OK

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
December 9, 2010
Held at College of Osteopathic Medicine
Tulsa, OK

Manner and Time of Notice of Meeting: A public notice was placed on the front door of the Oklahoma Health Care Authority on December 7, 2010.

Pursuant to a roll call of the members, a quorum was declared to be present, and Chairman Roggow called the meeting to order at 1:05PM.

BOARD MEMBERS PRESENT:

Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

BOARD MEMBERS ABSENT:

Member McVay

OTHERS PRESENT:

Tom Dunning, OKDHS
Will Widman, HPES

OTHERS PRESENT:

Charles Brodt, HPES
Judy Gofourth Parker, Chickasaw Nation

Chairman Roggow recognized Dr. Jim Hess, Vice President for Health Care Administration, College of Osteopathic Medicine. Dr. Hess noted that the new biomedical research center has opened and welcomed everyone on behalf of the OSU Board of Regents, President Hargis/OSU and President Barnett/OSU/Tulsa. Dr. Hess expressed his gratitude and appreciation for the relationship with OHCA. He stated that the College of Osteopathic Medicine's mission is dependent upon this partnership and that the attitude, creativity, innovation of staff, and easy working relationship is something not to be taken for granted. Dr. Hess then acknowledged Mike Fogarty's help with the teaching mission along with the board's leadership and vision which has established stability for the teaching program that would otherwise not be in existence. On behalf of all the future physicians and the teaching hospitals, he thanked Mr. Fogarty and OHCA for the dedication shown to the patients of Oklahoma

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARLY SCHEDULED BOARD MEETING HELD NOVEMBER 18, 2010

The Board routinely reviews and approves a synopsis of all its meetings. The full-length recordings of the meetings of the Board are retained at the Board Offices and may be reviewed upon written request.

MOTION:

Member McFall moved for approval of the November 18, 2010 board minutes as published. Member Miller seconded.

FOR THE MOTION:

Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

BOARD MEMBER ABSENT:

Member McVay

Mr. Fogarty stated he attended a meeting held in New Orleans last month funded by the Milbank Memorial Fund. This meeting was attended by about 40 people representing about 15 different states. Mr. Fogarty noted that Commissioner Terry Cline of the Oklahoma State Health Department was also in attendance. I think Oklahoma was invited primarily to share program developments which puts us in good standing in terms of what is about to occur assuming health reform does take place. The exchanges, and the online electronic enrollment system in Oklahoma, is now viewed broadly as a framework that can easily be expanded to perform the primary functions of the exchange, and go beyond eligibility or certification of programs administered. Mr. Fogarty noted there were several other innovative states in attendance such as, Vermont, West Virginia, Utah, and South Carolina. He said that purchasers are looking for ways to keep people plugged into a primary care delivery system, and not emergency rooms for care.

FINANCIAL UPDATE

Carrie Evans, Chief Financial Officer

Ms. Evans stated that expenditures for OHCA, accounting for encumbrances, were **\$1,073,131,372** or **2.8% under** budget. The state dollar budget variance through October is **\$14,676,824 positive**. The budget variance is primarily attributable to the following (in millions):

Expenditures:	
Medicaid Program Variance	8.9
Administration	1.3
Revenues:	
Taxes and Fees	1.5
Drug Rebate	2.0
Overpayments/Settlements	1.0
Total FY 10 Variance	\$ 14.7

MEDICAID DIRECTOR'S UPDATE

Paul Keenan, MD

Dr. Keenan presented the SoonerCare Programs October 2010 Data with a total monthly enrollment number of 758,836 members. He also discussed the SoonerCare Contracted Provider Information and the Opportunities for Living Life enrollment.

PRESENTATION OF THE OKLAHOMA ELECTRONIC HEALTH RECORDS INCENTIVE PROGRAM UPDATE

Adolph Maren, Senior Planning Coordinator

Mr. Maren presented the Development and Implementation Timeline(Phase1); the HIT oversight workgroup organizational structure; the EHR Incentive Eligibility; the Registration and Attestation Process; Eligible Professional Payments; Eligible Hospital Payments ; Monitoring/Oversight/Audit; and Common Acronyms. The incentives for implementing this program are at 90/10% match. For details, see handout.

POLICY MAKING PROCESS

Cindy Roberts, Deputy CEO

Ms. Roberts stated that in the months of February and March this board will hear a lot of permanent rules. Ms. Roberts stated that before a rule gets through the permanent rulemaking process, the agency has to post a notice of rulemaking intent which is published in the Oklahoma Register. This notice has the content of the rule, the budget impact, and makes the public aware of what the board will be voting upon. There also has to be a public hearing which is held at the agency where we go through again all of the rules, the budget impact, and invite public comment. We also can take rules to the Medical Advisory Committee and the Public Rates and Standards hearing anytime during the year, and have the rule in waiting for the permanent rulemaking process. If the board votes to pass the rule, then the rule goes to the Governor's Office and to our legislative body within 10 days. Also, OHCA makes it a practice to get the rules to the Governor's Office the same day or by the next day. The governor then has 45 days to consider the rule and has to make an affirmative action in order to approve the rule. If the governor does not sign the rule, the rule dies. The governor can actually disapprove the rule or do nothing in which the rule dies. If our legislators take no action then they are showing approval of that rule. The legislators can by the adoption of a joint resolution disapprove any rule. Once a rule gets through all of these processes, the final adoption is submitted for publication in the Oklahoma Register and then the Office of Administrative Rule is updated and the rule change is good. She noted that it actually takes 90 days from start to finish. Ms. Roberts noted the first public hearing will be held January 19, 2011 on the first set of permanent rules.

ITEM 4/REPORTS TO THE BOARD BY BOARD COMMITTEES

Chairman Roggow

Audit/Finance Committee

Member Miller

Member Miller stated it was not necessary for the Audit/Finance Committee to meet.

ITEM 5 - ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FOR ALL ACTION ITEMS REGARDING THIS BOARD MEETING

Howard Pallotta, General Counsel

Mr. Pallotta stated that the Conflicts of Interest Panel met and found there were no conflicts regarding Items 6.b-1 and 6.b-2 of the board agenda.

ITEM 6.a) CONSIDERATION AND VOTE UPON A DECLARATION OF A COMPELLING PUBLIC INTEREST FOR THE PROMULGATION OF ALL EMERGENCY RULES IN ACCORDANCE WITH 75 OKLA. STAT. § 253

Cindy Roberts, Deputy Chief Executive Officer

MOTION: Member McFall moved for declaration of emergency as published. Member Langenkamp seconded.

FOR THE MOTION: Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, Member McFall and Chairman Roggow

BOARD MEMBER ABSENT: Member McVay

ITEM 6.b) CONSIDERATION AND VOTE UPON PROMULGATION OF EMERGENCY RULES AS FOLLOWS:

Cindy Roberts, Deputy Chief Executive Officer

Ms. Roberts presented Rules 6.b-1 and 6.b-2 as published on agenda.

MOTION: Member Miller moved for approval of 6.b-1 and 6.b-2 as published. Vice Chairman Armstrong seconded.

FOR THE MOTION: Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, Member McFall and Chairman Roggow

BOARD MEMBER ABSENT: Member McVay

ITEM 7- DISCUSSION ITEM - PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE DIRECTOR OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLA. STATE. §307(B) (1), (4) & (7)

Howard Pallotta, General Counsel

MOTION: Vice Chairman Armstrong moved for executive session. Member McFall seconded.

FOR THE MOTION: Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, Member McFall and Chairman Roggow

BOARD MEMBER ABSENT: Member McVay

NEW BUSINESS:

None

ADJOURNMENT

MOTION:

Member Langenkamp moved for adjournment Member Bryant seconded.

FOR THE MOTION:

Vice Chairman Armstrong, Member Bryant, Member Miller, Member Langenkamp, and Member McFall and Chairman Roggow

BOARD MEMBER ABSENT:

Member McVay

DRAFT



FINANCIAL REPORT

For the Five Months Ended November 30, 2010
Submitted to the CEO & Board
January 13, 2011

- Revenues for OHCA through November, accounting for receivables, were **\$1,559,642,364** or **(1.8%) under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$1,337,227,397** or **2.8% under** budget.
- The state dollar budget variance through November is **\$10,015,060 positive**.
- The prior year carryover was reduced by **\$10,000,000** due to the Office of State Finance redistribution of State Fiscal Stabilization Funds.
- The budget variance is primarily attributable to the following (in millions):

Expenditures:	
Medicaid Program Variance	10.7
Administration	2.5
Revenues:	
Prior Year-Reduction	(10.0)
Taxes and Fees	1.6
Drug Rebate	2.4
Overpayments/Settlements	2.8
Total FY 11 Variance	\$ 10.0

ATTACHMENTS

Summary of Revenue and Expenditures: OHCA	1
Medicaid Program Expenditures by Source of Funds	2
Other State Agencies Medicaid Payments	3
Fund 230: Quality of Care Fund Summary	4
Fund 245: Health Employee and Economy Act Revolving Fund	5
Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund	6
Fund 255: OHCA Medicaid Program Fund	7

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures: OHCA
Fiscal Year 2011, for the Five Months Ended November 30, 2010

REVENUES	FY11 Budget YTD	FY11 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 417,941,803	\$ 417,941,803	\$ -	0.0%
Federal Funds	825,911,147	791,864,467	(34,046,680)	(4.1)%
Tobacco Tax Collections	23,075,360	23,801,704	726,344	3.1%
Quality of Care Collections	21,021,595	21,904,691	883,096	4.2%
Prior Year Carryover	45,663,786	35,663,786	(10,000,000)	(21.9)%
HEEIA Fund Transfer	30,000,000	30,000,000	-	0.0%
Federal Deferral - Interest	51,537	51,537	-	0.0%
Drug Rebates	64,072,308	70,802,643	6,730,335	10.5%
Medical Refunds	19,263,456	27,151,877	7,888,421	41.0%
Other Revenues	5,641,679	5,394,352	(247,327)	(4.4)%
Stimulus Funds Drawn	135,065,504	135,065,504	-	0.0%
TOTAL REVENUES	\$ 1,587,708,174	\$ 1,559,642,364	\$ (28,065,811)	(1.8)%

EXPENDITURES	FY11 Budget YTD	FY11 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	\$ 18,430,603	\$ 15,007,348	\$ 3,423,255	18.6%
ADMINISTRATION - CONTRACTS	\$ 49,441,192	\$ 46,349,830	\$ 3,091,362	6.3%
MEDICAID PROGRAMS				
<u>Managed Care:</u>				
SoonerCare Choice	13,101,370	11,478,320	1,623,049	12.4%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	358,976,845	352,702,589	6,274,256	1.7%
Behavioral Health	113,619,994	114,126,421	(506,428)	(0.4)%
Physicians	174,158,458	164,515,105	9,643,353	5.5%
Dentists	65,416,032	62,087,271	3,328,761	5.1%
Other Practitioners	22,381,557	24,545,417	(2,163,860)	(9.7)%
Home Health Care	8,617,490	9,004,458	(386,968)	(4.5)%
Lab & Radiology	19,466,685	18,944,165	522,520	2.7%
Medical Supplies	20,615,029	18,884,916	1,730,113	8.4%
Ambulatory Clinics	36,820,227	32,982,432	3,837,795	10.4%
Prescription Drugs	145,718,941	134,911,982	10,806,959	7.4%
Miscellaneous Medical Payments	12,126,381	12,731,388	(605,007)	(5.0)%
OHCA DRG	-	213,135	(213,135)	0.0%
<u>Other Payments:</u>				
Nursing Facilities	200,227,399	201,560,057	(1,332,658)	(0.7)%
ICF-MR Private	22,647,727	23,108,570	(460,843)	(2.0)%
Medicare Buy-In	55,242,651	55,933,494	(690,843)	(1.3)%
Transportation	11,268,620	11,263,195	5,426	0.0%
Part D Phase-In Contribution	26,941,685	26,877,304	64,381	0.2%
Total OHCA Medical Programs	1,307,347,091	1,275,870,219	31,476,872	2.4%
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	\$ 1,375,308,268	\$ 1,337,227,397	\$ 38,080,871	2.8%

REVENUES OVER/(UNDER) EXPENDITURES	\$ 212,399,906	\$ 222,414,966	\$ 10,015,060	
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OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
Fiscal Year 2011, for the Five Months Ended November 30, 2010

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 11,654,541	\$ 11,468,434	\$ -	\$ 176,221	\$ -	\$ 9,887	\$ -
Inpatient Acute Care	285,317,144	239,098,582	202,786	5,068,559	20,393,817	1,666,650	18,886,750
Outpatient Acute Care	95,437,833	89,174,872	17,335	3,883,943	-	2,361,682	-
Behavioral Health - Inpatient	48,437,151	47,455,689	-	1,792	-	4,958	974,712
Behavioral Health - Outpatient	3,762,857	3,724,156	-	-	-	-	38,701
Behavioral Health Facility- Rehab	86,256,191	62,879,451	-	147,040	-	61,949	23,167,751
Behavioral Health - Case Management	218	149	-	-	-	69	-
Residential Behavioral Management	9,064,363	-	-	-	-	-	9,064,363
Targeted Case Management	28,970,879	-	-	-	-	-	28,970,879
Therapeutic Foster Care	-	-	-	-	-	-	-
Physicians	184,635,618	135,767,578	24,209	5,452,333	24,379,719	4,343,600	14,668,180
Dentists	62,094,781	58,866,664	-	7,510	3,163,701	56,907	-
Other Practitioners	24,750,837	23,949,447	185,985	205,421	383,842	26,142	-
Home Health Care	9,004,458	8,980,994	-	-	-	23,464	-
Lab & Radiology	20,176,784	18,320,022	-	1,232,619	-	624,143	-
Medical Supplies	19,129,239	17,707,174	1,132,431	244,323	-	45,311	-
Ambulatory Clinics	37,231,552	32,685,206	-	698,986	-	297,226	3,550,134
Personal Care Services	5,283,849	-	-	-	-	-	5,283,849
Nursing Facilities	201,560,057	128,966,388	55,994,660	-	16,569,114	29,894	-
Transportation	11,263,195	10,232,549	1,001,551	-	24,944	4,150	-
GME/IME/DME	49,207,777	-	-	-	-	-	49,207,777
ICF/MR Private	23,108,570	18,951,370	3,807,344	-	349,856	-	-
ICF/MR Public	38,406,472	-	-	-	-	-	38,406,472
CMS Payments	82,810,797	81,694,319	1,116,478	-	-	-	-
Prescription Drugs	141,235,682	115,956,233	-	6,323,700	17,888,346	1,067,402	-
Miscellaneous Medical Payments	12,731,398	12,095,417	-	10	577,532	58,439	-
Home and Community Based Waiver	62,868,000	-	-	-	-	-	62,868,000
Homeward Bound Waiver	35,611,151	-	-	-	-	-	35,611,151
Money Follows the Person	1,941,316	-	-	-	-	-	1,941,316
In-Home Support Waiver	9,884,747	-	-	-	-	-	9,884,747
ADvantage Waiver	76,164,271	-	-	-	-	-	76,164,271
Family Planning/Family Planning Waiver	3,151,688	-	-	-	-	-	3,151,688
Premium Assistance*	21,501,164	-	-	21,501,164	-	-	-
Total Medicaid Expenditures	\$ 1,702,654,580	\$ 1,117,974,695	\$ 63,482,779	\$ 44,943,620	\$ 83,730,871	\$ 10,681,873	\$ 381,840,741

* Includes \$21,410,143.34 paid out of Fund 245

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures:
Other State Agencies
Fiscal Year 2011, for the Five Months Ended November 30, 2010

	FY11
REVENUE	Actual YTD
Revenues from Other State Agencies	\$ 141,361,910
Federal Funds	247,935,780
TOTAL REVENUES	\$ 389,297,689
EXPENDITURES	Actual YTD
Department of Human Services	
Home and Community Based Waiver	\$ 62,868,000
Money Follows the Person	1,941,316
Homeward Bound Waiver	35,611,151
In-Home Support Waivers	9,884,747
ADvantage Waiver	76,164,271
ICF/MR Public	38,406,472
Personal Care	5,283,849
Residential Behavioral Management	7,300,656
Targeted Case Management	23,371,977
Total Department of Human Services	260,832,440
State Employees Physician Payment	
Physician Payments	14,668,180
Total State Employees Physician Payment	14,668,180
Education Payments	
Graduate Medical Education	14,300,000
Graduate Medical Education - PMTC	2,034,328
Indirect Medical Education	28,813,252
Direct Medical Education	4,060,197
Total Education Payments	49,207,777
Office of Juvenile Affairs	
Targeted Case Management	1,004,964
Residential Behavioral Management - Foster Care	13,102
Residential Behavioral Management	1,750,604
Multi-Systemic Therapy	38,701
Total Office of Juvenile Affairs	2,807,372
Department of Mental Health	
Targeted Case Management	98
Hospital	974,712
Mental Health Clinics	23,167,751
Total Department of Mental Health	24,142,561
State Department of Health	
Children's First	876,580
Sooner Start	803,032
Early Intervention	2,357,315
EPSDT Clinic	751,908
Family Planning	30,307
Family Planning Waiver	3,108,100
Maternity Clinic	33,871
Total Department of Health	7,961,112
County Health Departments	
EPSDT Clinic	326,006
Family Planning Waiver	13,281
Total County Health Departments	339,287
State Department of Education	
Public Schools	1,292,276
Medicare DRG Limit	17,212,212
Native American Tribal Agreements	1,635,318
Department of Corrections	35,387
JD McCarty	1,639,151
Total OSA Medicaid Programs	\$ 381,840,741
OSA Non-Medicaid Programs	\$ 27,700,680
Account Receivable from OSA	\$ 20,243,732

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
Fiscal Year 2011, for the Five Months Ended November 30, 2010

REVENUES	Total Revenue	State Share
Quality of Care Assessment	\$ 21,883,141	\$ 21,883,141
Interest Earned	21,551	21,551
TOTAL REVENUES	\$ 21,904,691	\$ 21,904,691

EXPENDITURES	FY 11 Total \$ YTD	FY 11 State \$ YTD	Total State \$ Cost
Program Costs			
NF Rate Adjustment	\$ 54,425,229	\$ 19,152,238	
Eyeglasses and Dentures	118,791	41,803	
Personal Allowance Increase	1,450,640	510,480	
Coverage for DME and supplies	1,132,431	398,502	
Coverage of QMB's	430,315	151,428	
Part D Phase-In	1,116,478	1,116,478	
ICF/MR Rate Adjustment	2,054,940	723,134	
Acute/MR Adjustments	1,752,404	616,671	
NET - Soonerride	1,001,551	352,446	
Total Program Costs	\$ 63,482,779	\$ 23,063,179	\$ 23,063,179
Administration			
OHCA Administration Costs	\$ 216,831	\$ 108,415	
DHS - 10 Regional Ombudsman	-	-	
OSDH-NF Inspectors	-	-	
Mike Fine, CPA	-	-	
Total Administration Costs	\$ 216,831	\$ 108,415	\$ 108,415
Total Quality of Care Fee Costs	\$ 63,699,610	\$ 23,171,595	
TOTAL STATE SHARE OF COSTS			\$ 23,171,595

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
Fiscal Year 2011, for the Five Months Ended November 30, 2010

REVENUES	FY 10 Carryover	FY 11 Revenue	Total Revenue
Prior Year Balance	\$ 45,276,770	\$ -	\$ 7,297,020
State Appropriations	(30,000,000)		
Tobacco Tax Collections	-	19,576,120	19,576,120
Interest Income	-	618,954	618,954
Federal Draws	383,873	12,998,697	12,998,697
All Kids Act	(8,000,000)	-	-
TOTAL REVENUES	\$ 7,660,643	\$ 33,193,771	\$ 40,490,791

EXPENDITURES	FY 10 Expenditures	FY 11 Expenditures	Total \$ YTD
Program Costs:			
Employer Sponsored Insurance		\$ 21,410,143	\$ 21,410,143
ESI-College Students		83,771	83,771
Individual Plan			
SoonerCare Choice		\$ 172,396	\$ 60,666
Inpatient Hospital		5,040,989	1,773,924
Outpatient Hospital		3,845,166	1,353,114
BH - Inpatient Services		1,792	631
BH Facility - Rehabilitation Services		146,803	51,660
Physicians		5,413,861	1,905,138
Dentists		7,510	2,643
Other Practitioners		201,902	71,049
Home Health		-	-
Lab and Radiology		1,220,578	429,521
Medical Supplies		243,958	85,849
Ambulatory Clinics		694,442	244,374
Prescription Drugs		6,273,202	2,207,540
Miscellaneous Medical		10	3
Premiums Collected		-	(864,066)
Total Individual Plan		\$ 23,262,609	\$ 7,322,046
College Students-Service Costs		\$ 179,847	\$ 63,288
Total Program Costs		\$ 44,936,371	\$ 28,879,249
Administrative Costs			
Salaries	\$ 22,395	\$ 582,949	\$ 605,343
Operating Costs	47,512	36,009	83,520
Health Dept-Postponing	29,637	-	29,637
Contract - HP	264,080	761,624	1,025,704
Total Administrative Costs	\$ 363,623	\$ 1,380,581	\$ 1,744,205
Total Expenditures			\$ 30,623,454
NET CASH BALANCE	\$ 7,297,020		\$ 9,867,337

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

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund
Fiscal Year 2011, for the Five Months Ended November 30, 2010**

REVENUES	FY 11 Revenue	State Share
Tobacco Tax Collections	\$ 390,685	\$ 390,685
TOTAL REVENUES	\$ 390,685	\$ 390,685

EXPENDITURES	FY 11 Total \$ YTD	FY 11 State \$ YTD	Total State \$ Cost
Program Costs			
SoonerCare Choice	\$ 9,887	\$ 2,435	
Inpatient Hospital	1,666,650	410,496	
Outpatient Hospital	2,361,682	581,682	
Inpatient Free Standing	4,958	1,221	
MH Facility Rehab	61,949	15,258	
Case Mangement	69	17	
Nursing Facility	29,894	7,363	
Physicians	4,343,600	1,069,829	
Dentists	56,907	14,016	
Other Practitioners	26,142	6,439	
Home Health	23,464	5,779	
Lab & Radiology	624,143	153,727	
Medical Supplies	45,311	11,160	
Ambulatory Clinics	297,226	73,207	
Prescription Drugs	1,067,402	262,901	
Transportation	4,150	1,022	
Miscellaneous Medical	58,439	14,394	
Total Program Costs	\$ 10,681,873	\$ 2,630,945	\$ 2,630,945
TOTAL STATE SHARE OF COSTS			\$ 2,630,945

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 255: OHCA Medicaid Program Fund
Fiscal Year 2011, for the Five Months Ended November 30, 2011

REVENUES	FY 11 Total Revenue	FY 11 State Share
Tobacco Tax Collections	\$ 23,411,018	\$ 23,411,018
TOTAL REVENUES	\$ 23,411,018	\$ 23,411,018

EXPENDITURES	FY 11 Total \$ YTD	FY 11 State \$ YTD	Total State \$ Cost
Program Costs:			
Adult Dental Services	\$ 3,163,701	\$ 1,113,306	
Remove Hospital Day Limit	4,938,875	1,737,990	
Hospital Rate Increase - Statewide Median +2%	7,098,040	2,497,800	
Increase Physician Visits from 2 to 4 per Month	203,767	71,706	
Increase Physician Office Visits/OB Visits to 90% of Medicare	11,712,955	4,121,789	
Increase Emergency Room Physician Rates to 90% of Medicare	5,545,480	1,951,454	
Pay 50% of Medicare Crossover - Physician/Ambulance/OP	7,878,891	2,772,582	
Nursing Facility 7% Rate Increase	13,242,584	4,660,065	
Enhanced Drug Benefit for Adults 3 + 3	9,647,641	3,395,005	
Enhanced Drug Benefit for Waiver Adults 3 + 10	8,240,705	2,899,904	
TEFRA Services	4,640,001	1,632,816	
SoonerRide	24,944	8,778	
Replace NSGO Medicare DRG Limit Revenues	7,393,286	2,601,697	
Total Program Costs	\$ 83,730,871	\$ 29,464,894	\$ 29,464,894
TOTAL SHATE SHARE OF COSTS			\$ 29,464,894

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.

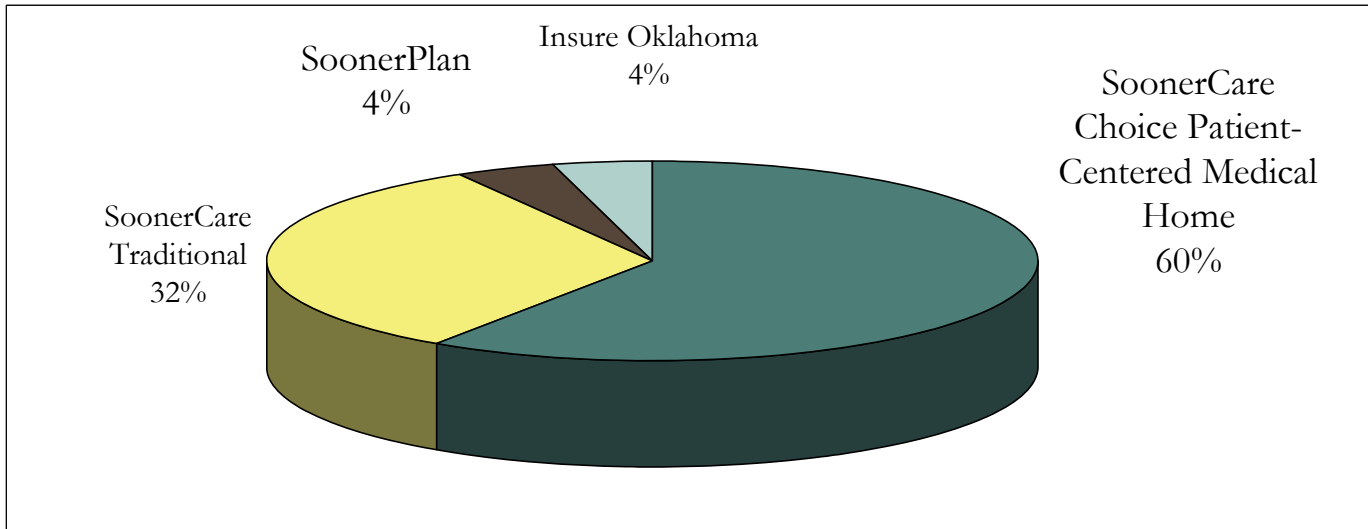
SoonerCare Programs

November 2010 Data for January 2011 Board Meeting

Delivery System	Monthly Enrollment Average SFY2009	Enrollment November 2010	Total Expenditures November 2010	Average Dollars Per Member Per Month November 2010
SoonerCare Choice Patient-Centered Medical Home	435,958	451,238	\$109,108,344	
<i>Lower Cost</i> (Children/Parents; Other)		406,210	\$72,389,855	\$178
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC)		45,028	\$36,718,490	\$815
SoonerCare Traditional	219,646	246,584	\$187,897,422	
<i>Supplemental</i> (Medicare, Third-Party Liability - Deductibles, Premiums, etc.)		116,078	\$7,578,047	\$65
<i>Lower Cost</i> (Children/Parents; Other)		112,038	\$63,934,439	\$571
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)		18,468	\$116,384,937	\$6,302
SoonerPlan	23,255	30,679	\$738,292	\$24
Insure Oklahoma	28,594	32,167	\$9,089,931	
<i>Employer-Sponsored Insurance</i>	17,857	19,297	\$4,765,408	\$247
<i>Individual Plan</i>	10,736	12,870	\$4,324,523	\$336
TOTAL	707,453	760,668	\$306,833,990	

The enrollment totals above include all members enrolled during the report month; therefore, some members may not have expenditure data. The "Other" category includes DDSD State, PKU, Q1, Q2, Refugee, SLMB, Soon-to-be-Sooners (STBS) and TB members. Custody expenditures are excluded. Non-member specific expenditures of \$5,511,425 are excluded.

Net Enrollee Count Change from Previous Month Total	1,832
New Enrollees	19,493



SoonerCare Programs

Opportunities for Living Life (OLL)

Qualifying Group	Age Group	Enrollment
Aged/Blind/Disabled	<i>Child</i>	17,348
Aged/Blind/Disabled	<i>Adult</i>	130,889
Other	<i>Child</i>	43
Other	<i>Adult</i>	19,049
PACE	<i>Adult</i>	67
TEFRA	<i>Child</i>	377
Living Choice	<i>Adult</i>	102
OLL Enrollment		167,875

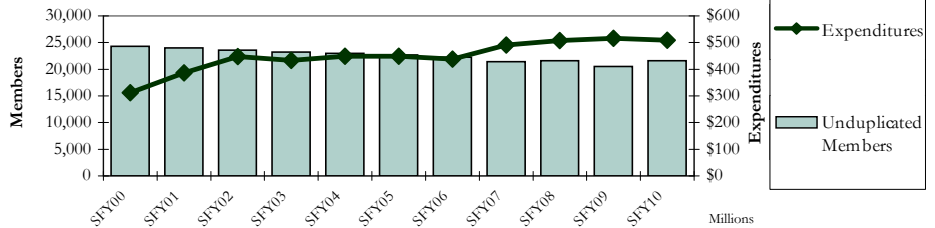
Medicare and SoonerCare	Monthly Average SFY2009	Enrolled November 2010
Dual Enrollees	100,143	103,781

	Monthly Average SFY2009	Enrolled November 2010
Long-Term Care Members	15,820	15,830
<i>Child</i>	37	90
<i>Adult</i>	15,783	15,740

PER MEMBER PER MONTH
\$3,250

SFY2010 Long-Term Care
Statewide LTC Occupancy Rate - 69.8%
SoonerCare funded LTC Bed Days 68.6%
Data as of September 2010

Standard SoonerCare Nursing Facility - Unduplicated Members and Total Expenditure Trends



Data as of Oct. 15, 2010. Figures do not include intermediate care facilities for the mentally retarded (ICF/MR).

SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts	Monthly Average SFY2009	Enrolled November 2010
Total Providers	28,000	29,845
<i>In-State</i>	19,563	21,101
<i>Out-of-State</i>	8,437	8,744

Program	% of Capacity Used
SoonerCare Choice	40%
SoonerCare Choice I/T/U	13%
Insure Oklahoma IP	3%

Select Provider Type Counts	<i>In-State Monthly Average SFY2009</i>	<i>In-State Enrolled November 2010</i>	Total Monthly Average SFY2009	Total Enrolled November 2010
Physician	5,884	6,431	10,664	11,522
Pharmacy	874	901	1,168	1,226
Mental Health Provider	915	920	983	955
Dentist	793	756	893	842
Hospital	159	189	790	691
Licensed Behavioral Health Practitioner	N/A	452	N/A	467
Extended Care Facility	394	394	395	394

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

Total Primary Care Providers	4,072	4,494	6,063	6,544
Patient-Centered Medical Home	1,339	1,482	1,360	1,510

Including Physicians, Physician Assistants and Advance Nurse Practitioners.

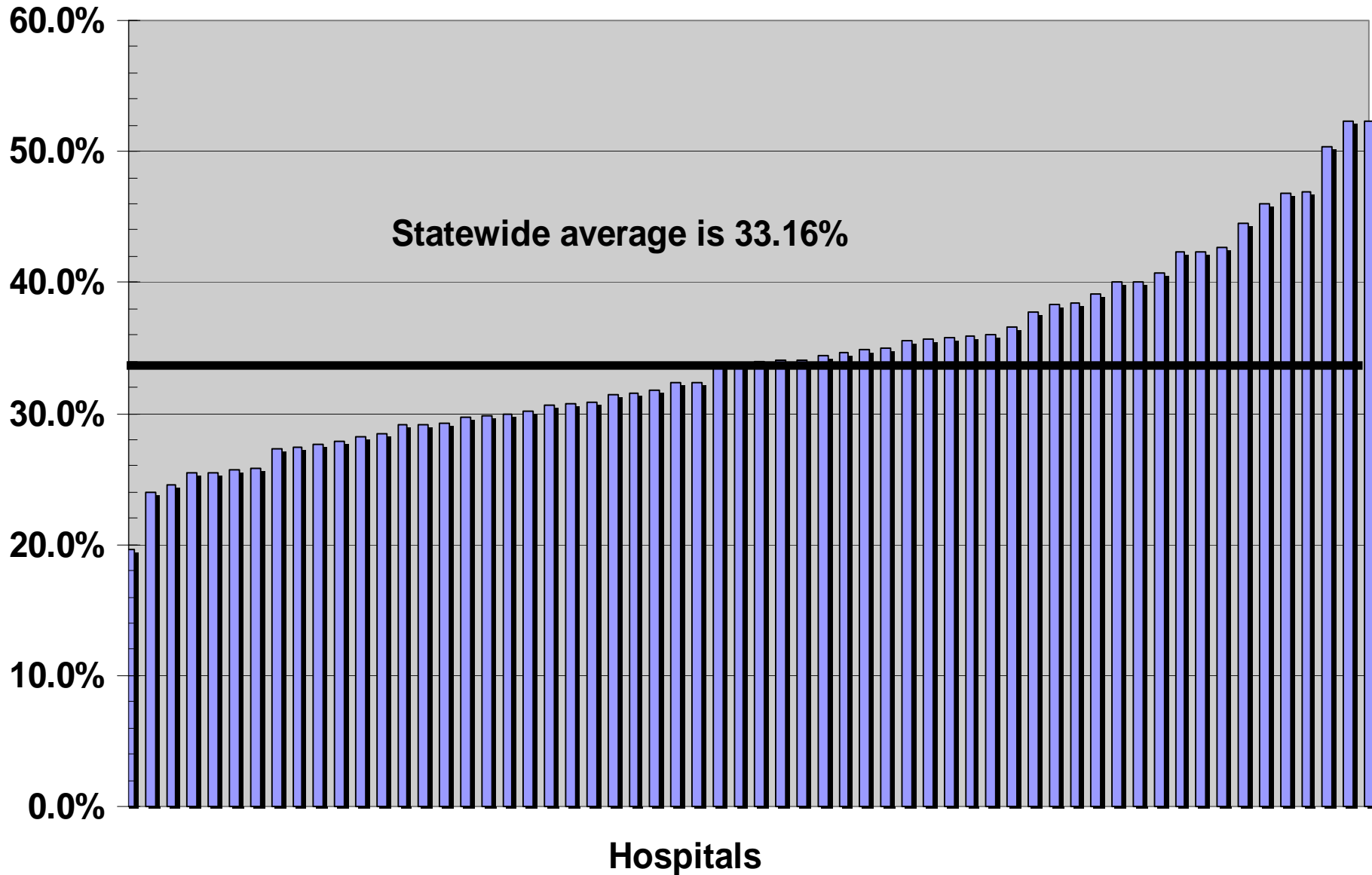
Cesarean Section Quality Initiative

Sylvia Lopez, MD

Concerns

- Steady and consistent increase in Cesarean section rates over the past 2 decades
- No corresponding improvement in maternal and neonatal outcomes
- In the mid 1990's, national total C-section rate was 21% - Oklahoma's was 22.5%
- In 2006, national total C-section rate was 32.3% - Oklahoma's was 33.6%

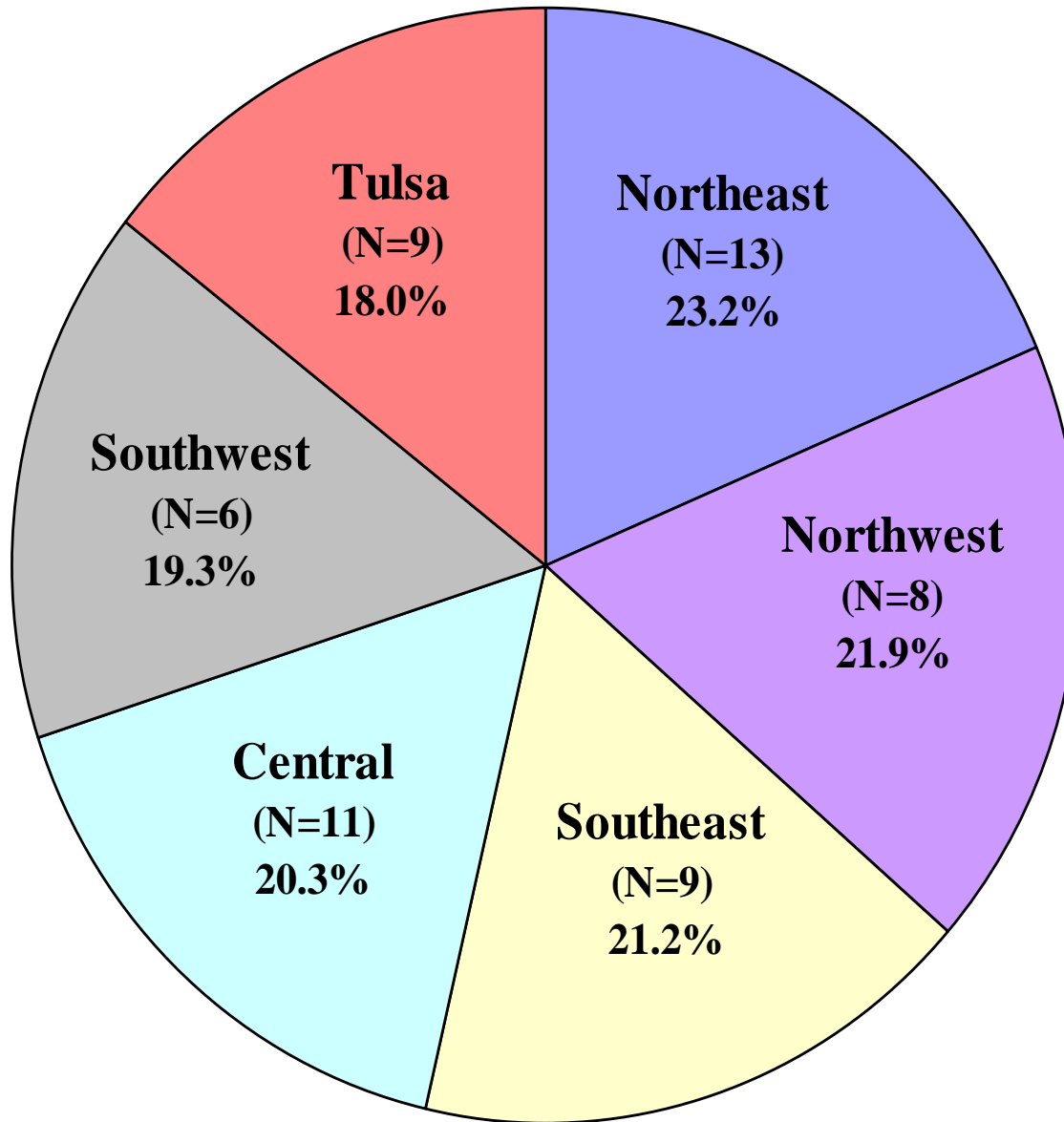
**SoonerCare Percent of C-Sections by DRG 765 and 766
as Compared to All Deliveries
SFY 2009 (actual claims data)**



Primary C-Section Rates

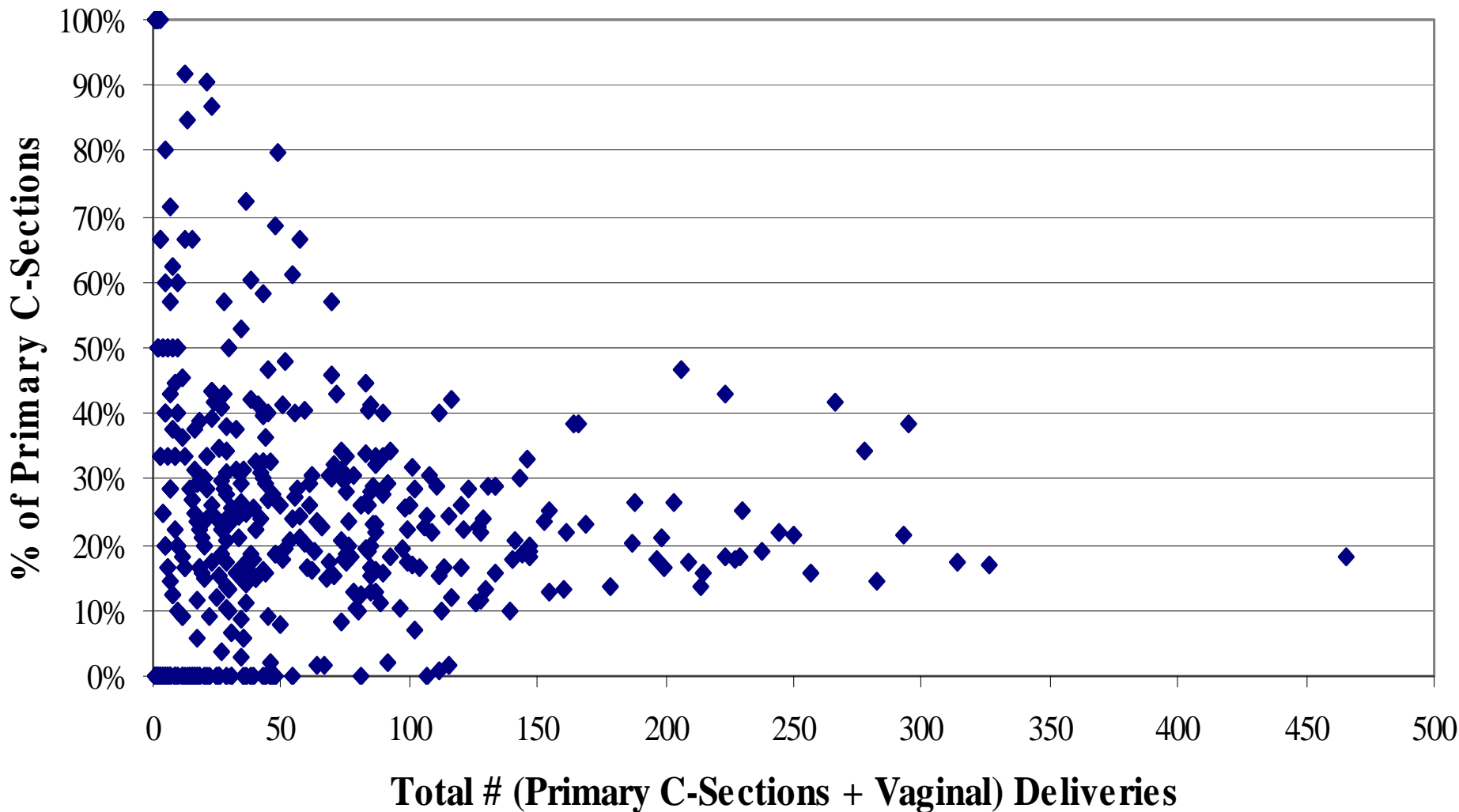
- Primary C-section rate for SoonerCare members for SFY 2009 was 20.3%
- Estimates of primary C-sections with no medical indication range from 3% to 30%

Primary C-Section vs Vaginal Deliveries
SFY 2009 SoonerCare (Medicaid) Paid UB Facility Claims



Primary C-Section vs Vaginal Deliveries

SFY 2009 SoonerCare (Medicaid) Paid Claims (N=507)



To note: Excludes VBAC/CBAC's and assistant surgeons claims.

Data pulled October 2010 from HCFA 1500 claims.

Potential Harms

Maternal

- High likelihood of operative delivery with subsequent pregnancy
- Placenta accreta
- Longer hospital stay

Neonatal

- Increased incidence of respiratory distress
- Increased risk of NICU admission
- Longer hospital stay

Goal

Primary C-section rate of $\leq 18\%$
over the first year

Process – Phase I

- Begins January 2011
- Data collection – Primary and total C-section rate
- Feedback to doctors and hospitals
- Education
 - Webpage dedicated to Obstetrics
 - Links to educational resources

Process – Phase II

- Begins September 1, 2011 for those who have not met the benchmark
- Medical chart review for medical indications
- Reimbursement reform
 - Medical necessity is established, then pay at the operative rate
 - Medical necessity is not established, then reimburse at the vaginal rate

Questions?

Recommendation a: Prior Authorize Suboxone (buprenorphine/naloxone)[®] and Subutex[®] (buprenorphine).

The Drug Utilization Review Board recommends all prescriptions for Suboxone[®] (buprenorphine/ naloxone) tablets and film or Subutex[®] (buprenorphine), and their generic equivalents if available, require prior authorization.

Criteria for coverage are as follows:

- Prescribed by a licensed physician who qualifies for a waiver under the Drug Addiction Treatment Act (DATA) and has notified the Center for Substance Abuse Treatment of the intention to treat addiction patients and has been assigned a DEA (X) number.
- Diagnosis of opiate abuse/dependence.
- Combination with benzodiazepines, hypnotics, and opioids (including tramadol) will be denied.
- Approval will be for 90 days to allow for concurrent medication monitoring.
- The following limitations will apply:
 - **Suboxone[®]** 2mg/0.5mg and 8mg/2mg tablets and film: A quantity limit of 90 per 30 days.
 - **Subutex[®]** 2mg tablets and 8mg tablets will only be approved if the member is pregnant (product may be used for the duration of the pregnancy only), or has a documented serious allergy or adverse reaction to naloxone.

Recommendation b: Prior Authorize Metozolv[®] (metoclopramide) ODT.

The Drug Utilization Review Board recommends prior authorization of Metozolv[®] (metoclopramide) ODT with the following criteria:

1. FDA-approved diagnosis of gastroesophageal reflux disease in adults not responding to conventional therapy, or acute and recurrent diabetic gastroparesis in adults.
2. Must provide a clinical reason why the member cannot use the regular formulation of metoclopramide tablets or syrup.
3. Therapy will be approved for a period of not more than 12 weeks.
4. Quantity limit of 120 tablets for 30 days.

Recommendation c: Prior Authorize Alzheimer's Disease Medications.

The Drug Utilization Review Board recommends placing prior authorization requirements on medications used to treat Alzheimer's Disease.

1. Prior Authorization of special formulation products including oral solutions, patches, extended release formulations, or other convenience formulations with the following approval criteria:
 - a. Member must have a documented reason why the special formulation is clinically necessary over the regular formulation
2. Application of Age Restriction for ages 0-50 with the following approval criteria
 - a. FDA approved diagnosis