OKLAHOMA HEALTH CARE AUTHORITY
REGULARLY SCHEDULED BOARD MEETING
July 14, 2011 at 1:00 P.M.
Duncan Regional Hospital
1407 N. Whisenant Dr.
DRH Auditorium
Duncan, OK

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 June 9, 2011 OHCA Board Minutes

Item to be presented by Mike Fogarty, Chief Executive Officer

3. Discussion Item – Chief Executive Officer's Report

   a) Financial Update – Carrie Evans, Chief Financial Officer
   b) Medicaid Director's Update – Garth Splinter, M.D.
   c) SoonerEnroll Update – Ed Long, Program Coordinator
   d) Preview of 2011 Board Retreat – Cindy Roberts, Deputy CEO

Item to be presented by Cindy Roberts, Deputy Chief Executive Officer

4. Discussion Item – Supplemental Hospital Offset Payment Program (SHOPP) - Where are We Now?

Item to be presented by Lyle Roggow, Chairman

5. Discussion Item – Reports to the Board by Board Committees

   a) Audit/Finance Committee – Member Miller
   b) Strategic Planning Committee – Member McFall

Item to be presented by Juarez McCann, Chief Budget Officer

6. Action Item – Consideration and Approval of the State Fiscal Year 2012 Budget Work Program

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

7. 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

8. 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 Topical Corticosteroid Preparations to the product-based prior authorization program under Oklahoma Administrative Code (OAC) 317:30-5-77.3.

b) Consideration and vote to add the following products to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
   1) Benlysta® (belimumab) and other Practitioner Administered Drugs
   2) Adcirca® (tadalafil)
   3) Colcrys® (colchicine) and Uloric® (febuxostat)
   4) Selected Bladder Agents
   5) Nuedexta™ (dextrmethophan HBr and quinidine sulfate)
   6) Testosterone Products

Item to be presented by Chairman Roggow

9. 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)

Status of pending suits and claims

1. Assoc. for Direct Care Trainers v. OHCA CJ-08-4237 Okla.County, OK
2. Choices v. OHCA CJ-09-229-01 Garfield County, OK
3. OHCA v. Merck & Co., Inc. 5:09-CV-01018-R USDC Western District, OK
3. Hauenstein v. OHCA CIV-10-940-M USDC, Western District of OK
5. White Horse Ranch v. OHCA CV-2011-12 Woodward County, OK

10. New Business

11. **ADJOURNMENT**

NEXT BOARD MEETING
August 24th, 2011 at 4PM
****RETREAT August 25th and 26th, 2011 at 8:30AM**
Hyatt Regency Hotel
100 E. Second Street
Tulsa, OK

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
June 9, 2011
Held at Oklahoma Health Care Authority
Oklahoma City, OK

Manner and Time of Notice of Meeting: A public notice was placed on the front door of the Oklahoma Health Care Authority on June 8, 2011.

Pursuant to a roll call of the members, a quorum was declared to be present, and Vice Chairman Armstrong called the meeting to order at 1:03 PM.

BOARD MEMBERS PRESENT: Vice-Chairman Armstrong, Member McVay, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

OTHERS PRESENT:

Will Widman, HPES
Lanette Kaiser, St. Anthony
Erin Boeckman, eCapitol
Sandra Harrison, OKDHS
Rick Snyder, OHA
Brent Bell, MD
Justin Martino, eCapitol
Peter J. Rudy, OK Watchdog
Mary Brinkly

OTHERS PRESENT:

Charles Brodt, HPES
Becky Moore, OAHCP
Laurel Van Horn, Community Pathways
Mike Van Pelt, LogistiCare
Judy Gofourth, Chickasaw Nation
St. Anthony Hospital
Brent Wilborn, OKPCA
Laura Dempsey-Polan, LIFE Senior Ser.

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARLY SCHEDULED BOARD MEETING HELD JUNE 9, 2011

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 June 9, 2011 board minutes as published. Member Langenkamp seconded.

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

ABSTAIN: Member McVay
Member Bryant
Chairman Roggow

FINANCIAL UPDATE
Carrie Evans, Chief Financial Officer

Ms. Evans reported that the Revenues for OHCA through April, accounting for receivables, were **$2,750,593,583** or **(1.1%) under** budget.

Expenditures for OHCA, accounting for encumbrances, were **$2,788,283,493** or **1.6% under** budget. The state dollar budget variance through April is **$16,015,549 positive.**

Ms. Evans said 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		9.3
Administration		7.1
Revenues:		
Prior Year-Reduction		(10.0)
Taxes and Fees		2.0
Drug Rebate		6.2
Overpayments/Settlements		1.4
Total FY 11 Variance	**$**	**16.0**

MEDICAID DIRECTOR'S UPDATE
Garth Splinter, M.D.

Dr. Splinter went over the data sheet stating that we continue to have a small amount of growth in each of the categories. The total number of members in April was 762,000 which was a 2,000 increase over the previous month. We continue to have approximately 105,000 in the dual eligible program with about 15,500 in nursing homes. Dr. Splinter stated the Electronic Health Records is currently up to 430 Practitioners, and 22 hospitals receiving payments with over $25 million having been dispersed. Dr. Splinter said that Mike, Becky Ikard, and he had attended the National Association of Medicaid Directors Meeting in Washington. He noted that virtually every state had same concerns about budget, and changes coming from the Affordable Health Care Act. Dr. Splinter then introduced Ms. Martinez.

ITEM b.1 –"EVALUATION OF OHCA PAID CLAIMS AGAINST OREGON'S PRIORITIZED LIST
Alison Martinez, Clinical Data Analyst

Ms. Martinez presented to the board the following on the Evaluation of OHCA Paid Claims Against Oregon's Prioritized List:

1) Project Objectives; 2)Oregon's Health Care Plan; 3)Example Lines; 4) Claim Payment Methodology; 5) Matching OHCA Claims; 6) OHCA Claims below Line 502; 7) Services below Line 502; and the conclusions.

For a detailed slide presentation, see Item 3b.-1 of the Board Packet.

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LEGISLATIVE UPDATE
Nico Gomez, Deputy Chief Executive Officer

Mr. Gomez reported that the Legislature finished their work a week earlier and adjourned on May 20, 2011. With new leadership in the legislative and executive branches, Governor Mary Fallin, Senate ProTem Brian Bingman, and House Speaker Kris Steele tackled a tough session dealing with health care, redistricting, and budgeting issues. He noted the result was a session that closed with a $6.5 billion budget agreement for state operations in state fiscal year 2012, new congressional and legislative districts, and a commitment to focus on issues related to health insurance exchanges in the interim. Mr. Gomez said the budget agreement is good news for the Oklahoma Health Care Authority, and we need to thank the Governor and the legislative leadership for supporting the nearly 900,000 Oklahomans served through the SoonerCare program, and making their health care needs a priority when making difficult budget decisions. Mr. Gomez said he believes state leadership's attempts to keep OHCA budget cuts to a minimum reflects the confidence they have in the OHCA Board and the agency's ability to administer this SoonerCare program efficiently and effectively. Mr. Gomez did an overview of the House Bills and Senate Bills. For a detailed report, see Item 3c of the board packet.

DISCUSSION OF THE FY 2012 BUDGET UPDATE
Mike Fogarty, Chief Executive Officer

Mr. Fogarty stated this is a report on what will be the submission of OHCA's budget for FY 2012. $1 billion, $55 million is a number that for several months has been the estimate, the projected need to support the program as we know it today and again next year with no add-ons - no deductions. That number was shared in the first meetings with leadership and the Governor, and has remained consistent throughout the session. It is important to note that since I have put a time frame on that number these are projections, and have always been projections. Projections are overcome by reality one day at a time and as projections are overcome by reality then we make adjustments in those projections. Mr. Fogarty said before the submission of the budget we need to look at assumptions, current expenditure patterns, and current revenue patterns in order to submit a document that is as accurate as possible. This document requires the signature of the Chief Financial Officer, Carrie Evans, and the Chief Executive Officer, and both of us take it very seriously. By constitution this budget is to be balanced, and we fully intend for that to happen. The revisions on the expenditures side are as follows: $5 million additional state requirement for FY 2012 in order to make up for lost federal funds. The number in the $1 billion, $55 million was an assumed 2% rate of growth which hasn't been close to 2% for some time although we have seen some flattening. In order to be conservative, we believe that 3% will be a more realistic assumption, and we need to accommodate that at a cost of $12 million state dollars which are the only 2 adjustments on the expenditure side. He noted that this will raise the $1 billion $55 million to $1 billion $72 million. Mr. Fogarty then moved to the revenue side of the budget stating that the legislature has appropriated for FY 2012 $1 billion $13 million which includes their initial base of $984 million plus the $30 million that Mr. Gomez mentioned coming from the hospital fee (SHOPP) provision. He noted that part of the negotiation on (SHOPP)legislation was that not 100% of

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the money to be paid in by the hospitals would be returned to them but there would be $30 million of that hospital produced revenue made available to protect other providers from additional cuts. Mr. Fogarty stated that the other adjustment on the revenue side is again consistent with Ms. Evans report. You have heard the word under twice and over once all in the right place. We continue to be under budget (current year) for program expenditures, and continue to be under budget (current year) for administrative expenditures. We are over budget (current year) on revenue so those work out just right. Mr. Fogarty said that the current estimate is that we will have $30 million in available carryover from (current year) to 2012 to help fund next year. Since the total revenue of $1 billion $43 million in our budget still leaves us short $29 million we believe that it is safe and conservative to assume an additional $9 million in revenue next year as a result primarily of higher than expected revenue in the pharmacy rebate program, with federal rebate as well as the state supplemental rebate program with a combination of a $5 million increase with higher than budgeted revenues in program integrity and recouped funds resulting in additional revenue. Now the $29 million is down to $20 million and in prospective that is a 2% variance. Again, these are 2% on projected numbers. He said that every month, every quarter those projections are going to be overcome by reality. They will either be a little high or a little low. Mr. Fogarty stated that it just happens that $20 million in state dollars is what we spend every week in paying claims. My recommendation to the board is to file a budget that assumes (for purposes of a balanced budget) that we identify the last weekly run of FY2012 which occurs on June 27, 2012, and if needed delay that run by 5 days and that run be paid on the first of July 2012 which makes it a FY2013 expenditure instead of a FY2012. I do know that one week delay in paying claims is no small thing, however when we are as close as we are, staff and I believe that we should go forward today on a wait and see basis. The alternative is to come to the board today with concrete, specific program or rate cuts effective now that would produce the $20 million. I will say that the legislators that have been involved in this process seem to be pleased that this is close enough we can take that wait and see. This is not disingenuous, this is absolutely real, and if our projections turn out to be exactly correct then that last cycle will be delayed about 5 days. Mr. Fogarty said at this time there is no recommendation to the board to authorize any specific cuts effective in the near term, and no further rate reduction. The OHCA providers are still at the 3.25% rate cut that was done 2 years ago as a result of a revenue failure. We firmly believe that additional rate cuts would jeopardize in many instances the financial feasibility of those businesses and clearly jeopardize member's access to services. We are not going to recommend that the board authorize any cut in benefits programs. Mr. Fogarty noted that at the next board meeting there will be a formal presentation of the budget work program in detail.

REPORTS TO THE BOARD BY BOARD COMMITTEE
Chairman Roggow

Audit/Finance Committee
Member Miller

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Member Miller reported the Audit/Finance Committee did not meet prior to the board meeting. We are very near the end of the fiscal year and it appears that we will be able to finish it in the black.

Legislative Committee
Member McFall

Member McFall stated the Legislative Committee did meet, and had discussions concerning the final legislative report. Member McFall thanked Mr. Gomez publically for all the hard work done for the agency this session.

Rules Committee
Member Langenkamp

Member Langenkamp reported the Rules Committee did meet and reviewed the 2 rules to be presented today.

ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FRO ALL ACTION ITEMS REGARDING THIS BOARD MEETING

Mr. Pallotta stated that the Conflicts of Interest Panel met and found no conflicts regarding all action items.

Items to be presented by Cindy Roberts, Deputy Chief Executive Officer

7. Action Item – Consideration and Vote of agency recommended rulemaking pursuant to Article I of the Administrative Procedures Act.

   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.

MOTION:	Member McFall moved for approval of the compelling public interest as presented. Member Langenkamp seconded.
FOR THE MOTION:	Vice-Chairman Armstrong, Member McVay, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

b) Consideration and Vote Upon promulgation of Emergency Rules as follows:

Ms. Roberts presented the following 2 rules.

7.b-1 AMENDING Agency rules at OAC 317:35-5-42 to comply with the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 which requires state Medicaid agencies to disregard federal tax refunds or advance payments with respect to refundable tax credits as income and as resources for purposes of determining eligibility. To bring Agency policy in compliance with this law, eligibility rules and income guidelines are revised to eliminate consideration of the Earned Income Tax

Credit, which is the only refundable tax credit currently counted for eligibility purposes.
(Reference APA WF # 11-02)

7.b-2 AMENDING Agency rules at OAC 317:45-9-4, 45-11-10, 45-11-12, 45-11-24, 45-11-25 and 45-13-1 to ensure Insure Oklahoma cost-sharing rules comply with Federal law on Native American cost-sharing exemptions. Native American adults are exempt from Insure Oklahoma—Individual Plan co-pays or premiums when they receive services provided by Indian Health Services, Tribal Programs, and Urban Indian Clinics (I/T/U) providers or through referral by contract health services. Native American children are exempt from cost-sharing regardless of whether they receive services provided by I/T/U providers or through referral by contract health services.
(Reference APA WF # 11-05)

MOTION:	Member Langenkamp moved for approval of Rule 7.b-1 and 7.b-2 as presented. Member McFall seconded.
FOR THE MOTION:	Vice-Chairman Armstrong, Member McVay, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

ITEM 8/CONSIDERATION AND VOTE UPON THE RECOMMENDATIONS OF THE STATE PLAN AMEDMENT RATE COMMITTEE
Cindy Roberts, Chairpersons of State Plan Amendment Rate Committee

a) Consideration and Vote Upon rate methodology for the Supplemental Hospital Offset Payment Program (SHOPP)

Ms. Roberts stated that a House Bill 1381, signed by the Governor on May 13, 2011, created a Supplemental Hospital Offset Payment Program (now referred to as SHOPP). The bill will create new law in Title 63, Oklahoma Statute, Sec 3241-1.1-3241.6. Upon Federal approval from CMS, the OHCA will be authorized to assess and collect a hospital provider fee. What we are bringing before you today is the rate methodology for the provider fee. This methodology was heard earlier this week in a public hearing before the SPA Rate Committee. The only speaker, other than staff presenting the methodology, was Rick Snyder from the OHA, in support of the SHOPP. Ms. Roberts stated the rate methodology is driven largely by the new law created. It involves excluding certain hospitals exempt under state law. Based upon 2009 cost reports, which is the base year for determining which Oklahoma licensed hospitals are included or excluded, 75 hospitals will be included in the fee assessment and 74 hospitals will be excluded from the fee assessment. All hospitals included in the fee assessment will pay a 2.5 fee based on 2009 net patient revenue. She noted that participating hospitals that pay into the SHOPP fund will be eligible for supplemental Medicaid payments for inpatient and outpatient services. Hospitals will receive a pro-rata share of the assessment fund based on the hospitals Medicaid payments for services divided by the total Medicaid payments to all participating hospitals - - not to exceed the UPL. In addition, the state law requires that supplemental payments be made to Critical

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Access hospitals that are paid less than 101% of Medicare costs for their Medicaid services. (at this time OHCA has determined that there are 34 CA hospitals)

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MOTION: Vice-Chairman Armstrong moved for approval of Rule 8a as presented. Member McFall seconded.

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

b) Consideration and Vote of 2010 Upper Payment Limit Gap

Ms.Roberts said that under CMS regulations, States are allowed to pay hospitals up to the amount Medicare would pay under comparable circumstances. Based on federal fiscal year 2010 data, Oklahoma hospitals could be paid up to approximately $1.1 billion under this methodology. This is the 2010 Medicare UPL. The OHCA has determined that subtracting the UPL from the total Medicaid payments leaves a “gap” of $336,453,000.00 (336.4 million dollars). This dollar value sets the amount OHCA can pay hospitals eligible for SHOPP. Ms. Roberts noted that the assessments are expected to generate approximately $152 million for the state share to garner a federal match of about $267 million for a total of $419,509,000.00 (419.5 million dollars) for state fiscal year 2012. Of this $419.5 million, $336,453,000.00 (336.4 million dollars) would be paid to hospitals as supplemental payments. Ms. Roberts said that $83,056,000.00 (83.0 million dollars) of the assessments will be used to maintain current SoonerCare payments for all providers.

MOTION: Member McFall moved for approval of Rule 8b as presented. Vice-Chairman Armstrong seconded.

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

c) Consideration and Vote of 2010 Total Medicaid Hospital Payments.

Ms. Roberts reported that after a review of Medicaid outlays to hospitals in SFY2010, OHCA has determined that hospitals were paid $710.3 million. She said the assessments are expected to generate an estimated $152 million for state share to garner a federal match of about $267 million for a total $419.5 million for SFY2012.

- $336.4 million will be used to pay hospital supplemental payments
- $83 million will be used in the current SoonerCare budget.

The effective date will be dependent upon CMS approval.

MOTION: Member McFall moved for approval of Rule 8c as presented. Vice-Chairman Armstrong seconded.

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

ITEM 9/CONSIDERATION AND VOTE FOR THE EXPENDITURE OF FUNDS FOR OPTION YEARS 1 AND 2 OF LEASEHOLD
James Smith, Chief of Staff

Mr. Smith reported that under OAC 317:30-1-16 the agency must seek board approval of all non-professional acquisitions of over $500,000.00. On an emergency basis last summer we completed a lease hold through the Department of Central Services because of flooding at Lincoln Plaza. Since then we have occupied Shepard Mall Suite 1A, and recently acquired space in Suite 2B for 4 divisions of OHCA.

Mr. Smith stated OHCA must exercise Option year 1 of the lease, and next year exercise Option year 2 of the lease. Although, we may not need to exercise a full year 2 option, I am requesting the Board approve the encumbrance for Option years 1 and 2 at this time. DCS must approve the lease as well. Mr. Smith asked the Board to approve the expenditure of funds for the lease of two years.

MOTION: Member McFall moved for approval of the Item 9 as presented. Member Bryant seconded.

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

ITEM 10/CONSIDERATION AND VOTE REGARDING RECOMMENDATIONS MADE BY THE DRUG UTILIZATION REVIEW BOARD UNDER 63 OKLAHOMA STATUTES § 5030.3
Nancy Nesser, PharmD. JD, Pharmacy Director

a) Consideration and vote to add Pradaxa® (dabigatran etexilate mesylate) to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

Recommendation 1: Prior Authorize Pradaxa® (dabigatran etexilate mesylate)

Dr. Nesser presented The Drug Utilization Review Board recommendation for prior authorization of Pradaxa® (dabigatran etexilate mesylate) requiring an FDA approved indication (special consideration will be given for a diagnosis of DVT when warfarin is not a viable option).

MOTION: Member McFall moved for approval of Item 10 as recommended. Member McVay seconded.

FOR THE MOTION: Vice-Chairman Armstrong, Member McVay, Member Bryant, Member

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Miller, Member Langenkamp, Member McFall, and Chairman Roggow

ITEM 11a/CONSIDERATION AND VOTE TO AUTHORIZE EXPENDITURE OF FUNDS FOR IOWA FOUNDATION FOR MEDICAL CARE (IFMC)
Beth VanHorn, Director of Legal Operations

Ms. VanHorn stated that the Oklahoma Health Care Authority issued a Request for Proposal (RFP) for a quality improvement organization to perform utilization, peer review functions, and quality improvement activities. This contract would replace the existing contract with the Innovative Resource Group, d/b/a APS Healthcare Midwest (APS) which begins July 1, 2011 with options to renew through June 30, 2016. OHCA received four (4) bids in response to this RFP. The responsive bidders are **Iowa Foundation for Medical Care (IFMC), Kansas Foundation for Medical Care (KFMC), and Qualis Health.** We received one bid after the closing time which was judged nonresponsive**.** Bids were scored based on a written evaluation plan and awarded on "best value" criteria which allow consideration of both cost (300 points) and technical merit (700 points.) Ms. VanHorn noted that the five-year total bid price (through 6/30/16) is $5,117,306.00. This pricing is similar to current contract pricing. Based on estimated volume for SFY 2012, the contract not-to-exceed amount is $1.1 million. She said the recommendation is for board approval to award the contract to Iowa Foundation for Medical Care (IFMC).

MOTION: Vice-Chairman Armstrong moved for approval of Item 11 as recommended. Member McFall seconded.

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

ITEM 12/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)
Howard Pallotta, General Counsel

MOTION: Member McFall moved for Executive Session. Member Langenkamp seconded.

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

ITEM 13a/CONSIDERATION AND VOTE REGARDING BASE PAY INCREASE
Chairman Roggow

MOTION: Vice-Chairman Armstrong made a motion to increase the base pay of the Chief Executive Officer of the Oklahoma Health Care Authority from

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$133,455.00 to $152,000.00. That is the mid-point for all the Director's salary in the state of Oklahoma. Member Langenkamp seconded.

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

ITEM 13b/CONSIDERATION AND VOTE REGARDING PERFORMANCE INCENTIVES
Chairman Roggow

MOTION: Vice-Chairman Armstrong made a motion for the Oklahoma Health Care Authority to pay the CEO 4 performance based adjustments. These performance adjustments are being made for the performance over the last 3 years in the following activities and areas: 1) The agency's PERM Rate. Legislature mandated a 5% rate and the CEO has maintained the rate at the low 2%. 2) The Agency's rate of Administrative Cost. The agency's administrative costs have been between 2.0 and 2.5% from 2008 to 2010. 3) The Agency's Government Modernization Innovation Efforts over the past 3 years. Innovations being made that save an extremely large amount of money for the state of Oklahoma. 4) The Agency's per member costs. Over the last 3 years OHCA's per member cost has hovered around $4,800.00 to 5,000.00 per member which is approximately $1,700.00 lower than the Medicaid average in the United States. The amount of those incentives is 5,000 per incentive for a total of $20,000. Member McFall seconded.

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

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ITEM 13c/CONSIDERATION AND VOTE REGARDING FUTURE PERFORMANCE INCENTIVES
Chairman Roggow

MOTION: Vice-Chairman Armstrong made a motion that these performance adjustments continue for a period of one (1) year so that the CEO can earn a performance adjustment for keeping those benchmarked areas under those amounts for the next year. Those would be measured and reviewed each year and start in July 2011. Those are the same 4 areas read in the second motion.

a)PERM rate of 3% or lower; b) Administrative Costs of 3% or lower; c) Government Modernization Efforts to create On-Line Enrollment for all population before July, 2013; d) Per member cost increase of 3% or less from the per member cost in 2011. Member McFall seconded.

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

ITEM 14/CONSIDERATION AND VOTE ON ELECTION OF OKLAHOMA HEALTH CARE AUTHORITY 2012 BOARD OFFICERS
Chairman Roggow

MOTION: Member McFall moved for the current Chairman to continue and the current Vice-Chairman to continue in their capacity. Member Bryant seconded.

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

NEW BUSINESS

Chairman Roggow noted that July 14th Board Meeting will be held in Duncan, OK at the Duncan Regional Hospital.

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ADJOURNMENT

MOTION:	Member Langenkamp moved for adjournment. Vice-Chairman Armstrong seconded.
FOR THE MOTION:	Vice-Chairman Armstrong, Member McVay, Member Bryant, Member Miller, Member Langenkamp, Member McFall, and Chairman Roggow

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FINANCIAL REPORT

For the Eleven Months Ended May 31, 2011
Submitted to the CEO & Board
July 14, 2011

- Revenues for OHCA through May, accounting for receivables, were **$2,948,116,071** or **(.8%) under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **$3,054,024,471** or **1.4% under** budget.
- The state dollar budget variance through May is **$19,058,133 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		11.1
Administration		7.9
Revenues:		
Prior Year-Reduction		(10.0)
Taxes and Fees		1.9
Drug Rebate		5.7
Overpayments/Settlements		2.5
Total FY 11 Variance	**$**	**19.1**

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

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures: OHCA
Fiscal Year 2011, for the Eleven Months Ended May 31, 2011

REVENUES	FY11 Budget YTD	FY11 Actual YTD	Variance	% Over/ (Under)
State Appropriations	$ 659,599,489	$ 659,599,489	$ -	0.0%
Federal Funds	1,897,600,705	1,857,003,581	(40,597,124)	(2.1)%
Tobacco Tax Collections	49,388,167	50,439,734	1,051,567	2.1%
Quality of Care Collections	46,528,094	47,422,923	894,829	1.9%
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	212,534	212,534	-	0.0%
Drug Rebates	126,097,319	142,473,490	16,376,171	13.0%
Medical Refunds	38,779,604	46,577,640	7,798,036	20.1%
Other Revenues	13,140,448	12,499,532	(640,916)	(4.9)%
Stimulus Funds Drawn	66,223,361	66,223,361	-	0.0%
TOTAL REVENUES	**$ 2,973,233,508**	**$ 2,948,116,071**	**$ (25,117,437)**	**(0.8)%**

EXPENDITURES	FY11 Budget YTD	FY11 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	**$ 39,643,500**	**$ 34,589,336**	**$ 5,054,164**	**12.7%**
ADMINISTRATION - CONTRACTS	**$ 97,903,146**	**$ 87,305,682**	**$ 10,597,464**	**10.8%**
MEDICAID PROGRAMS				
Managed Care:				
SoonerCare Choice	27,819,692	25,627,728	2,191,964	7.9%
Acute Fee for Service Payments:				
Hospital Services	808,395,602	793,997,635	14,397,967	1.8%
Behavioral Health	257,949,793	263,799,644	(5,849,851)	(2.3)%
Physicians	391,169,282	395,312,744	(4,143,461)	(1.1)%
Dentists	143,173,680	132,145,522	11,028,158	7.7%
Other Practitioners	49,511,889	54,518,040	(5,006,151)	(10.1)%
Home Health Care	19,765,374	19,437,674	327,700	1.7%
Lab & Radiology	43,706,293	44,172,179	(465,886)	(1.1)%
Medical Supplies	47,499,131	43,497,315	4,001,817	8.4%
Ambulatory Clinics	75,775,238	72,378,372	3,396,867	4.5%
Prescription Drugs	327,850,733	315,699,086	12,151,646	3.7%
Miscellaneous Medical Payments	27,125,283	29,707,158	(2,581,876)	(9.5)%
OHCA TFC	-	2,393,181	(2,393,181)	0.0%
Other Payments:				
Nursing Facilities	444,352,570	442,154,145	2,198,424	0.5%
ICF-MR Private	49,831,329	50,709,142	(877,813)	(1.8)%
Medicare Buy-In	124,863,753	126,437,436	(1,573,682)	(1.3)%
Transportation	25,124,953	25,067,679	57,274	0.2%
HIT-Incentive Payments	32,176,848	32,176,848	-	0.0%
Part D Phase-In Contribution	64,472,569	62,897,925	1,574,643	2.4%
Total OHCA Medical Programs	**2,960,564,013**	**2,932,129,453**	**28,434,560**	**1.0%**
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	**$ 3,098,200,041**	**$ 3,054,024,471**	**$ 44,175,570**	**1.4%**
REVENUES OVER/(UNDER) EXPENDITURES	**$ (124,966,533)**	**$ (105,908,400)**	**$ 19,058,133**	

OKLAHOMA HEALTH CARE AUTHORITY

Total Medicaid Program Expenditures
by Source of State Funds
Fiscal Year 2011, for the Eleven Months Ended May 31, 2011

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	$ 26,012,493	$ 25,607,337	$ -	$ 384,766	$ -	$ 20,390	$ -
Inpatient Acute Care	743,493,347	536,200,908	446,130	10,668,233	44,866,398	4,318,631	146,993,048
Outpatient Acute Care	216,697,301	202,944,915	38,137	8,531,733	-	5,182,516	
Behavioral Health - Inpatient	108,075,085	104,275,964	-	3,585	-	6,033	3,789,504
Behavioral Health - Outpatient	9,135,690	9,072,050	-	-	-	-	63,641
Behavioral Health Facility- Rehab	211,719,842	150,296,689	-	345,965	-	148,691	60,928,496
Behavioral Health - Case Management	218	149	-	-	-	69	
Residential Behavioral Management	20,311,077	-	-	-	-	-	20,311,077
Targeted Case Management	65,954,548	-	-	-	-	-	65,954,548
Therapeutic Foster Care	2,393,181	2,393,181	-	-	-	-	-
Physicians	441,185,179	332,559,241	53,259	12,382,026	53,635,381	9,064,862	33,490,410
Dentists	132,175,517	124,920,327	-	29,995	7,118,252	106,943	-
Other Practitioners	54,977,515	53,217,773	409,167	459,475	844,453	46,646	-
Home Health Care	19,437,754	19,382,928	-	80	-	54,746	-
Lab & Radiology	46,878,801	42,811,873	-	2,706,622	-	1,360,306	-
Medical Supplies	44,023,243	40,916,610	2,491,349	525,928	-	89,356	-
Ambulatory Clinics	83,255,602	71,769,190	-	1,502,847	-	609,182	9,374,384
Personal Care Services	11,218,864	-	-	-	-	-	11,218,864
Nursing Facilities	442,154,145	282,115,738	123,484,489	-	36,517,965	35,953	-
Transportation	25,067,679	22,738,081	2,264,231	-	56,920	8,446	-
GME/IME/DME	88,057,623	-	-	-	-	-	88,057,623
ICF/MR Private	50,709,142	41,599,929	8,339,531	-	769,682	-	-
ICF/MR Public	64,819,661	-	-	-	-	-	64,819,661
CMS Payments	189,335,361	186,964,287	2,371,074	-	-	-	-
Prescription Drugs	330,273,627	274,035,564	-	14,574,540	39,354,361	2,309,161	-
Miscellaneous Medical Payments	29,707,335	28,317,189	-	177	1,270,570	119,399	-
Home and Community Based Waiver	141,230,144	-	-	-	-	-	141,230,144
Homeward Bound Waiver	81,162,017	-	-	-	-	-	81,162,017
Money Follows the Person	4,228,600	-	-	-	-	-	4,228,600
In-Home Support Waiver	21,870,166	-	-	-	-	-	21,870,166
ADvantage Waiver	164,728,278	-	-	-	-	-	164,728,278
Family Planning/Family Planning Waiver	6,836,131	-	-	-	-	-	6,836,131
Premium Assistance*	49,018,851	-	-	49,018,851	-	-	-
HIT Grant Incentive Payments	32,176,848	32,176,848					
Total Medicaid Expenditures	**$ 3,958,320,868**	**$2,584,316,771**	**$ 139,897,367**	**$ 101,134,823**	**$ 184,433,984**	**$ 23,481,331**	**$ 925,056,592**

* Includes $48,420,111.77 paid out of Fund 245

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures:
Other State Agencies
Fiscal Year 2011, for the Eleven Months Ended May 31, 2011

REVENUE		FY11 Actual YTD
Revenues from Other State Agencies	$	388,423,132
Pre-paid revenue OSA	$	(13,779,129)
Federal Funds		602,128,973
TOTAL REVENUES	**$**	**976,772,977**

EXPENDITURES		Actual YTD
Department of Human Services		
Home and Community Based Waiver	$	141,230,144
Money Follows the Person		4,228,600
Homeward Bound Waiver		81,162,017
In-Home Support Waivers		21,870,166
ADvantage Waiver		164,728,278
ICF/MR Public		64,819,661
Personal Care		11,218,864
Residential Behavioral Management		15,829,289
Targeted Case Management		51,107,632
Total Department of Human Services		**556,194,653**
State Employees Physician Payment		
Physician Payments		33,490,410
Total State Employees Physician Payment		**33,490,410**
Education Payments		
Graduate Medical Education		42,900,000
Graduate Medical Education - PMTC		4,163,489
Indirect Medical Education		28,813,252
Direct Medical Education		12,180,882
Total Education Payments		**88,057,623**
Office of Juvenile Affairs		
Targeted Case Management		2,640,902
Residential Behavioral Management - Foster Care		56,689
Residential Behavioral Management		4,425,098
Multi-Systemic Therapy		63,641
Total Office of Juvenile Affairs		**7,186,330**
Department of Mental Health		
Targeted Case Management		98
Hospital		3,789,504
Mental Health Clinics		60,928,496
Total Department of Mental Health		**64,718,098**
State Department of Health		
Children's First		1,925,853
Sooner Start		2,185,594
Early Intervention		5,311,856
EPSDT Clinic		1,825,602
Family Planning		69,518
Family Planning Waiver		6,718,545
Maternity Clinic		73,213
Total Department of Health		**18,110,183**
County Health Departments		
EPSDT Clinic		676,222
Family Planning Waiver		48,067
Total County Health Departments		**724,289**
State Department of Education		**127,434**
Public Schools		**4,840,772**
Medicare DRG Limit		**143,636,117**
Native American Tribal Agreements		**4,613,752**
Department of Corrections		**102,505**
JD McCarty		**3,254,426**
Total OSA Medicaid Programs	**$**	**925,056,592**
OSA Non-Medicaid Programs	**$**	**66,733,130**
Accounts Receivable from OSA	**$**	**15,016,745**

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
Fiscal Year 2011, for the Eleven Months Ended May 31, 2011

REVENUES	Total Revenue	State Share
Quality of Care Assessment	**$ 47,381,328**	**$ 47,381,328**
Interest Earned	**41,595**	**41,595**
TOTAL REVENUES	**$ 47,422,923**	**$ 47,422,923**

EXPENDITURES	FY 11 Total $ YTD	FY 11 State $ YTD	Total State $ Cost
Program Costs			
NF Rate Adjustment	$ 120,050,384	$ 42,245,730	
Eyeglasses and Dentures	261,985	92,193	
Personal Allowance Increase	3,172,120	1,116,269	
Coverage for DME and supplies	2,491,349	876,706	
Coverage of QMB's	946,693	333,141	
Part D Phase-In	2,371,074	2,371,074	
ICF/MR Rate Adjustment	4,444,989	1,564,192	
Acute/MR Adjustments	3,894,541	1,370,489	
NET - Soonerride	2,264,231	796,783	
Total Program Costs	**$ 139,897,367**	**$ 50,766,577**	**$ 50,766,577**
Administration			
OHCA Administration Costs	$ 483,952	$ 241,976	
DHS - 10 Regional Ombudsman	242,662	242,662	
OSDH-NF Inspectors	243,085	243,085	
Mike Fine, CPA	19,000	9,500	
Total Administration Costs	**$ 988,699**	**$ 737,223**	**$ 737,223**
Total Quality of Care Fee Costs	**$ 140,886,066**	**$ 51,503,800**	
TOTAL STATE SHARE OF COSTS			**$ 51,503,800**

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
Fiscal Year 2011, for the Eleven Months Ended May 31, 2011

REVENUES	FY 10 Carryover	FY 11 Revenue	Total Revenue
Prior Year Balance	$ 45,276,770	$ -	$ 7,720,738
State Appropriations	(30,000,000)		
Tobacco Tax Collections	-	41,484,988	41,484,988
Interest Income	-	942,877	942,877
Federal Draws	383,873	31,516,220	31,516,220
All Kids Act	(7,506,678)	493,322	493,322
TOTAL REVENUES	**$ 8,153,965**	**$ 74,437,408**	**$ 81,664,824**

EXPENDITURES	FY 10 Expenditures	FY 11 Expenditures	Total $ YTD
Program Costs:			
Employer Sponsored Insurance		$ 48,162,345	$ 48,162,345
College Students		246,145	246,145
All Kids Act		352,594	352,594
Individual Plan			
SoonerCare Choice		$ 375,835	$ 132,256
Inpatient Hospital		10,607,414	3,732,749
Outpatient Hospital		8,440,635	2,970,260
BH - Inpatient Services		3,585	1,261
BH Facility - Rehabilitation Services		343,786	120,978
Physicians		12,269,925	4,317,786
Dentists		20,367	7,167
Other Practitioners		449,846	158,301
Home Health		80	28
Lab and Radiology		2,673,741	940,890
Medical Supplies		524,186	184,461
Ambulatory Clinics		1,486,839	523,219
Prescription Drugs		14,446,022	5,083,555
Miscellaneous Medical		177	62
Premiums Collected		-	(1,683,635)
Total Individual Plan		**$ 51,642,437**	**$ 16,489,339**
College Students-Service Costs		**$ 425,716**	**$ 149,810**
All Kids Act- Service Costs		**$ 399,908**	**$ 140,728**
Total Program Costs		**$ 101,229,146**	**$ 65,540,961**
Administrative Costs			
Salaries	$ 22,395	$ 1,291,267	$ 1,313,662
Operating Costs	117,115	177,700	294,815
Health Dept-Postponing	29,637	-	29,637
Contract - HP	264,080	2,486,078	2,750,157
Total Administrative Costs	**$ 433,227**	**$ 3,955,045**	**$ 4,388,271**
Total Expenditures			**$ 69,929,232**
NET CASH BALANCE	**$ 7,720,738**		**$ 11,735,592**

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 Eleven Months Ended May 31, 2011

REVENUES	FY 11 Revenue	State Share
Tobacco Tax Collections	$ 827,933	$ 827,933
TOTAL REVENUES	**$ 827,933**	**$ 827,933**

EXPENDITURES	FY 11 Total $ YTD	FY 11 State $ YTD	Total State $ Cost
Program Costs			
SoonerCare Choice	$ 20,390	$ 5,022	
Inpatient Hospital	4,318,631	1,063,679	
Outpatient Hospital	5,182,516	1,276,454	
Inpatient Free Standing	6,033	1,486	
MH Facility Rehab	148,691	36,623	
Case Mangement	69	17	
Nursing Facility	35,953	8,855	
Physicians	9,064,862	2,232,676	
Dentists	106,943	26,340	
Other Practitioners	46,646	11,489	
Home Health	54,746	13,484	
Lab & Radiology	1,360,306	335,043	
Medical Supplies	89,356	22,008	
Ambulatory Clinics	609,182	150,042	
Prescription Drugs	2,309,161	568,746	
Transportation	8,446	2,080	
Miscellaneous Medical	119,399	29,408	
Total Program Costs	$ 23,481,331	$ 5,783,452	**$ 5,783,452**
TOTAL STATE SHARE OF COSTS			**$ 5,783,452**

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.

SoonerCare Programs

May 2011 Data for July 2011 Board Meeting

SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System		Monthly Enrollment Average SFY2010	Enrollment May 2011	Total Expenditures May 2011	Average Dollars Per Member Per Month May 2011
SoonerCare Choice Patient-Centered Medical Home		435,958	**448,278**	**$114,694,324**	
Lower Cost	*(Children/Parents; Other)*		402,834	$76,462,537	$190
Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC)*		45,444	$38,231,787	$841
SoonerCare Traditional		219,646	**245,407**	**$188,263,424**	
Lower Cost	*(Children/Parents; Other)*		139,840	$55,394,443	$396
Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)*		105,567	$132,868,981	$1,259
SoonerPlan		23,255	**34,909**	**$688,554**	$20
Insure Oklahoma		28,594	**32,735**	**$8,433,130**	
Employer-Sponsored Insurance		17,857	19,207	$3,901,447	$203
Individual Plan		10,736	13,528	$4,531,683	$335
TOTAL		**707,453**	**761,329**	**$312,079,432**	

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 $22,898,609 are excluded.

Net Enrollee Count Change from Previous Month Total	(462)

New Enrollees	18,987

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

Qualifying Group	Age Group	Enrollment
Aged/Blind/Disabled	*Child*	19,599
Aged/Blind/Disabled	*Adult*	129,245
Other	*Child*	140
Other	*Adult*	19,675
PACE	*Adult*	81
TEFRA	*Child*	388
Living Choice	*Adult*	123
OLL Enrollment		**169,251**

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

Medicare and SoonerCare	Monthly Average SFY2010	Enrolled May 2011
Dual Enrollees	**100,143**	**105,277**

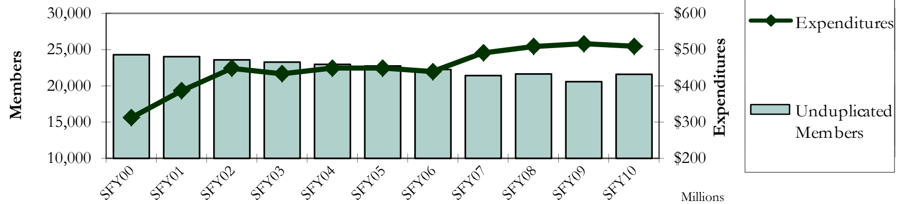
	Monthly Average SFY2010	Enrolled May 2011	PER MEMBER PER MONTH
Long-Term Care Members	**15,820**	**15,698**	**$3,113**
Child	37	95	
Adult	15,783	15,603	

SFY2010 Long-Term Care

Statewide LTC Occupancy Rate - 69.8%
SoonerCare funded LTC Bed Days 68.6%

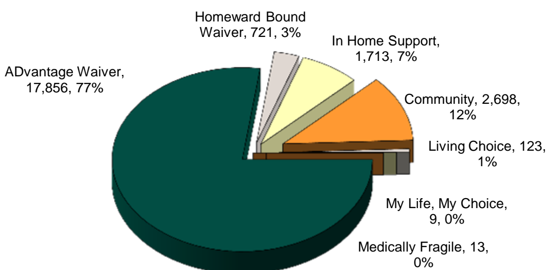
Data as of September 2010

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).

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 mentally retarded/intellectually disabled (ICF/MR).
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/MR.
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/MR.
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.

SoonerCare Programs

SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts		Monthly Average SFY2010	Enrolled May 2011
Total Providers		**28,000**	**29,423**
	In-State	19,563	20,639
	Out-of-State	8,437	8,784

Program	% of Capacity Used
SoonerCare Choice	40%
SoonerCare Choice I/T/U	12%
Insure Oklahoma IP	3%

Select Provider Type Counts	*In-State Monthly Average SFY2010**	*In-State Enrolled May 2011***	Total Monthly Average SFY2010	Total Enrolled May 2011
Physician	*6,074*	*6,594*	10,664	12,098
Pharmacy	*879*	*904*	1,168	1,236
Mental Health Provider	*908*	*958*	983	1,003
Dentist	*790*	*846*	893	957
Hospital	*179*	*188*	790	793
Licensed Behavioral Health Practitioner	*N/A*	*558*	N/A	586
Extended Care Facility	*392*	*392*	395	392

*The In-State Monthly Averages above were recalculated due to a change in the original methodology.

Total Primary Care Providers	*4,072*	*4,588*	6,063	6,665
Patient-Centered Medical Home	*1,339*	*1,509*	1,360	1,537

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.

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.

	May 2011		Since Inception	
	Number of Payments	Payment Amount	Total Number of Payments	Total Payment Amount
Eligible Professionals	110	$2,372,917	537	$11,510,417
Eligible Hospitals	8*	$5,099,888	30	$21,203,932
Totals	118	$7,472,805	567	$32,714,349

*Current Eligible Hospitals Paid

MERCY MEMORIAL HEALTH CENTER
MERCY HEALTH CENTER
KINGFISHER REGIONAL HOSPITAL
WEATHERFORD HOSPITAL AUTHORITY
SAYRE MEMORIAL HOSPITAL
NORMAN REGIONAL HOSPITAL
WAGONER COMMUNITY HOSPITAL
CLEVELAND AREA HOSPITAL

SoonerEnroll: Strategies for Enrollment and Retention

Oklahoma Health Care Authority
Board of Directors Meeting
July 14, 2011
Duncan, OK

Background

- Children's Health Insurance Program Reauthorization Act
  - $100 million for outreach and enrollment (FFY 2009-FFY 2013)
  - Outreach and Enrollment Grants, Cycle I
    - $40 million
    - More than 400 applications submitted; 69 grants awarded
    - OHCA awarded $988,177
    - September 30, 2009-September 29, 2011

Uninsured Children in OK

- 2008 State Health Access Data Assistance Center (SHADAC) survey of uninsured in Oklahoma
  - Uninsured by age
    - Birth to age 18: 10%
      - Birth to age 5: 8%
      - Ages 6-12: 10%
      - Ages 13-18: 11%

Uninsured Children in OK

- Uninsured by race/ethnicity (birth to age 18)
  - Hispanic: 24%
  - Native American: 15%
  - White: 8%
  - African American: 6%
  - Asian: [insufficient sample size]

Uninsured Children in OK

- Uninsured by region (birth to age 18)
  - Southeast: 15%
  - Northeast: 13%
  - Central region/OKC: 11%
  - Northwest: 8%
  - Southwest: 6%
  - Tulsa: 4%
- Only the estimate for Tulsa was statistically significant from the statewide estimate of 10%

Uninsured Children in OK

- Birth to age 18 in urban areas 8%, rural areas 12%
  - Difference between urban and rural not statistically significant

- Lack of variation by region and urban versus rural areas suggests need for statewide infrastructure using strategies to meet local needs

SoonerEnroll

- In 2009, approximately 60,000 children in Oklahoma were eligible for SoonerCare but not enrolled (US Census Bureau data)
- Creation of statewide infrastructure for outreach and enrollment efforts beyond grant time frame
- Primary Goals
  - Successful enrollment of eligible but uninsured children in SoonerCare program
  - Improvement in the rate of successful and timely recertification of children

Initial Letters of Support

- Chickasaw Nation
- Choctaw Nation
- Cooperative Council for Oklahoma School Administration
- Latino Community Development Agency
- Oklahoma Association of Community Action Agencies
- Oklahoma Child Care Resource and Referral Association
- Oklahoma City Indian Clinic
- Oklahoma Commission on Children and Youth
- OKDHS, Office of Child Care Services

Initial Letters of Support

- Oklahoma Head Start Association
- Oklahoma Institute for Child Advocacy
- Oklahoma Primary Care Association
- Oklahoma State Department of Health
- Pacific Health Policy Group
- Smart Start Oklahoma
- University of Oklahoma., School of Social Work
- YWCA of Tulsa
- More than 500 partners have been added statewide

Human Resources

- Grant-funded positions
  - Four Regional Coordinators
    - Central/Southwest, Southeast, Northeast, Northwest
  - Community Outreach Associates
  - Re-enrollment Associates

Research Component

- University of Oklahoma, School of Social Work
  - Focus groups
    - Parents/Guardians of children who have been enrolled, but did not re-enroll despite being qualified
    - Parents/Guardians who have never enrolled or have not re-enrolled their children for a period of more than one year
    - Hispanic parents/guardians
    - Native American parents/guardians
  - Surveys (English, Spanish)
    - Aimed at potentially qualified but not enrolled population to identify challenges and barriers associated with outreach and enrollment
    - Parents/Guardians of children who were previously enrolled in SoonerCare, but upon disenrollment did not complete the re-enrollment process
  - OHCA
    - Focus groups with incarcerated mothers

State-Level Strategies

- Create sustainable infrastructure for outreach by strengthening existing linkages and creation of new linkages among statewide organizations and community partners
- Capacity-building and technical assistance for state and community partners conducting outreach and enrollment activities
- On-line enrollment training
- Telephonic re-enrollment pilot

Community-Level Strategies

- Assist with coordination and administration of focus groups and surveys
- Identification of children qualified for SoonerCare but not enrolled
- Participate in process for development, implementation and evaluation of local action plans designed to enroll qualified children
- Marketing and community education

Key Accomplishments

- Statewide Outreach Infrastructure
- Stronger Community Presence
- Increased Partner Capacity
- More effective and efficient processes

Evaluation

- Performance data reviewed on an ongoing basis and used to revise strategies throughout implementation process to ensure maximum effectiveness
- Outcome Evaluation
  - Enrollment data
  - New member survey
- Process Evaluation
  - Partner Survey

SoonerEnroll in the Spotlight

- Television
- Radio
- Newspapers
- Partner publications
- CMS Region 6 Spotlight for Partnership Development
- Recognized for promising practices in CMS 2010 Annual CHIPRA Report

Next Steps

- Continue to develop and strengthen outreach infrastructure focused on improved effectiveness and efficiency
- Post-grant transition
- *SoonerConnect* (CHIPRA Cycle II)

Contact Information

For regional contact information or more about SoonerEnroll, please visit www.okhca.org/soonerenroll

"The Oklahoma Health Care Authority is not just a state agency, they are a part of our neighborhood."

–Trinna Burrows, Executive Director of Kendall Whittier, Inc.

OKLAHOMA HEALTH CARE AUTHORITY
FY12 BUDGET WORK PROGRAM
Summary by Program Expenditure

Description	FY-11	FY-12	Inc / (Dec)	% Change
Medical Program				
Managed Care - Choice	31,086,445	32,187,142	1,100,697	3.5%
Hospitals	908,883,554	934,025,971	25,142,417	2.8%
Behavioral Health	289,173,372	293,286,847	4,113,474	1.4%
Nursing Homes	493,089,933	476,842,860	(16,247,073)	-3.3%
Physicians	402,786,689	422,131,134	19,344,446	4.8%
Dentists	158,941,061	141,325,524	(17,615,537)	-11.1%
Other Practitioners	54,832,203	58,224,732	3,392,530	6.2%
Home Health	22,002,021	21,717,035	(284,986)	-1.3%
Lab & Radiology	48,062,748	48,859,558	796,811	1.7%
Medical Supplies	52,501,386	47,843,074	(4,658,312)	-8.9%
Clinics	95,144,579	88,801,285	(6,343,294)	-6.7%
Prescription Drugs	362,170,698	362,976,536	805,838	0.2%
Miscellaneous	30,009,791	32,826,294	2,816,503	9.4%
ICF-MR Private	54,482,140	55,092,542	610,402	1.1%
Transportation	27,470,618	28,211,700	741,082	2.7%
Medicare Buy-in	136,566,184	149,030,462	12,464,277	9.1%
MMA clawback payment	70,726,392	75,219,620	4,493,229	6.4%
HIT Grant Incentive Payments	37,358,736	73,854,823	36,496,087	97.7%
Non-Title XIX Medical	89,382	89,382	-	0.0%
TOTAL OHCA MEDICAL PROGRAM	3,275,377,933	3,342,546,523	67,168,590	2.1%
OEPIC - Premium Assistance (HIFA)				
Employer Sponsored Insurance - ESI	57,318,322	58,797,620	1,479,298	2.6%
Individual Plan - IP	64,648,296	52,850,549	(11,797,747)	-18.2%
TOTAL O-EPIC PROGRAM	121,966,618	111,648,169	(10,318,449)	-8.5%
OHCA Administration				
Operations	43,826,800	44,119,302	292,502	0.7%
Contracts	100,752,148	105,155,212	4,403,064	4.4%
HIFA admin	8,493,670	8,288,503	(205,167)	-2.4%
Grant Mgmt	8,832,942	11,308,811	2,475,869	28.0%
TOTAL OHCA ADMIN	161,905,559	168,871,827	6,966,267	4.3%
TOTAL OHCA PROGRAMS	**3,559,250,111**	**3,623,066,520**	**63,816,409**	**1.8%**
Other State Agency (OSA) Programs				
DHS	650,073,310	616,826,445	(33,246,866)	-5.1%
ODSH	23,059,295	20,595,099	(2,464,196)	-10.7%
OJA	8,580,495	8,204,395	(376,100)	-4.4%
University Hospitals	325,541,782	324,618,843	(922,940)	-0.3%
PMTC	5,246,424	5,529,093	282,669	5.4%
DMHSAS	47,769,491	70,803,189	23,033,698	48.2%
DOE	6,773,443	5,560,780	(1,212,663)	-17.9%
OSA DSH Supplemental	34,424,424	-	(34,424,424)	0.0%
Non-Indian Payments	3,299,210	6,151,670	2,852,460	86.5%
DOC	118,564	136,673	18,109	15.3%
JD McCarty	3,430,466	3,530,139	99,674	0.0%
OSA Non-Title XIX	101,659,710	101,659,710	-	0.0%
SHOPP hospital payments	-	338,000,000	338,000,000	#DIV/0!
TOTAL OSA PROGRAMS	**1,209,976,615**	**1,501,616,037**	**291,639,422**	**24.1%**
TOTAL MEDICAID PROGRAM	**4,769,226,726**	**5,124,682,557**	**355,455,831**	**7.5%**

OKLAHOMA HEALTH CARE AUTHORITY
FY12 BUDGET WORK PROGRAM
Summary by Program Expenditure

Description	FY-11	FY-12	Inc / (Dec)	% Change
REVENUES				
Federal - program	2,818,943,155	3,006,082,887	187,139,732	6.6%
Federal Stimulus funds (ARRA)	278,139,950	70,866,174	(207,273,776)	-74.5%
Federal - admin	95,390,113	100,254,264	4,864,151	5.1%
Drug Rebates	126,972,460	149,297,201	22,324,741	17.6%
Medical Refunds	42,032,295	40,350,874	(1,681,421)	-4.0%
NF Quality of Care Fee	51,470,446	51,175,731	(294,715)	-0.6%
OSA Refunds & Reimbursements	509,326,469	621,781,272	112,454,803	22.1%
Tobacco Tax	97,271,754	95,576,605	(1,695,150)	-1.7%
Insurance Premiums	7,757,796	6,342,066	(1,415,730)	100.0%
Misc Revenue	3,084,000	3,284,000	200,000	6.5%
Prior Year Carryover	1,371,872	30,003,490	28,631,618	2087.0%
Other Grants	7,590,645	7,648,605	57,959	0.8%
Hospital Provider Fee (SHOPP bill)	-	29,800,000	29,800,000	100.0%
OEPIC Transfer	30,000,000	-	(30,000,000)	100.0%
State Appropriated	699,875,770	912,219,389	212,343,619	30.3%
TOTAL REVENUES	**4,769,226,726**	**5,124,682,557**	**355,455,831**	**7.5%**

Consideration and Vote Regarding Recommendations Made by the Drug Utilization Review Board Under 63 Oklahoma Statutes 5030.3.

a) Consideration and vote to add Topical Corticosteroid Preparations to the product-based prior authorization program under OAC 317:30-5-77.3.

b) Consideration and vote to add the following products to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

1) Benlysta® (belimumab) and other Practitioner Administered Drugs
2) Adcirca® (tadalafil)
3) Colcrys® (colchicine) and Uloric® (febuxostat)
4) Selected Bladder Agents
5) Nuedexta™ (dextrmethophan HBr and quinidine sulfate)
6) Testosterone Products

Recommendation 1: Prior Authorize Topical Corticosteroids

The Drug Utilization Review Board recommends the addition of the Topical Corticosteroid class of medications to the Product Based Prior Authorization program. The following Tier 1 drug list has been reviewed and determined to be an acceptable combination for use as initial therapy for the majority of members. The following is the proposed Tier list and approval criteria. When Tier 2 products receive a State Maximum Allowable Cost designation and approach the cost of Tier 1 products, they will be moved to Tier 1.

Tier 2 Approval Criteria:

1. Documented trials of ALL Tier 1 topical corticosteroids of similar potency in the past 30 days that did not yield adequate relief.
    a. If Tier 1 trials are completed and do not yield adequate relief, the member must also provide a clinical reason for requesting a Tier 2 in the same potency instead of trying a higher potency.
2. When the same medication is available in Tier 1, a clinical reason must be provided for using a special dosage form of that medication in Tier 2 (foams, shampoos, sprays, kits, etc.).

Topical Corticosteroids	
Tier 1	**Tier 2**
Ultra high to high potency	
Augmented betamethasone dipropionate (Diprolene AF® G,C)	Amcinonide (O)
Betamethasone dipropionate (Diprosone® O)	Augmented betamethasone dipropionate (Diprolene® O, L)
Clobetasol propionate (Temovate® C,G,O,So)	Clobetasol propionate (Clobex® L,Sh,Spr; Olux® F)
Diflorasone diacetate (Apexicon® O, Apexicon E® C)	Desoximetasone 0.25% (Topicort® C,O,) 0.05% (G)
Fluocinonide 0.025% (Lidex® G,C,O)	Fluocinonide 0.01% (Vanos® C)
Halobetasol propionate (Ultravate® C,O)	Flurandrenolide tape (Cordran®)
	Halcinonide (Halog® C,O)
Med/high to medium potency	
Betamethasone dipropionate (Betanate® C,L)	Amcinonide (Cyclocort® C,L)
Betamethasone valerate (Beta-Val® C,O,L)	Betamethasone dipropionate/calcipotriene (Taclonex® O, Sus, Spr)
Fluocinolone acetonide (Synalar® C,O)	Betamethasone valerate (Luxiq® F)

Fluocinonide emollient (Lidex E® C)	Desoximetasone 0.05% (Topicort LP ® C)
Fluticasone propionate (Cutivate® C,O)	Fluticasone propionate (Cutivate® L)
Hydrocortisone valerate 0.2% C	Hydrocortisone butyrate (Locoid® O,C, L; Locoid Lipo C)
Mometasone furoate (Elocon® O,C,L)	Hydrocortisone probutate (Pandel® C)
Triamcinolone acetonide (Kenalog® C,O,L)	Hydrocortisone valerate (Westcort® C,O)
	Prednicarbate (Dermatop® O,C)
	Triamcinolone acetonide (Kenalog® Spr)
Low potency	
Alclometasone dipropionate (Aclovate® C,O)	Coclortolone pivalate (Cloderm® C)
Desonide (LoKara® C,O,L)	Desonide (Desonate® G, Verdeso® F)
Fluocinolone acetonide (So, C; Derma-Smooth®; Derma-Smooth FS® oil)	Desonide/emollient (Desowyn® kit C,O)
Hydrocortisone acetate 2.5% (C,O,L)	Fluocinolone acetonide (Capex® Sh)
Hydrocortisone/urea (U-Cort® C)	Hydrocortisone acetate 2%/aloe (Nucort®, L)
	Hydrocortisone/lidocaine (LidaMantle HC® C)

Recommendation 2: Prior Authorize Benlysta® (belimumab) and other Practitioner Administered Drugs

1. The DUR Board recommends prior authorization of Benlysta® (belimumab) for medical claims with the following approval criteria:

    a. FDA approved indication of adults with active, autoantibody-positive, systemic lupus erythematosus already receiving standard therapy.
    b. Documented inadequate response to at least two of the following medications:
        i. High-dose oral corticosteroids
        ii. Methotrexate
        iii. Azathioprine
        iv. Mycophenolate
        v. Cyclophosphamide
    c. Member must not have severe active lupus nephritis or severe active central nervous system lupus.
    d. No combination use with biologic therapies or intravenous cyclophosphamide.

2. In order to apply a consistent prior authorization policy to drug products supplied by either a pharmacy or practitioner's office, the DUR Board recommends prior authorization of **physician/practitioner administered medications**. The package labeling approved by the Food & Drug Administration (FDA) will be used as the interim criteria. Over the course of the next few months, these products will be presented and additional criteria may be developed for individual products.

Recommendation 3: Prior Authorize Adcirca® (tadalafil)

The Drug Utilization Review Board recommends prior authorization of Adcirca® (tadalafil) with similar approval criteria to the Revatio® (sildenafil):

1. FDA approved diagnosis of pulmonary arterial hypertension.

2. Medical supervision by a pulmonary specialist and/or cardiologist.
3. Quantity limit of #60 tablets per 30 days will apply.

Recommendation 4: Prior Authorize Colcrys® (colchicine) and Uloric® (febuxostat)

The Drug Utilization Review Board recommends prior authorization of Colcrys® (colchicine) and Uloric® (febuxostat) with the following criteria:

Colcrys® (colchicine) will have a free floating 2 days supply of 6 tablets per 365 days. Long term use of Colchicine will require a petition and member must have:

1. Failure of allopurinol defined by persistent gouty attacks with serum urate levels below 6.5mg/dL.
2. Clinical reason why colchicine/probenecid would not be a viable option for the member.
3. Quantity limit of #60 per 30 days will apply for gout.
4. Members with the diagnosis of Familial Mediterranean Fever verified by genetic testing will be approved for up to 2.4mg per day.

Uloric® (febuxostat) approval criteria:

1. Failure of allopurinol defined by persistent gouty attacks with serum urate levels below 6.5mg/dL.
2. Clinical reason why allopurinol is not a viable option for the member.
3. Quantity limit of #30 per 30 days will apply.

Recommendation 5: Prior Authorize Selected Bladder Agents

The Drug Utilization Review Board recommends prior authorization of Urelle®, Prosed DS®, and Darpaz® with the following approval criteria:

1. Recent 14 day trials within the past 30-60 days of:
    a. Urogesic Blue®, and
    b. Utira-C®, Utrona-C®, or Darcalma®

Recommendation 6: Prior Authorize Nuedexta™ (dextrmethophan HBr and quinidine sulfate)

The Drug Utilization Review Board recommends prior authorization of Nuedexta™ (dextrmethophan HBr and quinidine sulfate) with the following approval criteria:

1. FDA approved diagnosis of pseudobulbar affect.
2. Member must be 18 years of age or older.
3. Quantity limit of #60 tablets per 30 days will apply.
4. Approvals will be for the duration of a year.

Recommendation 7: Prior Authorize Testosterone Products

The Drug Utilization Review Board recommends prior authorization of all testosterone products to ensure safe and appropriate use. The following is the recommended approval criteria:

1. Approved diagnosis:
    a. Testicular failure due to cryptorchidism, bilateral torsions, orchitis, vanishing testis syndrome; or orchidectomy.
    b. Idiopathic gonadotropin or l*uteinizing-hormone-releasing hormone* (LHRH) deficiency, or pituitary hypothalamic injury from tumors, trauma, or radiation.
    c. Delayed puberty.
    d. Advanced inoperable metastatic mammary cancer in females 1 to 5 years postmenopausal, or premenopausal women with breast cancer benefitting from oophorectomy and have been determined to have a hormone-responsive tumor.
2. Must include two labs showing pre-medication testosterone level below 300ng/dL (where applicable) and other labs necessary to demonstrate diagnosis.
3. Oral agents are only approved in cases where member cannot use all other available formulations of testosterone.