

OKLAHOMA HEALTH CARE AUTHORITY
REGULARLY SCHEDULED BOARD MEETING
January 9, 2014 at 1:00 P.M.
Oklahoma Health Care Authority
Ponca Conference Room
2401 NW 23rd, Suite 1A
Oklahoma City, OK

AGENDA

Items to be presented by Ed McFall, Chairman

1. Call to Order / Determination of Quorum
2. Action Item – Approval of December 12, 2013 OHCA Board Minutes
3. Discussion Item – Reports to the Board by Board Committees
 - a) Strategic Planning Committee – Vice-Chairman Armstrong
 - b) Legislative Committee – Ann Bryant

Item to be presented by Nico Gomez, Chief Executive Officer

4. Discussion Item – Chief Executive Officer's Report
 - a) All Stars Introduction – Nico Gomez, Chief Executive Officer
 - November – Michelle Powell, Assistant Payroll Specialist, General Accounting (Carrie Evans)
 - December – Demetria Bennett, Sr. Policy Specialist, Policy & Planning (Cindy Roberts)
 - b) Financial Update – Carrie Evans, Chief Financial Officer
 - c) Medicaid Director's Update – Becky Pasternik-Ikard, Deputy State Medicaid Director

Item to be presented by Dana Miller, Tribal Relations Director

5. Discussion Item – Oklahoma Health Care Authority 7th Annual Tribal Consultation Meeting

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

6. Discussion Item – FY 2012 Oklahoma Payment Error Rate Measurement (PERM) Report

Item to be presented by Nancy Nesser, Pharmacy Director

7. Discussion Item – Independent Review of the SoonerCare Pharmacy Benefit and Management, Shawna Kittridge, RPh, MHS, Principal of Mercer CHSC – Pharmacy Sector Lead and Barb Mart, RPh, Senior Consultant of Mercer GHSC

Item to be presented by Nicole Nantois, Interim Director of Legal Services

8. Announcements of Conflicts of Interest Panel Recommendations for All Action Items Regarding This Board Meeting.

Item to be presented by Nancy Nesser, 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 Ketoconazole Oral Tablets to the Utilization and Scope Prior Authorization Program Under OAC 317:30-5-77.2(e).

Item to be presented by Chairman McFall

10. Discussion Item – Proposed Executive Session as Recommended by the Interim Director of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B) (1), (4), (7) and (9)
 - a) Discussion of Pending Litigation, Investigations and Claims
11. New Business
12. ADJOURNMENT

NEXT BOARD MEETING
February 13, 2014
Oklahoma Health Care Authority
Ponca Conference Room
Oklahoma City, OK

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
December 12, 2013
Held at Oklahoma Health Care Authority
Oklahoma City, Oklahoma

Manner and Time of Notice of Meeting: A statutorily required public meeting notice was placed on the front door of the Oklahoma Health Care Authority on December 11, 2013, 10:30 a.m. Advance public meeting notice is provided to the Oklahoma Secretary of State. In addition to the posting of the statutory public notice, the agency placed its agenda on its website on December 9, 2013, 12:00 p.m.

Pursuant to a roll call of the members, a quorum was declared to be present, and Chairman McFall called the meeting to order at 1:00 p.m.

BOARD MEMBERS PRESENT: Chairman McFall, Vice-Chairman Armstrong, Member Miller, Member Bryant, Member Nuttle, Member Robison

BOARD MEMBERS ABSENT: Member McVay

OTHERS PRESENT: Robert Dorrell, BCBSOK
Ziva Branstetter, Tulsa World
Will Widman, HP
Dan Arthrell, Com. Ser. Council

OTHERS PRESENT: David Kendrick, MyHealth
Beth VanHorn, OHCA
Barry L. Smith
Arthur Hulbert, House Representative Member

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARLY SCHEDULED BOARD MEETING HELD NOVEMBER 14, 2013.

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: Vice-Chairman Armstrong moved for approval of the November 14, 2013 board meeting minutes as published. The motion was seconded by Member Robison.

FOR THE MOTION: Chairman McFall, Member Miller, Member Bryant, Member Nuttle

BOARD MEMBERS ABSENT: Member McVay

ITEM 3 / REPORTS TO THE BOARD BY BOARD COMMITTEES

Audit/Finance Committee

Member Miller stated that the Audit/Finance committee met and discussed budget. He noted that they discussed that there will be a consultants pharmacy report in regards to our plan and their findings, next month at the board meeting. Member Miller stated that the committee discussed laws that were passed by congress that have created an issue regarding long term care.

Strategic Planning Committee

Vice-Chairman Armstrong stated that the committee did meet and are continuing activities in the area of education trying to educate as many house and senate leadership as we can in regards to the significant amount of money we will be losing from the federal government as a result of the average wage going up in the state of Oklahoma as well as working through the Affordable Care Act, trying to address the changes that will require.

Personnel Committee

Chairman McFall stated that the committee did meet and announced that our General Counsel, Howard Pallotta, will be retiring from OHCA.

Chairman McFall recognized Mr. Pallotta's years of service to the State of Oklahoma and thanked him for his service to the Oklahoma Health Care Authority and presented him with a plaque.

ITEM 4 / CHIEF EXECUTIVE OFFICER'S REPORT

Nico Gomez, Chief Executive Officer

Nico thanked Member Robison and St. Francis Health System for coordinating and hosting this month's board meeting.

He stated that over 100 employees will volunteer at Feed the Children next week. He also gave kudos to the SCC campaign event that supports charities across the state. Sixty six (66) of OHCA staff participated (an increase of 29 people from last year) and raised over \$12,000 for the campaign.

4a. FINANCIAL UPDATE

Carrie Evans, Chief Financial Officer

Ms. Evans reported on the financial transactions through the month of October and we continue to run under budget with \$22.8 million state dollars which is up \$4 million from the previous month. She stated that we are under budget in our Medicaid program spending which are .5% total dollars and 3.5% state dollars. We continue to run under budget in our administration for 11.7% or \$2.9 million in state dollars. Ms. Evans reported that we continue to be over budget in drug rebate and noted that is a good thing because it is revenue and are slightly under budget in other revenue sources. Looking ahead to November we are going to be slightly under budget about \$3.5 million dollars for program spending so we do expect the trend to continue. For more detailed information, see Item 4a in the board packet.

4b. OFFICE SPACE UPDATE

James Smith, Chief of Staff

Mr. Smith presented an update of the new Oklahoma Health Care Authority building progress at our new location on Lincoln Boulevard. For more detailed information, see Item 4b in the agenda at www.okhca.org.

4c. MEDICAID DIRECTOR'S UPDATE

Garth Splinter, State Medicaid Director

Dr. Splinter provided a report that included a report on the number of enrollees in the Medicaid Program, a historical analysis of enrollees in Medicaid or Soonercare and a report on the number of providers. Dr. Splinter gave a summary of SoonerCare traditional and choice patient-centered medical homes as well as SoonerCare enrollment low cost and high cost trends. For more detailed information, see Item 4c in the board packet.

4c1. MYHEALTH PRESENTATION

David Kendrick, MD, MPH of MyHealth Access Network

Dr. Kendrick gave a presentation of the MyHealth Access Network, which is an Oklahoma non-profit organization governed by its participating communities to improve the health of the community by improving the Oklahoma healthcare system and improve health. Dr. Kendrick discussed the tools for health system improvement: electronic medical records (EMRs), health information network (HINs) and community-wide care coordination. He discussed some of My Health's current members, cost analysis, as well as the technology supporting the system. For more detailed information, go to Info@MyHealthAccess.net.

ITEM 5 / PRESENTATION OF THE 2013 OKLAHOMA HEALTH CARE AUTHORITY REPORT

Connie Steffee, Reporting & Statistics Director

Ms. Steffee presented an overview of the OHCA annual report. She noted that in trying to address issues, we are trying to reduce publication costs and length of the report. She stated that the information on SoonerCare eligibility, benefits, etc. have been taken out of the report and added as the 'Primer' document in the hopes that the SFY 13 reports are based on only information pertaining to this year. For more detailed information and to review the report, go to www.okhca.org.

ITEM 6 / PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE DIRECTOR OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLAHOMA STATUTES §307(B) (1), (4), AND (7).

Howard Pallotta, General Counsel

Chairman McFall entertained a motion to go into Executive Session at this time.

MOTION: Vice-Chairman Armstrong moved for approval to go into Executive Session. The motion was seconded by Member Robison.

FOR THE MOTION: Chairman McFall, Member Miller, Member Nuttle, Member Bryant

BOARD MEMBERS ABSENT: Member McVay

6. Discussion Item – Proposed Executive Session as Recommended by the Director of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B) (1), (4), (7) and (9)

a) Discussion of Pending Litigation, Investigations and Claims

ITEM 7 / CONSIDERATION AND VOTE UPON THE OKLAHOMA HEALTH CARE AUTHORITY BOARD MEETING DATES, TIMES AND LOCATIONS FOR CALENDAR YEAR 2014

MOTION: Member Bryant moved for approval of Item 7 as presented. The motion was seconded by Vice-Chairman Armstrong.

FOR THE MOTION: Chairman McFall, Member Miller, Member Nuttle, Member Robison

BOARD MEMBERS ABSENT:

Member McVay

ITEM 8 / NEW BUSINESS

There was no new business.

ITEM 9 / ADJOURNMENT

MOTION:

Member Nuttle moved for adjournment. The motion was seconded by Vice-Chairman Armstrong.

FOR THE MOTION:

Chairman McFall, Member Miller, Member Bryant, Member Robison

BOARD MEMBERS ABSENT:

Member McVay

Meeting adjourned at 2:59 p.m., 12/12/2013

NEXT BOARD MEETING
January 9, 2014
Oklahoma Health Care Authority
OKC, OK

Lindsey Bateman
Board Secretary

Minutes Approved: _____

Initials: _____

DRAFT



FINANCIAL REPORT

For the Five Months Ended November 30, 2013
Submitted to the CEO & Board

- Revenues for OHCA through November, accounting for receivables, were **\$1,660,451,755** or **.6% over** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$1,608,202,704** or **1% under** budget.
- The state dollar budget variance through November is **\$26,180,781 positive**.
- The budget variance is primarily attributable to the following (in millions):

Expenditures:	
Medicaid Program Variance	5.5
Administration	2.5
Revenues:	
Unanticipated Revenue	15.7
Drug Rebate	2.9
Taxes and Fees	(.2)
Overpayments/Settlements	(.2)
Total FY 14 Variance	\$ 26.2

ATTACHMENTS

Summary of Revenue and Expenditures: OHCA	1
Medicaid Program Expenditures by Source of Funds	2
Other State Agencies Medicaid Payments	3
Fund 205: Supplemental Hospital Offset Payment Program Fund	4
Fund 230: Quality of Care Fund Summary	5
Fund 245: Health Employee and Economy Act Revolving Fund	6
Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund	7

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures: OHCA
Fiscal Year 2014, For the Five Months Ended November 30, 2013

REVENUES	FY14 Budget YTD	FY14 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 401,878,601	\$ 401,878,601	\$ -	0.0%
Federal Funds	856,410,881	842,602,092	(13,808,789)	(1.6)%
Tobacco Tax Collections	23,830,007	23,536,923	(293,084)	(1.2)%
Quality of Care Collections	33,960,467	33,960,467	-	0.0%
Prior Year Carryover	41,811,007	41,811,007	-	0.0%
Unanticipated Revenue	-	15,683,810	15,683,810	100.0%
Federal Deferral - Interest	100,098	100,098	-	0.0%
Drug Rebates	74,066,170	82,129,387	8,063,217	10.9%
Medical Refunds	18,433,026	17,856,159	(576,867)	(3.1)%
SHOPP	192,913,878	192,913,878	-	0.0%
Other Revenues	7,872,022	7,979,335	107,313	1.4%
TOTAL REVENUES	\$ 1,651,276,156	\$ 1,660,451,755	\$ 9,175,599	0.6%

EXPENDITURES	FY14 Budget YTD	FY14 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	\$ 21,713,635	\$ 19,276,155	\$ 2,437,480	11.2%
ADMINISTRATION - CONTRACTS	\$ 46,208,658	\$ 40,766,383	\$ 5,442,275	11.8%
MEDICAID PROGRAMS				
<u>Managed Care:</u>				
SoonerCare Choice	14,820,079	14,772,028	48,051	0.3%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	391,961,354	389,155,353	2,806,001	0.7%
Behavioral Health	9,173,591	8,962,503	211,088	2.3%
Physicians	210,560,498	209,647,368	913,130	0.4%
Dentists	63,047,984	62,753,484	294,500	0.5%
Other Practitioners	19,259,113	18,561,206	697,907	3.6%
Home Health Care	9,391,229	8,828,697	562,533	6.0%
Lab & Radiology	27,891,873	26,852,344	1,039,530	3.7%
Medical Supplies	21,171,123	19,952,747	1,218,376	5.8%
Ambulatory/Clinics	49,342,396	49,083,209	259,187	0.5%
Prescription Drugs	175,801,285	176,581,740	(780,455)	(0.4)%
OHCA TFC	852,009	789,143	62,866	0.0%
<u>Other Payments:</u>				
Nursing Facilities	241,977,729	241,208,604	769,125	0.3%
ICF-MR Private	25,291,054	24,902,984	388,071	1.5%
Medicare Buy-In	56,419,937	56,492,027	(72,090)	(0.1)%
Transportation	26,348,636	25,942,404	406,232	1.5%
MFP-OHCA	686,717	474,106	212,611	0.0%
EHR-Incentive Payments	4,579,333	4,579,333	-	0.0%
Part D Phase-In Contribution	32,684,391	32,685,008	(618)	(0.0)%
SHOPP payments	175,935,878	175,935,878	-	0.0%
Total OHCA Medical Programs	1,557,196,210	1,548,160,166	9,036,044	0.6%
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	\$ 1,625,207,885	\$ 1,608,202,704	\$ 17,005,182	1.0%
REVENUES OVER/(UNDER) EXPENDITURES	\$ 26,068,271	\$ 52,249,051	\$ 26,180,781	

OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
Fiscal Year 2014, For the Five Months Ended November 30, 2013

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 14,956,261	\$ 14,764,777	\$ -	\$ 184,233	\$ -	\$ 7,251	\$ -
Inpatient Acute Care	281,644,466	249,110,140	162,229	4,617,492	21,142,375	915,501	5,696,730
Outpatient Acute Care	122,681,462	115,916,408	13,868	4,856,354	-	1,894,833	-
Behavioral Health - Inpatient	10,246,466	5,272,053	-	278,169	-	-	4,696,244
Behavioral Health - Psychiatrist	3,690,449	3,690,449	-	-	-	-	-
Behavioral Health - Outpatient	10,893,236	-	-	-	-	-	10,893,236
Behavioral Health Facility- Rehab	113,519,632	-	-	-	-	42,360	113,519,632
Behavioral Health - Case Management	4,013,338	-	-	-	-	-	4,013,338
Behavioral Health - PRTF	39,951,175	-	-	-	-	-	39,951,175
Residential Behavioral Management	8,523,336	-	-	-	-	-	8,523,336
Targeted Case Management	27,393,235	-	-	-	-	-	27,393,235
Therapeutic Foster Care	789,143	789,143	-	-	-	-	-
Physicians	234,678,008	178,705,199	19,367	6,233,025	28,292,374	2,630,428	18,797,615
Dentists	62,797,795	59,468,873	-	44,311	3,270,548	14,063	-
Mid Level Practitioners	1,576,246	1,542,388	-	32,685	-	1,173	-
Other Practitioners	17,144,427	16,432,646	148,788	126,782	431,586	4,626	-
Home Health Care	8,828,815	8,818,494	-	119	-	10,203	-
Lab & Radiology	28,502,512	26,546,804	-	1,650,168	-	305,539	-
Medical Supplies	20,257,058	19,026,632	903,845	304,311	-	22,270	-
Clinic Services	51,046,335	44,860,327	-	632,341	-	118,525	5,435,142
Ambulatory Surgery Centers	6,454,141	4,095,767	-	2,349,784	-	8,590	-
Personal Care Services	5,769,823	-	-	-	-	-	5,769,823
Nursing Facilities	241,208,604	152,137,594	72,029,581	-	17,033,108	8,323	-
Transportation	25,822,758	23,574,289	889,680	-	1,334,550	24,239	-
GME/IME/DME	62,498,835	-	-	-	-	-	62,498,835
ICF/MR Private	24,902,984	20,792,564	3,754,120	-	356,300	-	-
ICF/MR Public	19,778,997	-	-	-	-	-	19,778,997
CMS Payments	89,177,036	88,902,340	274,696	-	-	-	-
Prescription Drugs	185,115,394	156,137,141	-	8,533,654	19,682,103	762,496	-
Miscellaneous Medical Payments	121,032	114,385	-	1,386	-	5,261	-
Home and Community Based Waiver	72,628,112	-	-	-	-	-	72,628,112
Homeward Bound Waiver	38,274,638	-	-	-	-	-	38,274,638
Money Follows the Person	3,083,546	474,106	-	-	-	-	2,609,440
In-Home Support Waiver	10,205,602	-	-	-	-	-	10,205,602
ADvantage Waiver	78,667,288	-	-	-	-	-	78,667,288
Family Planning/Family Planning Waiver	5,075,007	-	-	-	-	-	5,075,007
Premium Assistance*	20,335,596	-	-	20,335,596	-	-	-
EHR Incentive Payments	4,579,333	4,579,333	-	-	-	-	-
SHOPP Payments**	175,935,878	175,935,878	-	-	-	-	-
Total Medicaid Expenditures	\$ 2,132,768,000	\$1,195,751,851	\$ 78,196,173	\$ 50,180,410	\$ 91,542,943	\$ 6,775,680	\$ 534,427,424

* Includes \$21,576,979.13 paid out of Fund 245 and **\$175,935,878 paid out of Fund 205

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures:
Other State Agencies
Fiscal Year 2014, For the Five Months Ended November 30, 2013

REVENUE	FY14 Actual YTD
Revenues from Other State Agencies	\$ 216,462,692
Federal Funds	343,957,404
TOTAL REVENUES	\$ 560,420,095
EXPENDITURES	Actual YTD
Department of Human Services	
Home and Community Based Waiver	\$ 72,628,112
Money Follows the Person	2,609,440
Homeward Bound Waiver	38,274,638
In-Home Support Waivers	10,205,602
ADvantage Waiver	78,667,288
ICF/MR Public	19,778,997
Personal Care	5,769,823
Residential Behavioral Management	6,254,134
Targeted Case Management	21,303,895
Total Department of Human Services	255,491,929
State Employees Physician Payment	
Physician Payments	18,797,615
Total State Employees Physician Payment	18,797,615
Education Payments	
Graduate Medical Education	21,422,222
Graduate Medical Education - PMTC	1,866,941
Indirect Medical Education	31,088,706
Direct Medical Education	8,120,966
Total Education Payments	62,498,835
Office of Juvenile Affairs	
Targeted Case Management	1,247,819
Residential Behavioral Management	2,269,202
Total Office of Juvenile Affairs	3,517,021
Department of Mental Health	
Case Management	4,013,338
Inpatient Psych FS	4,696,244
Outpatient	10,893,236
PRTF	39,951,175
Rehab	113,519,632
Total Department of Mental Health	173,073,625
State Department of Health	
Children's First	998,989
Sooner Start	989,982
Early Intervention	2,143,274
EPSDT Clinic	932,310
Family Planning	(113,794)
Family Planning Waiver	5,176,975
Maternity Clinic	27,411
Total Department of Health	10,155,148
County Health Departments	
EPSDT Clinic	381,733
Family Planning Waiver	11,825
Total County Health Departments	393,559
State Department of Education	48,841
Public Schools	1,650,417
Medicare DRG Limit	-
Native American Tribal Agreements	3,103,706
Department of Corrections	682,688
JD McCarty	5,014,041
Total OSA Medicaid Programs	\$ 534,427,424
OSA Non-Medicaid Programs	\$ 33,742,268
Accounts Receivable from OSA	\$ 7,749,597

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 205: Supplemental Hospital Offset Payment Program Fund
Fiscal Year 2014, For the Five Months Ended November 30, 2013

REVENUES	FY 14 Revenue
SHOPP Assessment Fee	\$ 80,188,578
Federal Draws	112,617,051
Interest	106,707
Penalties	1,542
State Appropriations	(15,200,000)
TOTAL REVENUES	\$ 177,713,878

EXPENDITURES	Quarter	Quarter	FY 14 Expenditures
	7/1/13 - 9/30/13	10/1/13 - 12/31/13	
Program Costs:			
Hospital - Inpatient Care	76,710,371	81,236,442	\$ 157,946,813
Hospital -Outpatient Care	2,748,407	2,815,812	\$ 5,564,219
Psychiatric Facilities-Inpatient	5,785,055	6,128,236	\$ 11,913,291
Rehabilitation Facilities-Inpatient	248,410	263,146	\$ 511,556
Total OHCA Program Costs	85,492,242	90,443,636	\$ 175,935,878

Total Expenditures	\$ 175,935,878
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CASH BALANCE	\$ 1,777,999
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OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
Fiscal Year 2014, For the Five Months Ended November 30, 2013

REVENUES	Total Revenue	State Share
Quality of Care Assessment	\$ 32,535,616	\$ 32,535,616
Interest Earned	19,376	19,376
TOTAL REVENUES	\$ 32,554,991	\$ 32,554,991

EXPENDITURES	FY 14 Total \$ YTD	FY 14 State \$ YTD	Total State \$ Cost
Program Costs			
NF Rate Adjustment	\$ 87,047,135	\$ 31,336,969	
Eyeglasses and Dentures	118,305	42,590	
Personal Allowance Increase	1,432,460	515,686	
Coverage for DME and supplies	1,129,806	406,730	
Coverage of QMB's	430,315	154,913	
Part D Phase-In	329,789	329,789	
ICF/MR Rate Adjustment	2,320,548	835,397	
Acute/MR Adjustments	2,271,859	817,869	
NET - Soonerride	1,110,047	399,617	
Total Program Costs	\$ 96,190,265	\$ 34,839,560	\$ 34,839,560
Administration			
OHCA Administration Costs	\$ 190,779	\$ 95,389	
PHBV - QOC Exp	-	-	
OSDH-NF Inspectors	-	-	
Mike Fine, CPA	-	-	
Total Administration Costs	\$ 190,779	\$ 95,389	\$ 95,389
Total Quality of Care Fee Costs	\$ 96,381,043	\$ 34,934,950	
TOTAL STATE SHARE OF COSTS			\$ 34,934,950

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 2014, For the Five Months Ended November 30, 2013

REVENUES	FY 13 Carryover	FY 14 Revenue	Total Revenue
Prior Year Balance	\$ 10,427,850	\$ -	\$ 3,381,553
State Appropriations	-	-	(3,000,000)
Tobacco Tax Collections	-	19,358,246	19,358,246
Interest Income	-	97,680	97,680
Federal Draws	176,996	12,536,050	12,536,050
All Kids Act	(6,863,007)	120,497	120,497
TOTAL REVENUES	\$ 3,741,839	\$ 32,112,473	\$ 32,373,530

EXPENDITURES	FY 13 Expenditures	FY 14 Expenditures	Total \$ YTD
Program Costs:			
Employer Sponsored Insurance		\$ 19,912,402	\$ 19,912,402
College Students		149,600	149,600
All Kids Act		273,594	273,594
Individual Plan			
SoonerCare Choice		\$ 176,778	\$ 63,640
Inpatient Hospital		4,605,364	1,657,931
Outpatient Hospital		4,780,538	1,720,994
BH - Inpatient Services-DRG		267,910	96,448
BH -Psychiatrist		-	-
Physicians		6,170,031	2,221,211
Dentists		30,794	11,086
Mid Level Practitioner		32,299	11,628
Other Practitioners		122,193	43,989
Home Health		119	43
Lab and Radiology		1,632,457	587,684
Medical Supplies		301,349	108,486
Clinic Services		619,328	222,958
Ambulatory Surgery Center		234,892	84,561
Prescription Drugs		8,446,959	3,040,905
Miscellaneous Medical		1,386	1,386
Premiums Collected		-	(854,084)
Total Individual Plan		\$ 27,422,397	\$ 9,018,866
College Students-Service Costs		\$ 247,493	\$ 89,097
All Kids Act- Service Costs		\$ 60,891	\$ 21,921
Total OHCA Program Costs		\$ 48,066,377	\$ 29,465,480
Administrative Costs			
Salaries	\$ 7,360	\$ 443,893	\$ 451,253
Operating Costs	85,634	259,255	344,889
Health Dept-Postponing	-	-	-
Contract - HP	267,291	327,550	594,841
Total Administrative Costs	\$ 360,286	\$ 1,030,697	\$ 1,390,983
Total Expenditures			\$ 30,856,463
NET CASH BALANCE	\$ 3,381,553		\$ 1,517,067

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

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund
Fiscal Year 2014, For the Five Months Ended November 30, 2013**

REVENUES	FY 14 Revenue	State Share
Tobacco Tax Collections	\$ 386,355	\$ 386,355
TOTAL REVENUES	\$ 386,355	\$ 386,355

EXPENDITURES	FY 14 Total \$ YTD	FY 14 State \$ YTD	Total State \$ Cost
Program Costs			
SoonerCare Choice	\$ 7,251	\$ 1,827	
Inpatient Hospital	915,501	230,706	
Outpatient Hospital	1,894,833	477,498	
Inpatient Services-DRG	-	-	
Psychiatrist	-	-	
TFC-OHCA	-	-	
Nursing Facility	8,323	2,097	
Physicians	2,630,428	662,868	
Dentists	14,063	3,544	
Mid-level Practitioner	1,173	296	
Other Practitioners	4,626	1,166	
Home Health	10,203	2,571	
Lab & Radiology	305,539	76,996	
Medical Supplies	22,270	5,612	
Clinic Services	118,525	29,868	
Ambulatory Surgery Center	8,590	2,165	
Prescription Drugs	762,496	192,149	
Transportation	24,239	6,108	
Miscellaneous Medical	5,261	1,326	
Total OHCA Program Costs	\$ 6,733,321	\$ 1,696,797	
OSA DMHSAS Rehab	\$ 42,360	\$ 10,675	
Total Medicaid Program Costs	\$ 6,775,680	\$ 1,707,471	
TOTAL STATE SHARE OF COSTS			\$ 1,707,471

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 2013 Data for January 2014 Board Meeting

SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System	Monthly Enrollment Average SFY2013	Enrollment November 2013	Total Expenditures November 2013	Average Dollars Per Member Per Month November 2013
SoonerCare Choice Patient-Centered Medical Home	513,315	554,336	\$137,937,768	
<i>Lower Cost</i> (Children/Parents; Other)		507,964	\$98,520,416	\$194
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFR-A; BCC)		46,372	\$39,417,352	\$850
SoonerCare Traditional	217,231	193,764	\$185,401,600	
<i>Lower Cost</i> (Children/Parents; Other)		85,956	\$47,597,924	\$554
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFR-A; BCC & HCBS Waiver)		107,808	\$137,803,675	\$1,278
SoonerPlan	48,346	52,461	\$499,242	\$10
Insure Oklahoma	30,202	26,863	\$8,932,253	
<i>Employer-Sponsored Insurance</i>	16,644	14,753	\$3,797,473	\$257
<i>Individual Plan</i>	13,559	12,110	\$5,134,780	\$424
TOTAL	809,094	827,424	\$332,770,862	

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 \$32,681,343 are excluded.

Net Enrollee Count Change from Previous Month Total	(1,205)
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New Enrollees	16,805
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Members that have not been enrolled in the past 6 months.

Dual Enrollees & Long-Term Care Members (subset of data above)

Medicare and SoonerCare	Monthly Average SFY2013	Enrolled November 2013
Dual Enrollees	108,514	109,818
<i>Child</i>	201	191
<i>Adult</i>	108,313	109,627

	Monthly Average SFY2013	Enrolled November 2013	FACILITY PER MEMBER PER MONTH
Long-Term Care Members	15,674	15,449	\$3,529
<i>Child</i>	64	68	
<i>Adult</i>	15,610	15,381	

Child is defined as an individual under the age of 21.

SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts	Monthly Average SFY2013	Enrolled November 2013
Total Providers	36,948	38,435
<i>In-State</i>	28,587	29,320
<i>Out-of-State</i>	8,362	9,115

Provider Network includes providers who are contracted to provide health care services by locations, programs, types, and specialties. Providers are being counted multiple times if they have multiple locations, programs, types, and specialties.

Program	% of Capacity Used
SoonerCare Choice	45%
SoonerCare Choice I/T/U	19%
Insure Oklahoma IP	3%

Select Provider Type Counts	In-State		Totals	
	Monthly Average SFY2013	Enrolled November 2013*	Monthly Average SFY2013	Enrolled November 2013
Physician	7,859	8,519	12,432	13,525
Pharmacy	901	925	1,208	1,251
Mental Health Provider**	5,811	4,717	5,880	4,754
Dentist**	1,205	958	1,380	1,059
Hospital**	194	183	923	641
Optometrist	578	566	612	594
Extended Care Facility	362	356	362	356

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

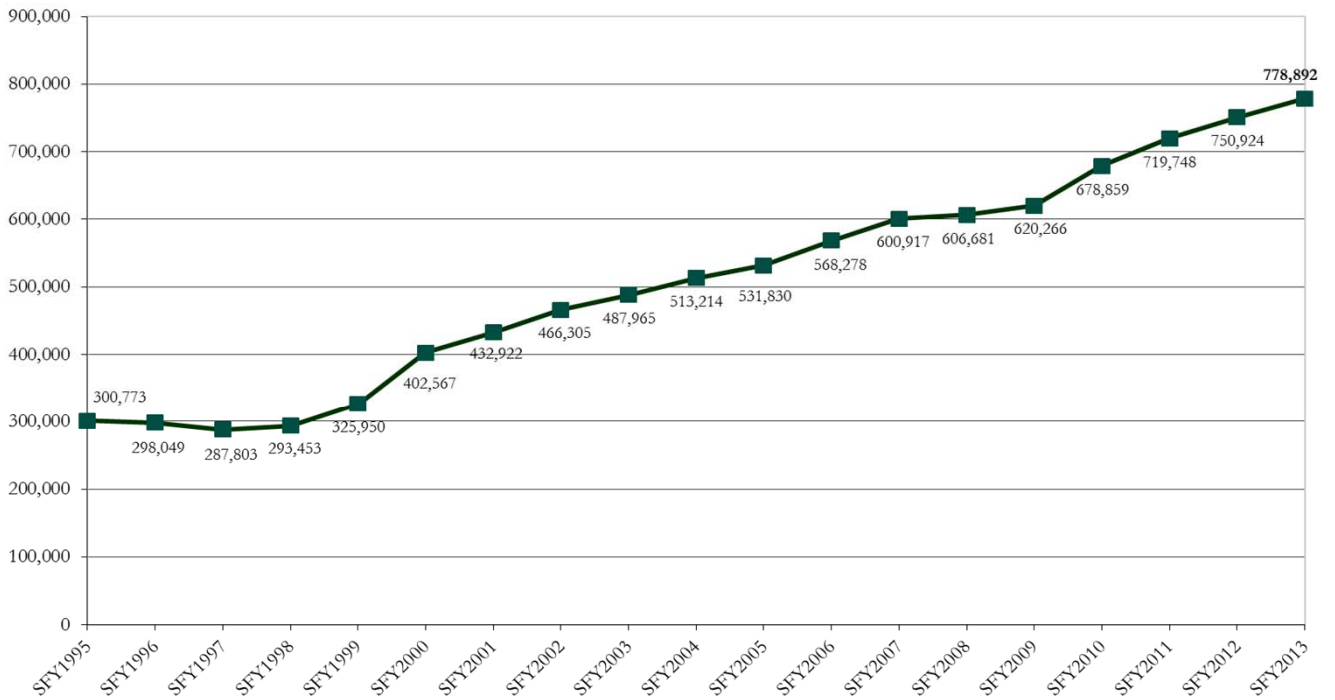
Total Primary Care Providers***	4,997	5,504	6,541	7,194
Patient-Centered Medical Home	1,935	2,123	1,985	2,217

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.
 **Decrease in current month's count is due to contract renewal period which is typical during all renewal periods. Hospitals renewal started in March 2013, renewals for Mental Health Providers started in June 2013 and Dentist renewals started in October 2013.

SoonerCare Programs

HISTORIC AVERAGE MONTHLY SOONERCARE ENROLLMENT PER STATE FISCAL YEAR



State Fiscal Year (SFY) is July - June. Data prior to SFY2000 is from the OKDHS County Summary Report. During SFY1998 Title 19 expansion and CHIP were implemented. SoonerPlan and Oklahoma Cares enrollment began in the last half of SFY2005. In SFY2006 OHCA implemented 12 month certifications and TEFRA.

Figures do not include Insure Oklahoma enrollees.

ELECTRONIC HEALTH RECORDS (EHR) INCENTIVE STATISTICS

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

As Of 1/2/2014	November 2013		Since Inception	
	Number of Payments	Payment Amount	Total Number of Payments	Total Payment Amount
Eligible Professionals	13	\$238,000	1,885	\$44,069,668
Eligible Hospitals	2*	\$558,090	91	\$81,248,285
Totals	15	\$796,090	1,976	\$125,317,952

*Current Eligible Hospitals Paid
 JEAY MEDICAL SERVICES
 ST MARY'S REGIONAL CTR

OHCA SoonerCare 7th Annual Tribal Consultation Meeting

The Oklahoma Health Care Authority (OHCA) SoonerCare Tribal Consultation 7th Annual Meeting was held on October 23, 2013 at the Hard Rock Hotel and Conference Center in Catoosa. The meeting was attended by 140 participants representing 13 tribes, Indian Health Service (IHS), and urban Indian health care facilities. All 63 Indian health care providers in Oklahoma contract with OHCA; and over 129,000 tribal citizens are enrolled in the SoonerCare program.

The tribal leader roundtable session began with a breakfast that was sponsored by the Inter-Tribal Health Board. Attendees were tribal elected officials and/or their designees; leadership from the federal Indian Health Service Area Office; Oklahoma City Area Inter-Tribal Health Board members; and OHCA executive staff and board chairman Ed McFall. The layout of the session was designed to encourage open and productive dialogue.

During the afternoon session the OHCA Tribal Consultation Annual Report was discussed along with an update on Tribal workgroup for Effective Communication in Tribal Communities. Next was an explanation of SoonerCare Changes for 2014 followed by a discussion on the Tribal Medical Home Model. The Tribal consultation concluded with planning of action items for 2014.

Tribes represented:

Absentee Shawnee Tribe
Cherokee Nation
Cheyenne-Arapaho Tribe
Chickasaw Nation
Choctaw Nation
Citizen Potawatomi Nation
Kaw Nation
Modoc Tribe
Muscogee Creek Nation
Otoe-Missouria Tribe
Seminole Nation
Ponca Tribe
Sac and Fox Nation

Primary areas of concern discussed from tribal leaders:

1. **Uncompensated care within the tribal health care system.** Tribal leaders support the Leavitt report recommendations regarding uncompensated care, including waiver proposals similar to the approved 1115 waiver for the state of Arizona.
2. **Health disparities in tribal communities.** American Indians and Alaska Natives have significantly worse health status compared to the rest of the national population. Factors such as high poverty rates, lower education levels, inadequate housing, and insufficient

transportation contribute to disproportionately high rates for health disparities. Tribal leaders discussed the need to address the health disparities and suggested healthy food initiatives and reimbursement for food nutrition, and coordination of tribal wellness and prevention programs with ITU primary care providers to address diabetes, cardiovascular disease, and other chronic conditions. It was also noted that SoonerCare enrollment outreach to tribal citizens is important to help address the need for preventive care.

(Action item: A large majority of Oklahoma's 39 tribes have diabetes and wellness programs through the Special Diabetes Programs for Indians (SDPI) and other grants. OHCA is seeking enhanced technical assistance from CMS geared towards coordinating ITU primary care providers and tribal wellness programs to create a model that would integrate the two programs, with the goal of addressing the high rate of diabetes, obesity and CVD in tribal populations. OHCA has joined CMS' Medicaid Prevention Learning Network to ascertain how other states and CMS are coordinating with tribal health care providers.)

- 3. Dialysis services reimbursement.** Per the Indian Health Care Improvement Act within the ACA, tribes are now eligible to compact dialysis services from the Indian Health Service. Tribal leaders have asked OHCA to research the possibility of tribal specific dialysis contracts and reimbursement at the federal all-inclusive rate; similar to the current ITU outpatient and inpatient SoonerCare contracts.

(Action item: Since there are no states that have developed a tribal specific dialysis services contract, OHCA is researching options for this need.)

Next steps: OHCA will host an annual meeting follow-up session for tribal partners to provide direction on further action items and planning strategies. In addition, the follow-up plan will be included during scheduled bi-monthly tribal consultation meetings and on an ad-hoc basis. The OHCA Tribal Relations unit will engage and update tribal partners at every step of the planning and implementation process.



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FY 2012 Oklahoma Medicaid
Payment Error Rate Measurement (PERM) Cycle 1 Summary Report

December 20, 2013



Oklahoma - PERM Findings FY 2012

Data Analysis for Medicaid Corrective Action Plan

This report provides an overview of the FY 2012 Payment Error Rate Measurement (PERM) findings at the national level and presents data analyses of payment errors found in the Oklahoma PERM Medicaid sample, including projected dollars in error, to support the State during the corrective action process. The PERM corrective action process supports the identification and implementation of cost-effective approaches to reduce payment errors. PERM identifies and classifies types of errors but States must conduct root cause analysis to identify why the errors occur, a necessary precursor to effective corrective action. Thus, your participation is critical during the corrective action phase of the PERM cycle.

The Centers for Medicare & Medicaid Services (CMS) and its contractors reviewed the Medicaid claims for fee-for-service (FFS) and managed care. States reviewed eligibility cases. The first two sections of this report include the estimated national and State error rates based on the results of the reviewed samples. The remaining sections include sample payments in error along with the projected payments in error at the State level broken out by FFS, managed care, and eligibility.¹ For FFS and managed care, we have also included analysis of the Oklahoma Medicaid PERM review from the perspective of the Review Contractor that addresses FFS medical record and data processing errors as well as managed care data processing errors.

A. PERM National Medicaid Findings

In FY 2012 the overall national Medicaid estimated error rate is **5.7%**. All States measured had a Medicaid FFS program, and 13 had a Medicaid managed care program. The review findings include:

- **The national Medicaid FFS estimated error rate is 3.4%.**
 - For Medicaid FFS medical record reviews, the largest sources of projected dollars in error are due to Insufficient Documentation and Policy Violation.
 - For Medicaid FFS, projections show the most costly errors by service type are for Prescribed Drugs and Nursing Facility/Intermediate Care Facilities.
 - For Medicaid FFS data processing reviews, the largest sources of projected dollars in error are due to Non-covered Service and Pricing Error.
- **The national Medicaid managed care estimated error rate is 0.2%.**
 - The largest source of projected dollars in error is due to Non-covered Service.

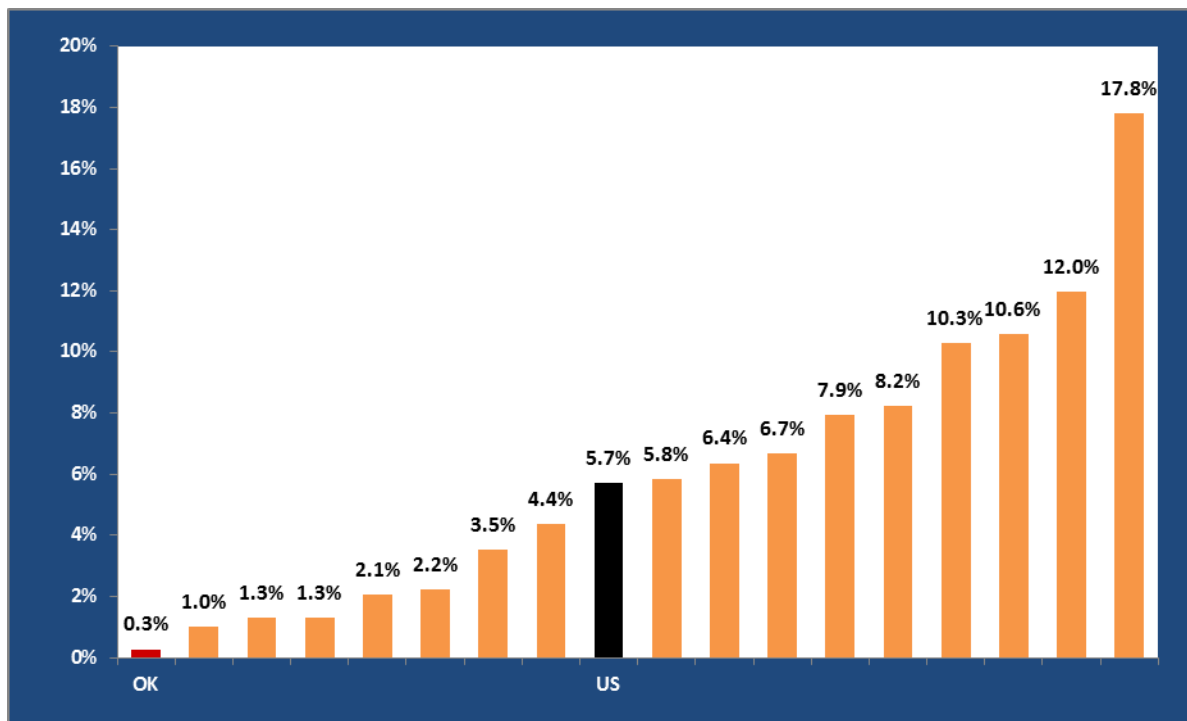
¹ PERM combines components (FFS and managed care) into a single universe when a given component accounts for less than two percent of total expenditures included in the PERM universe for that state and program. In FY 2012, Oklahoma's Program for the All-Inclusive Care of the Elderly was included in the Medicaid fee-for-service universe.

- **The national Medicaid eligibility component estimated error rate is 3.3%.**
 - The largest sources of projected dollars in error are for Not Eligible and Liability Understated.
 - The largest source of projected dollars in error by Eligibility Category is Aged, Blind and Disabled Categorically Needy.
 - The largest source of projected dollars in error by Cause of Error is Assets: Agency Miscalculated Countable Assets.

B. Oklahoma's Medicaid Findings

In FY 2012 Oklahoma's Medicaid estimated error rate is **0.3%**. Figure 1 displays Oklahoma's error rate compared to the national and other FY 2012 States' error rates.

Figure 1: State Error Rate Relative to Other States and the National Error Rate



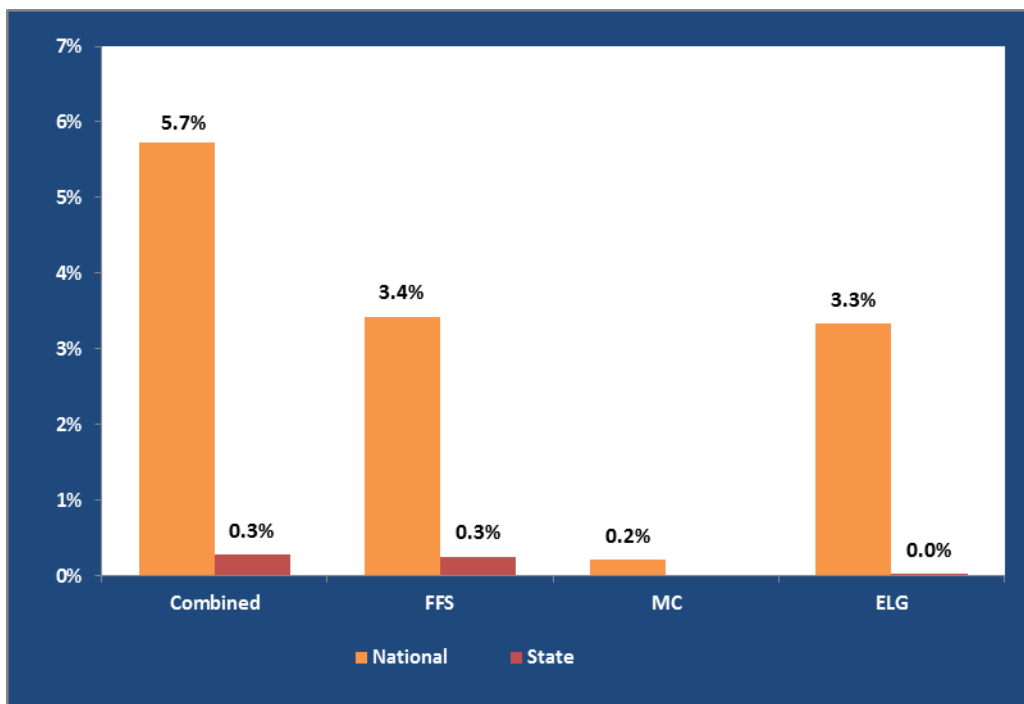
Oklahoma's sample review findings include:

- **Oklahoma's Medicaid FFS estimated error rate is 0.3%.**
 - For Medicaid FFS medical record reviews, the sole source of projected dollars in error is due to Admin/Other.
 - For Medicaid FFS, projections show the sole source of error by service type is for Outpatient Hospital Services/Clinics.

- Sources of Medicaid FFS data processing review improper payments were not identified in the sample.
- **Oklahoma’s Medicaid eligibility component estimated error rate is 0.0%.**
 - For Medicaid eligibility, the sole source of projected dollars in error is due to Eligible with Ineligible Services.
 - The sole source of projected dollars in error by Eligibility Category is Aged, Blind and Disabled Medically Needy.
 - The sole source of projected dollars in error by Cause of Error is Income: Other.

Figure 2 compares the nation and Oklahoma on the combined error rate and the component error rates.

Figure 2: National and State Combined and Component Error Rates





U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FY 2012 Oklahoma CHIP
Payment Error Rate Measurement (PERM) Cycle 1 Summary Report

December 20, 2013



Oklahoma - PERM Findings FY 2012

Data Analysis for CHIP Corrective Action Plan

This report provides an overview of the FY 2012 Payment Error Rate Measurement (PERM) findings at the national level and presents data analyses of payment errors found in the Oklahoma PERM CHIP sample, including projected dollars in error, to support the State during the corrective action process. The PERM corrective action process supports the identification and implementation of cost-effective approaches to reduce payment errors. PERM identifies and classifies types of errors but States must conduct root cause analysis to identify why the errors occur, a necessary precursor to effective corrective action. Thus, your participation is critical during the corrective action phase of the PERM cycle.

The Centers for Medicare & Medicaid Services (CMS) and its contractors reviewed the CHIP claims for fee-for-service (FFS) and managed care. States reviewed eligibility cases. The first two sections of this report include the estimated national and State error rates based on the results of the reviewed samples. The remaining sections include sample payments in error along with the projected payments in error at the State level broken out by FFS, managed care, and eligibility. For FFS and managed care, we have also included analysis of the Oklahoma CHIP PERM review from the perspective of the Review Contractor that addresses FFS medical record and data processing errors as well as managed care data processing errors.

A. PERM National CHIP Findings

In FY 2012 the overall national CHIP estimated error rate is **6.8%**. Fifteen States measured had a CHIP FFS program, and 14 had a CHIP managed care program. The review findings include:

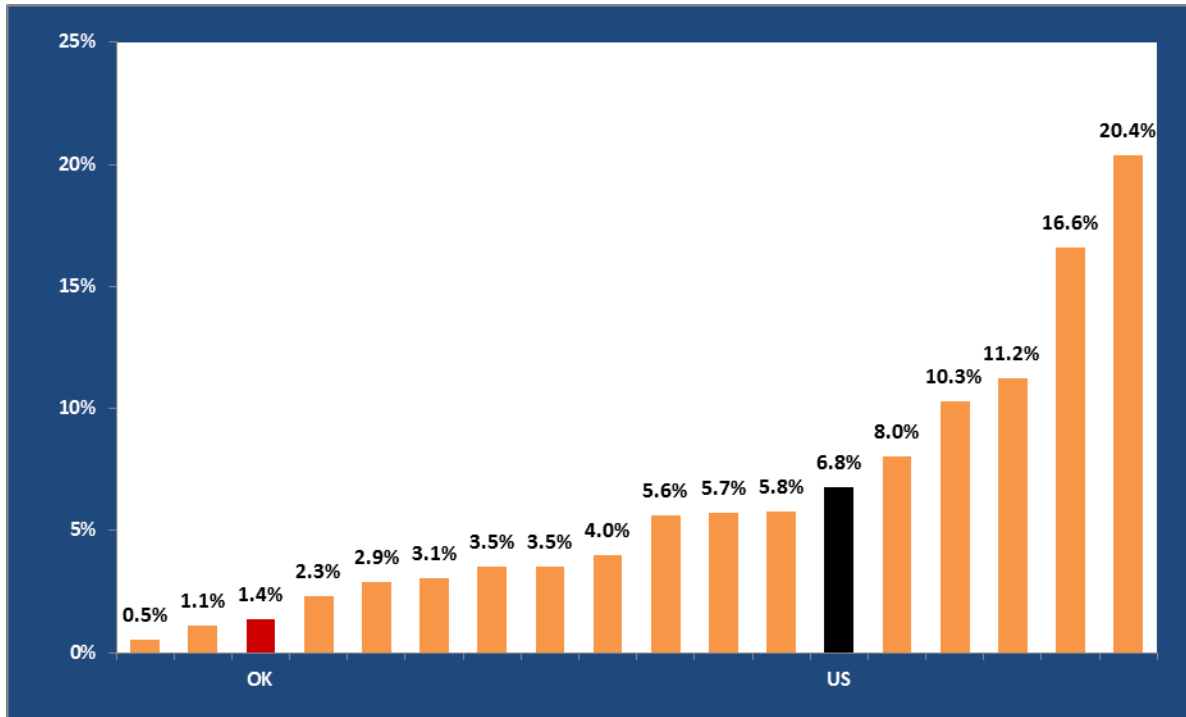
- **The national CHIP FFS estimated error rate is 6.1%.**
 - For CHIP FFS medical record reviews, the largest sources of projected dollars in error are due to Policy Violation and Insufficient Documentation.
 - For CHIP FFS, projections show the most costly errors by service type are for Prescribed Drugs.
 - For CHIP FFS data processing reviews, the largest sources of projected dollars in error are due to Non-covered Service and FFS Claim for Managed Care Service.
- **The national CHIP managed care estimated error rate is 0.5%.**
 - The largest source of projected dollars in error is due to Non-covered Service.
- **The national CHIP eligibility component estimated error rate is 4.4%.**
 - The largest source of projected dollars in error is for Not Eligible.
 - The largest source of projected dollars in error by Eligibility Category is Medicaid expansion.

- The largest source of projected dollars in error by Cause of Error is State Procedure: CHIP Case not Properly Screened for Medicaid Eligibility.

B. Oklahoma's CHIP Findings

In FY 2012 Oklahoma's CHIP estimated error rate is **1.4%**. Figure 1 displays Oklahoma's error rate compared to the national and other FY 2012 States' error rates.

Figure 1: State Error Rate Relative to Other States and the National Error Rate



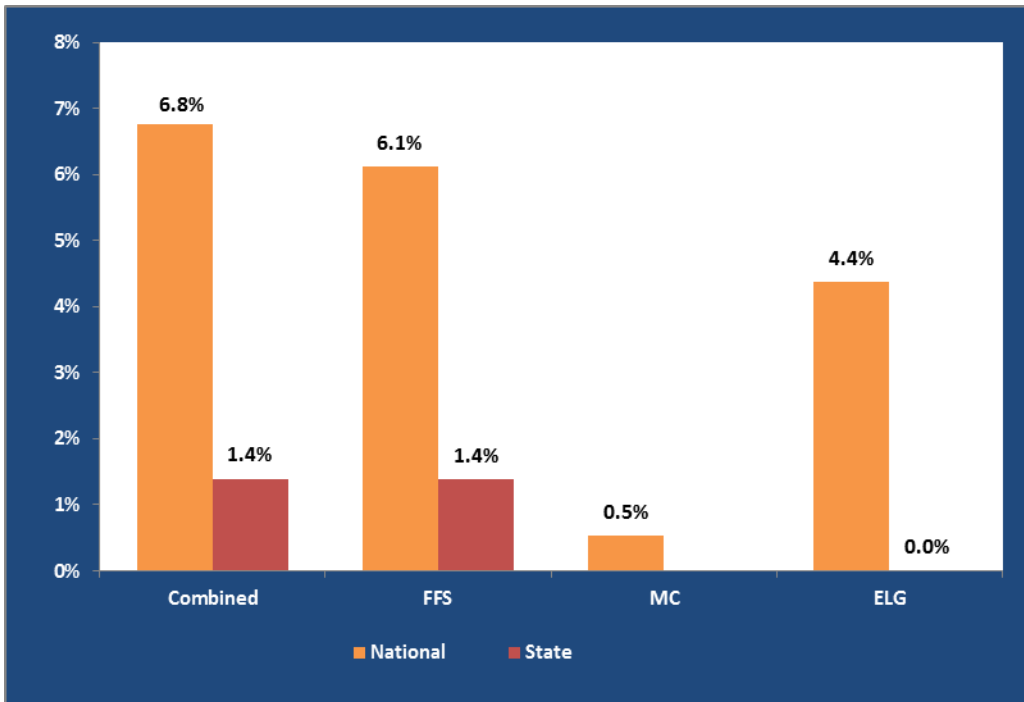
Oklahoma's sample review findings include:

- **Oklahoma's CHIP FFS estimated error rate is 1.4%.**
 - For CHIP FFS medical record reviews, the largest sources of projected dollars in error are due to Insufficient Documentation and Procedure Coding Error.
 - For CHIP FFS, projections show the most costly error by service type is for Prescribed Drugs.
 - For CHIP FFS data processing reviews, the largest sources of projected dollars in error are due to Non-covered Service and Logic Edit.
- **Oklahoma's CHIP eligibility component estimated error rate is 0.0%.**
 - For CHIP eligibility, the sole source of projected dollars in error is due to Not Eligible.

- The sole source of projected dollars in error by Eligibility Category is CHIP Stand-Alone.
- The sole source of projected dollars in error by Cause of Error is Income: Client Failed to Report Countable Income.

Figure 2 compares the nation and Oklahoma on the combined error rate and the component error rates.

Figure 2: National and State Combined and Component Error Rates



Recommendation 1: Prior Authorize Ketoconazole Oral Tablets

The Drug Utilization Review Board recommends prior authorization of ketoconazole oral tablets with the following criteria:

Consideration for approval requires the following:

1. FDA approved indication of systemic fungal infections with one of the following:
 - a. blastomycosis
 - b. coccidioidomycosis
 - c. histoplasmosis
 - d. chromomycosis
 - e. paracoccidioidomycosis; and
2. Member is 3 years old or older; and
3. Member does not have underlying hepatic disease; and
4. Trials with other effective oral antifungal therapies, including fluconazole, itraconazole, and voriconazole, have failed to resolve infection; or
5. Other effective oral antifungal therapies are not tolerated or potential benefits outweigh the potential risks; and
6. Hepatic function tests must be done at baseline and weekly during treatment.
7. A clinical exception may apply for members with a diagnosis of Cushing's disease when other modalities are not available.