OKLAHOMA HEALTH CARE AUTHORITY
REGULARLY SCHEDULED BOARD MEETING
May 8, 2014 at 1:00 P.M.
Oklahoma Health Care Authority
Charles Ed McFall Boardroom
4345 N. Lincoln Blvd.
Oklahoma City, OK

A G E N D A

Items to be presented by Ed McFall, Chairman

1. Call to Order / Determination of Quorum

2. Action Item – Approval of March 27, 2014 OHCA Board Minutes

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

   a) Audit/Finance Committee – George Miller
   b) Strategic Planning Committee – Vice-Chairman Armstrong
   c) 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
      - February – Rebecca Cochran, Behavioral Health Specialist, Behavioral Health Provider Audits (Cindy Roberts)
      - March – Sherry Tinsley, Member Services Coordinator III, SoonerCare Operations (Becky Pasternik-Ikard)

   b) Financial Update – Carrie Evans, Chief Financial Officer

   c) Medicaid Director's Update – Garth Splinter, State Medicaid Director

   d) Legislative Update – Carter Kimble, Director of Governmental Relations

   e) Budget Update – Nico Gomez, Chief Executive Officer

Item to be presented by Della Gregg & Dr. Mike Herndon

5. Discussion Item – Health Management Program (HMP) Update

Item to be presented by Chairman McFall

6. Discussion Item – Proposed Executive Session as Recommended by the Chief 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

7. New Business

8. Informal Board Facility Tour

9. ADJOURNMENT

NEXT BOARD MEETING
June 26, 2014
Oklahoma Health Care Authority
Charles Ed McFall Boardroom
4345 N. Lincoln Blvd.
Oklahoma City, OK

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
March 27, 2014
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 March 26, 2014, 10:00 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 March 25, 2014, 2:00 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 1:02 p.m.

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

OTHERS PRESENT:
Will Widman, HP
David Dude, American Cancer Society
Sherris Ososanya, OHCA
Rick Snyder, OHA
Brenda Teel, Chickasaw Nation Health
Megan Haddock, OKDHS
Ashley Neel, OMES
Mary Brinkley, LeadingAgeOK
Becki Burton, OHCA
Nichole Burland, OHCA
Jolene Ring, Shadow Mountain

OTHERS PRESENT:
Charles Brodt, HP
Matt Martiner, American Cancer Society
Catina Baker, OHCA
Becky Moore, OAHCP
Patrick Harvey, Walgreens
Robert Dorrell
Terry Cothran, OU COP
Traylor Rains, ODMHSAS
Sylvia Lopez, OHCA
Kimrey McGinnis, OHCA
Lanette Long, St. Anthony/OPHA

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARY SCHEDULED BOARD MEETING HELD FEBRUARY 13, 2014.

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 Nuttle moved for approval of the February 13, 2014 board meeting minutes as published. The motion was seconded by Vice-Chairman Armstrong.

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

ABSTAINED: Member McVay

ITEM 3 / REPORTS TO THE BOARD BY BOARD COMMITTEES

Audit/Finance Committee
Member Miller stated that the committee did meet and discussed the financial report that continues to run under budget by a little over $40 million. He noted that there are a number of very expensive prescriptions which we will have to pay for and will eventually get a rebate with a several month delay which may affect the amount of carryover that we are able to fold into our budget for next year. The committee discussed the potential of a managed care pilot, but is not something to be concerned with at this time although the bill is still alive. We are not getting any commitments on the appropriations process but if we do not get the amount we need to continue, we will look at budget cuts which we are in the process of reviewing. Also discussed was the fact that a number of people who have gone to the health exchanges to seek insurance are being referred to us as the Medicaid agency because under the ACA act they would be eligible for Medicaid paid for by the federal government for three years. Nearly all of those being referred are not eligible in Oklahoma because we did not accept the Medicaid option and it means they would have to be categorically related, which they are not. OHCA has budgeted for woodwork people [who are eligible for Medicaid but have not filed], but they are not coming in great numbers, so this could affect the amount of carryover we have.

Strategic Planning Committee
Vice-Chairman Armstrong stated that the committee did meet and noted that OHCA staff continues to be engaged with the house and senate leadership who have involvement with several of these policies that Member Miller discussed. Vice-Chairman Armstrong mentioned that we are looking at reductions, but do not know what the reductions will be at this time. He noted how proud he was of OHCA staff for their work. He stated that we are looking at ways we can become more efficient to deliver high quality healthcare services at even lower amounts of money.

Legislative Committee
Member Bryant stated that the committee did meet. She said that Mr. Kimble will give a legislative update during the meeting.

Chairman McFall presented Nico Gomez with a plaque for his 2013 Oklahoman of the Year achievement.

Rules Committee
Member Robison stated that the committee met and discussed the rules that will be brought to the board today.

ITEM 4 / OFFICE SPACE UPDATE
James Smith, Chief of Staff

Nico Gomez presented Chairman McFall with a sign for the new boardroom at our new building, naming the conference room the "Charles Ed McFall Boardroom".

Mr. Smith gave an update on the progress of the new building and the status of moves for OHCA employees.

ITEM 5 / CHIEF EXECUTIVE OFFICER'S REPORT
Nico Gomez, Chief Executive Officer

5a. FINANCIAL UPDATE
Carrie Evans, Chief Financial Officer

Ms. Evans reported on the financial transactions through the month of January and stated that we continue to run under budget of $41.2 million state dollar variance. We are under budget in Medicaid program spending by $18.4 million and our administration by $5 million. She noted that drug rebate collections are $4.9 million state dollars. Ms. Evans believes we will stay flat for February and said that we will continue to monitor the drug line because of the cost of some drugs. For more detailed information, see Item 5a in the board packet.

5b. MEDICAID DIRECOR'S UPDATE
Garth Splinter, State Medicaid Director

Dr. Splinter provided an update for January 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. He discussed the electronic health records (EHR) incentive statistics. For more detailed information, see Item 5b in the board packet.

5b1. PROVIDER CAPACITY UPDATE
Connie Steffee, Reporting & Statistics Director

Ms. Steffee presented an analysis project that was completed by OHCA to look at the SoonerCare primary care type provider-to-member ratio overall, to examine the SoonerCare Choice capacity on a county level and to identify areas of need and find out what measures are being taken for improvement. For more detailed information, see Item 5b1 in the board packet.

5c. LEGISLATIVE UPDATE
Carter Kimble, Director of Governmental Relations

Mr. Kimble reported on OHCA request bill: HB2402 by Representative Arthur Hulbert that allows OHCA to recover funds put in a trust for, but not spent on, burial/funeral expenses. Recovery amount not to exceed cost of services provided. This bill passed the House 74-15 and has been referred to Senate Health & Human Services committee. He noted a major bill OHCA has been tracking, SB1495, by Senator Kim David was originally intended to have OHCA implement a private managed care program. A floor amendment was submitted by Sen. David for OHCA to develop and implement a private managed care pilot program under the Oklahoma Medicaid program. It passed the Senate 25-21 with the pilot to begin no later than January 1, 2016. HB2788 by Representative Mark McCullough's private managed care program legislation for OHCA failed the March 13th deadline in the House. HB 2384 by Representative Doug Cox creates the Medicaid Sustainability & Cost Containment Act. This bill requires rules concerning provider rates, prior authorizations for non-generic pharmaceuticals, limits ER visits and requests a study on durable medical equipment and diabetic supplies. It passed the House 58-25 with the title off and has been referred to Senate Health & Human Services committee. After the February and March deadlines, and as of March 19, 2014, the Oklahoma Legislature is tracking a total of 1,015 legislative bills for the remainder of session. OHCA is currently tracking 33 bills. For more detailed information, see Item 5c in the board packet.

ITEM 6 / ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FOR ALL ACTION ITEMS
Nicole Nantois, Chief of Legal Services

There were no recommendations regarding conflicts.

ITEM 7a / CONSIDERATION AND VOTE REGARDING RECOMMENDATIONS MADE BY THE DRUG UTILIZATION REVIEW BOARD UNDER 63 OKLAHOMA STATUTES 5030.3.

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a) Consideration and Vote to Add Procysbi™ (Cysteamine Bitartrate), Ravicti® (Glycerol Phenylbutyrate), Sirturo™ (Bedaquiline), Inhaled Tobramycin Products and Pulmozyme® (Dornase Alfa), Adempas® (Riociguat), Opsumit® (Macitentan), Suprax® (Cefixime), Cedax® (Ceftibuten), and Spectracef® (Cefditoren) to the Utilization and Scope Prior Authorization Program Under OAC 317:30-5-77.2(e).

MOTION: Vice-Chairman Armstrong moved for approval of Item 7a as published. Member Miller seconded.

FOR THE MOTION: Chairman McFall, Member Bryant, Member Nuttle, Member McVay, Member Robison

ITEM 8 / CONSIDERATION AND VOTE UPON THE RECOMMENDATIONS OF THE STATE PLAN AMENDMENT RATE COMMITTEE.

a) Consideration and Vote upon Recommendations to Alter the rate methodology paid for Anesthesiologist Services CPT code 01996 to the previous flat fee methodology from a base multiplied by time multiplied by conversion factor. The flat fee will increase from the budget reduction max fee of $91.44 ($94.50 default) to $117.00.

b) Consideration and Vote upon Recommendations to approve a methodology change regarding the payment of Long Acting Reversible Contraception (LARC). The LARC payment will be made outside of the DRG bundle if done in an inpatient setting.

MOTION: Member Bryant moved for approval of Items 8a & 8b as published. Member Nuttle seconded.

FOR THE MOTION: Chairman McFall, Vice-Chairman Armstrong, Member Miller, Member McVay, Member Robison

ITEM 9 / CONSIDERATION AND VOTE OF AGENCY RECOMMENDED RULEMAKING PURSUANT TO ARTICLE I OF THE ADMINISTRATIVE PROCEDURES ACT. THE AGENCY REQUESTS THE ADOPTION OF THE FOLLOWING PERMANENT RULES:

The following permanent rule HAS previously been approved by the Board and the Governor under Emergency rulemaking.

A. AMENDING Agency rules at OAC 317:35-5-7, 317:35-5-43 through 317:35-5-46, 317:35-6-1, 317:35-6-15, 317:35-6-35 through 317:35-6-37, 317:35-6-60.1, 317:35-6-61, 317:35-7-48, 317:35-9-67, 317:35-10-10, 317:35-10-25, 317:35-10-26, 317:35-15-6, and 317:35-19-20 to implement Systems Simplification Implementation rules effective October 1, 2013, instead of January 1, 2014. Rules are also revised to delay periodic renewals that would fall during the period January – March, 2014 until April, 2014, and to delay the effective date of terminations of SoonerCare eligibility for reasons related to changes in household composition or income until April, 2014 when the agency is redetermining eligibility based on changes in circumstances from January to March, 2014.
(Reference APA WF # 13-08)

The following permanent rule HAS previously been approved by the Board and the Governor under Emergency rulemaking. These rules have been REVISED for Permanent Rulemaking.

B. AMENDING Agency rules at OAC 317:45-1-3, 317:45-11-10, 317:45-11-11, 317:45-11-20, 317:45-11-21, 317:45-11-24, REVOKING 317:45-11-12, 317:45-11-13, 317:45-11-21.1, and 317:45-13-1 to align Insure Oklahoma (IO) rules with the Special Terms and Conditions of the Section 1115 Demonstration Waiver. In accordance with waiver special terms and conditions, the federal government has approved a one year (calendar) extension of the IO program. Rules are revised to remove Individual Plan children (while retaining Employer Sponsored Insurance (ESI) children) and limit adult Individual Plan enrollment to persons with household income at or below 100 percent of FPL. Revisions also include changes to the Individual Plan copayment structure; copayments cannot exceed current federal maximums with the exception of emergency room (ER) visits in which case the existing copay for ER visits will remain at $30.00. Also, to remove outdated references related to eligibility income determinations from Insure Oklahoma rules.

(Reference APA WF # 13-16)

The following permanent rules HAVE NOT previously been approved by the Board.

C. ADDING Agency rules at OAC 317:30-5-42.19, 317:30-5-87, and 317:30-5-363 and AMENDING Agency rules at OAC 317:30-5-664.6 to implement the proposed 340B Drug Discount program rules to comply with a Federal Mandate. The 340B mandate requires states to include their 340B Drug Discount program rules in their State Plan and Medicaid policy.

(Reference APA WF # 13-11)

D. AMENDING Agency rules at OAC 317:30-5-216 to clarify the use of options for manually pricing durable medical equipment items. Policy will be modified to reflect that OHCA will calculate and compare prices based on different methodologies, then use the lesser of the two for reimbursement. One method will use Manufacturer Suggested Retail Price (MSRP) minus 30%. The other option for manually-priced DME items will be invoice cost plus 30%.

(Reference APA WF # 13-12)

E. AMENDING Agency rules at OAC 317:30-5-47 to allow reimbursement for Long Acting Reversible Contraceptive (LARC) devices to hospitals outside of the Diagnosis Related Group (DRG) methodology.

(Reference APA WF # 13-13)

F. ADDING Agency rules at OAC 317:35-17-25 to include information on the Address Confidentiality Program (ACP). The ACP provides victims of domestic violence, sexual assault, or stalking with a substitute address and mail forwarding service that can be utilized when victims interact with state and local agencies.

(Reference APA WF # 13-24)

G. AMENDING Agency rules at OAC 317:35-17-22 to include information on rounding of billable time as per the Interactive Voice Response Authentication (IVRA) system. This change in policy will enforce compliance, clarify information for providers, and reflect practices already taking place. Additionally, minor policy revisions are made to the policy.

(Reference APA WF # 13-25)

H. AMENDING Agency rules at OAC 317:30-5-2 Policy is revised to add language that sets boundaries as to what is deemed approved genetic testing methods. Problems have recently arisen which call for more stringent policy, particularly issues regarding lab billing for expensive methods that lack sufficient evidence for their use.

(Reference APA WF # 13-26)

I. AMENDING Agency rules at OAC 317:30-5-20 to include language that explicitly addresses proper billing in regard to nucleic acid testing of single/multiple infectious organisms in a specimen.

(Reference APA WF # 13-27)

J. AMENDING Agency rules at OAC 317:2-1-7 to more accurately reflect each party's responsibilities in an audit and clarify other audit procedures in order to streamline the process.

(Reference APA WF # 13-30)

K. AMENDING Agency rules at 317:35-1-2, 317:35-5-4, 317:35-5-4.1, and 317:35-9-48.1 to change TEFRA program rules to better match current business practices and federal regulations. Changes include changing all TEFRA language regarding mental retardation or ICF/MR to individuals with intellectual disabilities or ICF/IID to match Public Law 111-256. As well, rules regarding cost effectiveness analyses being posted on MEDATS will be changed to require that the cost effectiveness analyses will be reported annually with no specification as to where that report will reside. Rules regarding TEFRA eligibility for applicants aged three years and older for the ICF/IID level of care will change the IQ requirements from 75 or less to 70 or less to match current DSM-5 and SSA guidelines regarding intellectual disabilities. Additionally, changes also include amending the current criteria to state that applicants can either have an IQ of 70 or less, or have a full-scale adaptive functional assessment indicating a functional age that does not exceed 50% of child's age to match current DSM-5 and SSA guidelines regarding intellectual disabilities. It also removes the rule that requires the assessment be either Battelle or Vineland since SSA does not specify which test is to be used. Finally, another amendment will require that one additional psychological evaluation be administered for all approved TEFRA children once they reach the age of sixteen.

(Reference APA WF # 13-34)

L. AMENDING Agency rule at OAC 317:30-3-4 to specify that providers enroll in Electronic Fund Transfers for Medicaid reimbursement via the electronic enrollment process. Language referencing the Provider Relations unit will be removed as this unit no longer exists.

(Reference APA WF # 13-35)

N. AMENDING Agency rules at OAC 317:30-5-95.29, 317:30-5-95.30, 317:30-5-95.34, 317:30-5-95.39, and 317:30-5-95.42 to establish medical necessity criteria specific for admission and continued stays in community based transitional (CBT) programs as these facilities are a lower level of care than psychiatric residential treatment facilities (PRTF) and acute residential treatment facilities. Changes are also being proposed to the rules regarding "active treatment" requirements for children under the age of 18. The change will allow providers flexibility to better tailor treatment to the individual needs of the child. Additional proposed changes include: revisions to Inspection of Care (IOC) rules, clarifying which types of facilities will be still receive on-site inspections, allowing psychosocial evaluations or admission assessments to substituted for the first therapy session, and allowing the use of mechanical restraints for children 18-20

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since they are treated on the adult care unit. Other revisions are also made to make minor "cleanup" changes to terminology, which include changes mandated by the Diagnostic and Statistical Manual (DSM) V.

(Reference APA WF # 13-45)

O. AMENDING Agency rules at OAC 317:30-5-240.1, 317:30-5-240.2, 317:25-5-240.3, 317:30-5-241, 317:30-5-241.1, 317:30-5-241.2, 317:30-5-241.3, 317:30-5-241.5, 317:30-5-248, and 317:30-5-249 to remove the behavioral health rehabilitation specialist (BHRS) designation from policy since these services will only be reimbursed if provided by an LBHP, CADC, or Case Manager II (CM II) effective July 1, 2014. Changes are also made to the rules to clarify that OBH services cannot be separately billable to individuals residing in nursing facilities. Reimbursements for these services are included within the nursing facility rate, as required by federal regulation. Additionally, clarification is made that individual and group psychotherapy services cannot be provided to children ages 0-3 unless medical necessity criteria is met, and partial hospitalization (PHP) and day treatment language is amended to clarify psychosocial rehabilitation is not allowed for children ages 0-3 and prior authorization is required for children ages 4-6. Additional changes include: additional supervision requirements for paraprofessionals by licensed, master level staff that render services to members outside of an agency setting, revising peer recovery support specialist services to include youth ages 16-18 that are transitioning into adulthood, revise behavioral health rehabilitation service documentation requirements, and clarifying when services may be rendered without a treatment plan. Other revisions are also made to make minor "cleanup" changes to terminology, which include changes mandated by the Diagnostic and Statistical Manual (DSM) V.

(Reference APA WF # 13-46)

P. AMENDING Agency rules at OAC 317:30-5-276 and 317:30-5-281 to add coverage for bio-psychosocial assessments for adults when required by OHCA as part of a preoperative prior authorization protocol for organ transplant or bariatric surgical procedures. Revisions are also made to clarify that payment for behavioral health services are not separately reimbursable for members residing in a nursing facility.

(Reference APA WF # 13-47)

Q. AMENDING Agency rules at OAC 317:30-5-280 eliminate reimbursement for services provided by behavioral health professionals under supervision for licensure if they work under the direction of an individually contracted LBHP, outside of an agency setting. The additional oversight requirements imposed upon agencies provide a better training ground for individuals under supervision and afford OHCA and the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) better opportunity to ensure the quality of services being provided to SoonerCare members.

(Reference APA WF # 13-48)

R. AMENDING Agency rules at OAC 317:30-5-595 and 317:30-5-596 to ensure consistency with changes in case manager provider requirements made in Title 450 of the Oklahoma Administrative Code, by the certifying agency, the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS). Provider qualifications are being revised in order to reflect the legislature's intent, as expressed during the 2013 legislative session. Case management reimbursement rules are also being revised in order to allow reimbursement for transitional case management provided during the last 30 days of an inpatient stay. This change will ensure successful integration back into the community upon discharge from the inpatient facility.

(Reference APA WF # 13-49)

S. AMENDING Agency rules at OAC 317:30-5-740.1, 317:30-5-741, and 317:30-5-742.2 to allow for the completion of assessments and treatment plans from 14 days to 30 days. This change aligns with current practice that mandates when provisional diagnosis documentation must be submitted. All documentation will now be due to the OHCA within 30 days of admission to a TFC facility. The Agency is also proposing rule revisions to disallow coverage of Psychosocial Rehabilitation (PSR) services for children below age 6 unless services are medically necessary and required pursuant to Federal Early and Periodic Screening Diagnostic and Treatment (EPSDT) laws. Additionally, the agency is proposing to add detail language requirements for developing and rendering assessments, service plans, and PSR services. Other revisions are also made to make minor "cleanup" changes to terminology, which include changes mandated by the Diagnostic and Statistical Manual (DSM) V.

(Reference APA WF # 13-50)

T. AMENDING Agency rules at OAC 317:30-3-65.8 to expand the age for which application of fluoride varnish during course of a well child screening is covered, from ages 12 months to 42 months to ages 6 months to 60 months.

(Reference APA WF # 13-51)

U. AMENDING Agency rules at OAC 317:30-5-640, 317:30-5-641, 317:30-5-644, 317:30-5-1020, 317:30-5-1021, 317:30-5-1022, 317:30-5-1023, 317:30-5-1025, 317:30-5-1027, 317:30-5-1030, 317:30-5-1031, 317:30-5-1032, 317:30-5-1033, and 317:30-5-1034 related to IDEA and School Based services are revised for clarity and consistency. Revisions include removing references to outdated terms and/or policy, and adding guidelines for school-based services and

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evaluations as it relates to the Individual Education Plan/ Individual Family Service Plan (IEP/IFSP) for clarity and consistency.

(Reference APA WF # 13-52)

V. AMENDING Agency rules at OAC 317:30-5-106 to clarify clinical laboratory services will be reimbursed in accordance with methodology approved under the State Plan.

(Reference APA WF # 13-53)

<u>MOTION:</u> Member Miller moved for approval of Item 9A-L & N-V as published. Member Robison seconded.

<u>FOR THE MOTION:</u> Chairman McFall, Vice-Chairman Armstrong, Member Bryant, Member McVay, Member Nuttle

<u>ITEM 10 / 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).</u>
Nicole Nantois, Chief of Legal Services

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

<u>MOTION:</u> Vice-Chairman Armstrong moved for approval to go into Executive Session. The motion was seconded by Member Nuttle.

<u>FOR THE MOTION:</u> Chairman McFall, Member Bryant, Member Miller, Member McVay, Member Robison

10. 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

<u>ITEM 11 / NEW BUSINESS</u>

There was no new business.

<u>ITEM 12 / ADJOURNMENT</u>

<u>MOTION:</u> Vice-Chairman Armstrong moved for adjournment. The motion was seconded by Member Bryant.

<u>FOR THE MOTION:</u> Chairman McFall, Member Miller, Member Nuttle, Member McVay, Member Robison

Meeting adjourned at 2:49 p.m., 3/27/2014

NEXT BOARD MEETING
May 8, 2014
Oklahoma Health Care Authority
Board room
4345 N. Lincoln Blvd.
OKC, OK

Lindsey Bateman
<u>Board Secretary</u>

Minutes Approved: _______________

*Initials:*_________________

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FINANCIAL REPORT

For the Nine Months Ended March 31, 2014
Submitted to the CEO & Board

- Revenues for OHCA through March, accounting for receivables, were **$2,896,800,470** or **.3% under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **$2,861,892,884 or 1.9% under** budget.
- The state dollar budget variance through March is **$46,919,661 positive.**
- The budget variance is primarily attributable to the following (in millions):

Expenditures:	
Medicaid Program Variance	22.5
Administration	5.6
Revenues:	
Unanticipated Revenue	15.7
Drug Rebate	8.2
Taxes and Fees	(3.2)
Overpayments/Settlements	(1.9)
Total FY 14 Variance	**$ 46.9**

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 Nine Months Ended March 31, 2014

REVENUES	FY14 Budget YTD	FY14 Actual YTD	Variance	% Over/ (Under)
State Appropriations	$ 703,277,269	$ 703,277,269	$ -	0.0%
Federal Funds	1,535,574,433	1,497,956,272	(37,618,161)	(2.4)%
Tobacco Tax Collections	41,785,146	38,525,739	(3,259,407)	(7.8)%
Quality of Care Collections	60,374,163	60,374,163	-	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	174,064	174,064	-	0.0%
Drug Rebates	155,296,128	177,999,647	22,703,519	14.6%
Medical Refunds	36,419,448	31,326,035	(5,093,413)	(14.0)%
SHOPP	317,120,356	317,120,356	-	0.0%
Other Revenues	12,402,719	12,552,107	149,388	1.2%
TOTAL REVENUES	**$ 2,904,234,734**	**$ 2,896,800,470**	**$ (7,434,264)**	**(0.3)%**

EXPENDITURES	FY14 Budget YTD	FY14 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	**$ 43,499,454**	**$ 37,091,438**	**$ 6,408,016**	**14.7%**
ADMINISTRATION - CONTRACTS	**$ 88,768,887**	**$ 81,589,467**	**$ 7,179,420**	**8.1%**
MEDICAID PROGRAMS				
Managed Care:				
SoonerCare Choice	27,654,167	27,110,451	543,717	2.0%
Acute Fee for Service Payments:				
Hospital Services	707,461,163	690,928,148	16,533,015	2.3%
Behavioral Health	16,489,228	15,775,383	713,845	4.3%
Physicians	382,168,283	373,500,390	8,667,892	2.3%
Dentists	112,231,067	106,385,081	5,845,985	5.2%
Other Practitioners	34,653,992	31,889,292	2,764,700	8.0%
Home Health Care	16,595,150	15,282,497	1,312,653	7.9%
Lab & Radiology	50,422,506	43,181,263	7,241,243	14.4%
Medical Supplies	38,198,619	34,976,922	3,221,697	8.4%
Ambulatory/Clinics	87,551,241	82,757,141	4,794,099	5.5%
Prescription Drugs	317,541,450	332,489,998	(14,948,548)	(4.7)%
OHCA TFC	1,294,122	1,476,607	(182,485)	0.0%
Other Payments:				
Nursing Facilities	433,824,156	428,194,904	5,629,253	1.3%
ICF-MR Private	44,834,142	44,295,602	538,540	1.2%
Medicare Buy-In	101,831,497	102,213,436	(381,939)	(0.4)%
Transportation	47,029,640	48,684,256	(1,654,617)	(3.5)%
MFP-OHCA	1,217,362	751,588	465,774	0.0%
EHR-Incentive Payments	13,964,314	13,964,314	-	0.0%
Part D Phase-In Contribution	57,659,719	58,087,436	(427,717)	(0.7)%
SHOPP payments	291,267,268	291,267,268	-	0.0%
Total OHCA Medical Programs	**2,783,889,087**	**2,743,211,980**	**40,677,107**	**1.5%**
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	**$ 2,916,246,810**	**$ 2,861,892,884**	**$ 54,353,925**	**1.9%**
REVENUES OVER/(UNDER) EXPENDITURES	**$ (12,012,076)**	**$ 34,907,586**	**$ 46,919,661**	

OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
Fiscal Year 2014, For the Nine Months Ended March 31, 2014

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	$ 27,367,371	$ 27,097,649	$ -	$ 256,920	$ -	$ 12,802	$ -
Inpatient Acute Care	577,910,682	449,033,116	365,015	7,128,391	33,827,799	1,433,907	86,122,453
Outpatient Acute Care	213,669,139	203,069,826	31,203	7,400,828	-	3,167,282	-
Behavioral Health - Inpatient	17,909,593	9,405,239	-	409,029	-		8,095,325
Behavioral Health - Psychiatrist	6,370,144	6,370,144	-	-	-	-	-
Behavioral Health - Outpatient	19,092,456	-	-	-	-	-	19,092,456
Behavioral Health Facility- Rehab	207,291,977	-	-	-	-	64,072	207,291,977
Behavioral Health - Case Management	7,463,552	-	-	-	-	-	7,463,552
Behavioral Health - PRTF	69,746,505	-	-	-	-	-	69,746,505
Residential Behavioral Management	15,534,613	-	-	-	-	-	15,534,613
Targeted Case Management	48,868,019	-	-	-	-	-	48,868,019
Therapeutic Foster Care	1,476,607	1,476,607	-	-	-	-	-
Physicians	416,364,112	323,540,671	43,576	9,553,510	45,267,799	4,648,344	33,310,212
Dentists	106,437,499	101,753,058	-	52,417	4,609,616	22,407	-
Mid Level Practitioners	2,690,066	2,636,383	-	50,898	-	2,785	-
Other Practitioners	29,447,287	28,217,276	334,773	197,163	690,537	7,538	-
Home Health Care	15,282,616	15,261,100	-	119	-	21,397	-
Lab & Radiology	45,570,375	42,705,867	-	2,389,111	-	475,396	-
Medical Supplies	35,424,575	32,908,843	2,033,652	447,654	-	34,427	-
Clinic Services	86,000,525	75,388,199	-	915,659	-	180,729	9,515,938
Ambulatory Surgery Centers	7,512,984	7,174,632	-	324,771	-	13,582	-
Personal Care Services	9,934,591	-	-	-	-	-	9,934,591
Nursing Facilities	428,194,904	243,176,706	157,823,173	-	27,186,702	8,323	-
Transportation	48,501,040	44,344,808	1,978,104	-	2,136,176	41,953	-
GME/IME/DME	90,708,628	-	-	-	-	-	90,708,628
ICF/MR Private	44,295,602	35,541,833	8,183,689	-	570,080	-	-
ICF/MR Public	29,383,077	-	-	-	-	-	29,383,077
CMS Payments	160,300,872	159,756,504	544,368	-	-	-	
Prescription Drugs	345,451,095	299,760,745	-	12,961,098	31,491,364	1,237,888	-
Miscellaneous Medical Payments	183,295	175,710	-	79	-	7,506	-
Home and Community Based Waiver	127,994,316	-	-	-	-	-	127,994,316
Homeward Bound Waiver	67,074,403	-	-	-	-	-	67,074,403
Money Follows the Person	7,171,265	751,588	-	-	-	-	6,419,677
In-Home Support Waiver	17,767,416	-	-	-	-	-	17,767,416
ADvantage Waiver	137,277,219	-	-	-	-	-	137,277,219
Family Planning/Family Planning Waiver	8,621,459	-	-	-	-	-	8,621,459
Premium Assistance*	34,420,938	-	-	34,420,938		-	-
EHR Incentive Payments	13,964,314	13,964,314	-	-	-	-	-
SHOPP Payments**	291,267,268	291,267,268	-	-	-	-	-
Total Medicaid Expenditures	**$ 3,819,942,400**	**$2,123,510,819**	**$ 171,337,552**	**$ 76,508,584**	**$ 145,780,075**	**$ 11,380,338**	**$1,000,221,836**

* Includes $4,164,683.66 paid out of Fund 245 and **$182,116,227.02 paid out of Fund 205

OKLAHOMA HEALTH CARE AUTHORITY

Summary of Revenues & Expenditures:
Other State Agencies
Fiscal Year 2014, For the Nine Months Ended March 31, 2014

REVENUE	FY14 Actual YTD
Revenues from Other State Agencies	$ 412,593,239
Federal Funds	643,771,267
TOTAL REVENUES	**$ 1,056,364,506**

EXPENDITURES	Actual YTD
Department of Human Services	
Home and Community Based Waiver	$ 127,994,316
Money Follows the Person	6,419,677
Homeward Bound Waiver	67,074,403
In-Home Support Waivers	17,767,416
ADvantage Waiver	137,277,219
ICF/MR Public	29,383,077
Personal Care	9,934,591
Residential Behavioral Management	11,358,985
Targeted Case Management	36,692,225
Total Department of Human Services	**443,901,910**
State Employees Physician Payment	
Physician Payments	33,310,212
Total State Employees Physician Payment	**33,310,212**
Education Payments	
Graduate Medical Education	44,367,799
Graduate Medical Education - PMTC	3,070,674
Indirect Medical Education	31,088,706
Direct Medical Education	12,181,449
Total Education Payments	**90,708,628**
Office of Juvenile Affairs	
Targeted Case Management	2,164,105
Residential Behavioral Management	4,175,628
Total Office of Juvenile Affairs	**6,339,733**
Department of Mental Health	
Case Management	7,463,552
Inpatient Psych FS	8,095,325
Outpatient	19,092,456
PRTF	69,746,505
Rehab	207,291,977
Total Department of Mental Health	**311,689,814**
State Department of Health	
Children's First	1,633,720
Sooner Start	1,659,561
Early Intervention	4,208,133
EPSDT Clinic	1,512,739
Family Planning	(137,707)
Family Planning Waiver	8,735,603
Maternity Clinic	50,610
Total Department of Health	**17,662,659**
County Health Departments	
EPSDT Clinic	612,882
Family Planning Waiver	23,563
Total County Health Departments	**636,445**
State Department of Education	**85,140**
Public Schools	**4,084,696**
Medicare DRG Limit	**77,702,312**
Native American Tribal Agreements	**5,680,146**
Department of Corrections	**2,028,503**
JD McCarty	**6,391,638**
Total OSA Medicaid Programs	**$ 1,000,221,836**
OSA Non-Medicaid Programs	**$ 57,929,898**
Accounts Receivable from OSA	**$ 1,787,227**

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 205: Supplemental Hospital Offset Payment Program Fund
Fiscal Year 2014, For the Nine Months Ended March 31, 2014

REVENUES		FY 14 Revenue
SHOPP Assessment Fee	$	130,505,579
Federal Draws		186,450,970
Interest		142,925
Penalties		20,881
State Appropriations		(22,700,000)
TOTAL REVENUES	$	294,420,356

EXPENDITURES	Quarter	Quarter	*Thru Fund 340* Quarter		FY 14 Expenditures
Program Costs:	7/1/13 - 9/30/13	10/1/13 - 12/31/13	1/1/13 - 3/31/13		
Hospital - Inpatient Care	76,710,371	86,962,208	87,919,865	$	251,592,444
Hospital -Outpatient Care	2,748,407	2,899,948	14,433,147	$	20,081,502
Psychiatric Facilities-Inpatient	5,785,055	6,483,431	6,540,191	$	18,808,677
Rehabilitation Facilities-Inpatient	248,410	278,398	257,838	$	784,646
Total OHCA Program Costs	85,492,242	96,623,985	109,151,041	$	291,267,268
Total Expenditures				$	291,267,268

CASH BALANCE	$	3,153,088

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
Fiscal Year 2014, For the Nine Months Ended March 31, 2014

REVENUES	Total Revenue	State Share
Quality of Care Assessment	**$ 58,486,331**	**$ 58,486,331**
Interest Earned	**31,044**	**31,044**
TOTAL REVENUES	**$ 58,517,375**	**$ 58,517,375**

EXPENDITURES	FY 14 Total $ YTD	FY 14 State $ YTD	Total State $ Cost
Program Costs			
NF Rate Adjustment	$ 155,077,449	$ 55,827,882	
Eyeglasses and Dentures	210,763	75,875	
Personal Allowance Increase	2,534,960	912,586	
Coverage for DME and supplies	2,033,651	732,115	
Coverage of QMB's	774,567	278,844	
Part D Phase-In	544,368	544,368	
ICF/MR Rate Adjustment	4,123,856	1,484,588	
Acute/MR Adjustments	4,059,833	1,461,540	
NET - Soonerride	1,978,104	712,117	
Total Program Costs	**$ 171,337,551**	**$ 62,029,914**	**$ 62,029,914**
Administration			
OHCA Administration Costs	$ 352,917	$ 176,458	
PHBV - QOC Exp	-	-	
OSDH-NF Inspectors	800,000	800,000	
Mike Fine, CPA	9,500	4,750	
Total Administration Costs	**$ 1,162,417**	**$ 981,208**	**$ 981,208**
Total Quality of Care Fee Costs	**$ 172,499,968**	**$ 63,011,122**	
TOTAL STATE SHARE OF COSTS			**$ 63,011,122**

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 2014, For the Nine Months Ended March 31, 2014

REVENUES	FY 13 Carryover	FY 14 Revenue	Total Revenue
Prior Year Balance	$ 10,427,850	$ -	$ 3,651,001
State Appropriations	-	-	(3,000,000)
Tobacco Tax Collections	-	31,686,489	31,686,489
Interest Income	-	165,115	165,115
Federal Draws	375,153	22,761,765	22,761,765
All Kids Act	(6,791,717)	191,651.65	191,652
TOTAL REVENUES	**$ 4,011,287**	**$ 54,805,020**	**$ 55,264,369**

EXPENDITURES		FY 13 Expenditures	FY 14 Expenditures	Total $ YTD
Program Costs:				
	Employer Sponsored Insurance		$ 33,712,480	$ 33,712,480
	College Students		256,324	256,324
	All Kids Act		452,203	452,203
Individual Plan				
	SoonerCare Choice		$ 246,789	$ 88,844
	Inpatient Hospital		7,114,331	2,561,159
	Outpatient Hospital		7,288,085	2,623,711
	BH - Inpatient Services-DRG		394,211	141,916
	BH -Psychiatrist		-	-
	Physicians		9,478,465	3,412,247
	Dentists		35,939	12,938
	Mid Level Practitioner		50,138	18,050
	Other Practitioners		191,059	68,781
	Home Health		119	43
	Lab and Radiology		2,364,573	851,246
	Medical Supplies		443,516	159,666
	Clinic Services		898,258	323,373
	Ambulatory Surgery Center		323,913	116,609
	Prescription Drugs		12,808,273	4,610,978
	Miscellaneous Medical		79	79
	Premiums Collected		-	(58,741)
Total Individual Plan			**$ 41,637,747**	**$ 14,930,899**
	College Students-Service Costs		**$ 369,737**	**$ 133,105**
	All Kids Act- Service Costs		**$ 80,162**	**$ 28,858**
Total OHCA Program Costs			**$ 76,508,654**	**$ 49,513,870**
Administrative Costs				
	Salaries	$ 7,360	$ 797,575	$ 804,935
	Operating Costs	85,634	595,336	680,971
	Health Dept-Postponing	-	-	-
	Contract - HP	267,291	815,717	1,083,008
Total Administrative Costs		**$ 360,286**	**$ 2,208,629**	**$ 2,568,914**
Total Expenditures				**$ 52,082,784**
NET CASH BALANCE		**$ 3,651,001**		**$ 3,181,585**

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 Nine Months Ended March 31, 2014

REVENUES	FY 14 Revenue	State Share
Tobacco Tax Collections	$ 632,315	$ 632,315
TOTAL REVENUES	**$ 632,315**	**$ 632,315**

EXPENDITURES	FY 14 Total $ YTD	FY 14 State $ YTD	Total State $ Cost
Program Costs			
SoonerCare Choice	$ 12,802	$ 3,226	
Inpatient Hospital	1,433,907	361,345	
Outpatient Hospital	3,167,282	798,155	
Inpatient Services-DRG	-	-	
Psychiatrist	-	-	
TFC-OHCA	-	-	
Nursing Facility	8,323	2,097	
Physicians	4,648,344	1,171,383	
Dentists	22,407	5,647	
Mid-level Practitioner	2,785	702	
Other Practitioners	7,538	1,900	
Home Health	21,397	5,392	
Lab & Radiology	475,396	119,800	
Medical Supplies	34,427	8,676	
Clinic Services	180,729	45,544	
Ambulatory Surgery Center	13,582	3,423	
Prescription Drugs	1,237,888	311,948	
Transportation	41,953	10,572	
Miscellaneous Medical	7,506	1,892	
Total OHCA Program Costs	$ 11,316,266	$ 2,851,699	
OSA DMHSAS Rehab	$ 64,072	$ 16,146	
Total Medicaid Program Costs	$ 11,380,338	$ 2,867,845	
TOTAL STATE SHARE OF COSTS			**$ 2,867,845**

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

March 2014 Data for May 2014 Board Meeting

SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System		Monthly Enrollment Average SFY2013	Enrollment March 2014	Total Expenditures March 2014	Average Dollars Per Member Per Month March 2014
SoonerCare Choice Patient-Centered Medical Home		513,315	**583,231**	**$148,337,439**	
Lower Cost	*(Children/Parents; Other)*		536,742	$105,648,558	$197
Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC)*		46,489	$42,688,880	$918
SoonerCare Traditional		217,231	**198,798**	**$187,427,054**	
Lower Cost	*(Children/Parents; Other)*		90,259	$51,402,901	$570
Higher Cost	*(Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)*		108,033	$136,024,154	$1,259
SoonerPlan*		48,346	**48,821**	**$556,994**	$11
Insure Oklahoma		30,202	**19,570**	**$6,460,395**	
Employer-Sponsored Insurance		16,644	14,750	$3,860,308	$262
*Individual Plan**		13,559	4,820	$2,600,087	$539
TOTAL		**809,094**	**850,420**	**$342,781,883**	

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 $35,972,610 are excluded.

*In January 2014, SoonerPlan's qualifying income guidelines decreased from 185% to 133% of FPL and Insure Oklahoma IP's qualifying income guidelines decreased from 200% to 100% of FPL.

Net Enrollee Count Change from Previous Month Total**	12,706

**The increase in Net Enrollees was mostly due to the requirement to maintain coverage through March 2014.

New Enrollees	18,437

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 March 2014
Dual Enrollees	**108,514**	**109,645**
Child	*201*	189
Adult	*108,313*	109,456

	Monthly Average SFY2013	Enrolled March 2014	FACILITY PER MEMBER PER MONTH
Long-Term Care Members	**15,674**	**15,321**	**$3,419**
Child	64	67	
Adult	15,610	15,254	

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

SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts	Monthly Average SFY2013	Enrolled March 2014
Total Providers	**36,948**	**38,998**
In-State	28,587	29,765
Out-of-State	8,362	9,233

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	18%
Insure Oklahoma IP	1%

Select Provider Type Counts	*In-State*		*Totals*	
	Monthly Average SFY2013	*Enrolled March 2014**	Monthly Average SFY2013	Enrolled March 2014
Physician	*7,859*	*8,534*	*12,432*	13,932
Pharmacy	*901*	*945*	*1,208*	1,277
Mental Health Provider**	*5,811*	*5,093*	*5,880*	5,133
Dentist**	*1,205*	*1,013*	*1,380*	1,133
Hospital**	*194*	*184*	*923*	756
Optometrist	*578*	*575*	*612*	605
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*	*5,481*	6,541	7,054
Patient-Centered Medical Home	*1,935*	*2,104*	1,985	2,192

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

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.

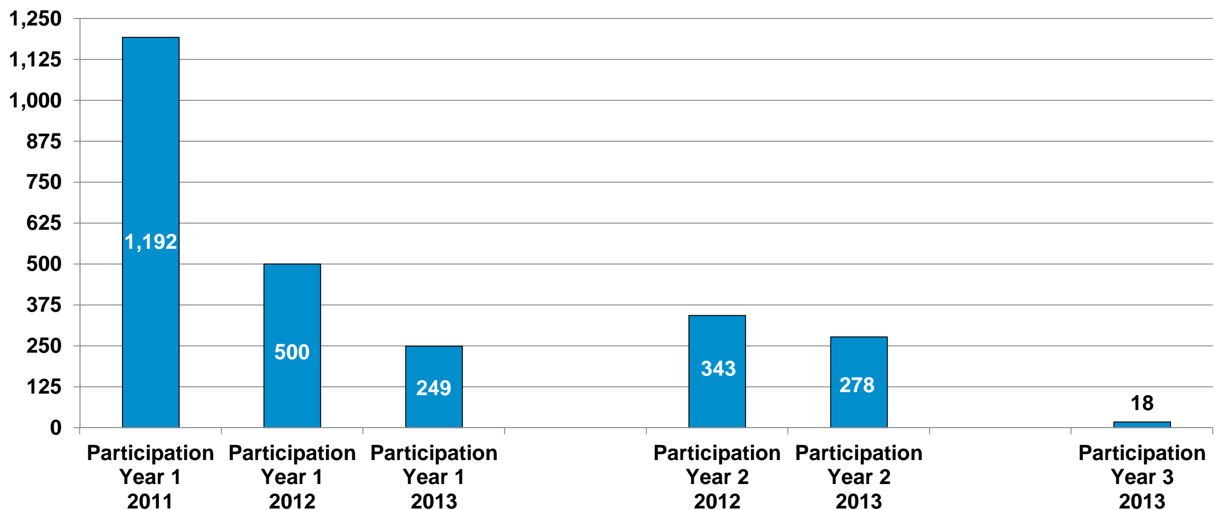
Unduplicated Provider Totals	
Total Providers Paid	**Total Payment Amount**
2,015	$131,757,717

Providers Paid - Since Inception								
	Participation Year 1				Participation Year 2		Participation Year 3	
	Adopt/Implement/Upgrade		Meaningful Use		Meaningful Use		Meaningful Use	
	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount
Eligible Hospital	88	$54,571,190	6	$1,836,850	45	$27,671,970	11	$1,512,788
Eligible Professional	1,886	$40,035,002	33	$701,250	621	$5,275,667	18	$153,000
Totals	1,974	$94,606,192	39	$2,538,100	666	$32,947,637	29	$1,665,788
				Participation Year Totals - Since Inception			2,708	$131,757,717

Providers Paid - March 2014								
	Participation Year 1				Participation Year 2		Participation Year 3	
	Adopt/Implement/Upgrade		Meaningful Use		Meaningful Use		Meaningful Use	
	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount	Total Providers Paid	Total Payment Amount
Eligible Hospital	0	$0.00	1	$428,669	2	$680,000	1	$45,000
Eligible Professional	3	$63,750	6	$127,500	6	$51,000	11	$93,500
Totals	3	$63,750	7	$556,169	8	$731,000	12	$138,500
				Participation Year Totals - March 2014			30	$1,489,419

Adopt/Implement/Upgrade: Acquiring or purchasing/Installing or utilizing/Expanding the functionality of certified EHR technology.

Meaningful Use: Using certified EHR technology to: Improve quality, safety, efficiency, and reduce health disparities; Engage patients and family; Improve care coordination, and population and public health; Maintain privacy and security of patient health information.



OHCA BOARD MEETING

MAY 8TH, 2014 OHCA BOARD MEETING

Two OHCA bills we are watching are:

- **HB2384** - which now has language allowing prior authorization by the DUR and OHCA for Hepatitis C medications. It was Engrossed out of the Senate on 4/23/14 and Senate Amendments were read in the House on 4/24/14.

- **HB2906** – requires OHCA to conduct a study of ER diversion models for persons enrolled in Medicaid and explore options for cost containment and delivery alternatives that are consistent with the existing Patient-Centered Medical Home program. It also has been Engrossed out of the Seante and Senate Amendments have been read in the House.

After the April deadlines and **as of April 30, 2014**, the Oklahoma Legislature is currently tracking a total of 649 legislative bills. OHCA is now tracking 25 bills, of which 7 of these have been Signed by the Governor.

SENATE AND HOUSE REMAINING DEADLINE

May 30, 2014 **Sine Die Adjournment, No later than 5:00 p.m.**

*A Legislative Bill Tracking Report will be included in your handout at the Board Meeting.

This document is a comprehensive list of potential budget reductions. This is not a recommendation. It is intended to help guide discussions and develop recommendations should budget reductions be required. (May 5, 2014 -draft)

Potential Budget Reductions	Estimated Total Savings	Estimated State Savings (37.27%)
Administrative Reductions		
Agency operations reduction	**6,141,576**	**3,071,288**
(this does not include contracted services)		
Medicaid Optional Adult Benefits		
Dental Program Reductions	**8,075,106**	**3,009,592**
Elimination of Perinatal Dental Benefits plus other dental changes		
Targeted Program Changes		
Durable Medical Equipment (DME) Changes	**2,797,964**	**1,042,801**
Prior Authorize Oxygen after 90 days	2,000,000	745,400
Convert Blood Glucose supplies to competitive bid national rate	797,964	297,401
(33% reduction $16 to $10 / unit)		
Exclude Members with Third Party Liability from Medical Homes	**3,887,634**	**1,448,921**
Federally Qualified Health Centers / Rural Health Centers Visit Limit	**218,331**	**81,372**
limits to 4 / month for adults and 1 / day for everyone		
Hospital Readmissions	**18,783,264**	**7,000,523**
Reduce hospital readmissions occurring w/in 30 days		
($62.6 m spend on readmissions; assuming a 30% savings)		
Implement Prior Authorization for all Sleep Studies	**1,238,194**	**311,475**
(sfy13 totals $4.1 m; assuming a 30% reduction w/ PA. would also impact subsequent CPAP)		
Implement Prior Authorization for all Back & Spinal Surgeries	**4,566,343**	**1,551,876**
Physician	849,378	241,563
Hospital	3,716,965	1,310,313
(sfy13 totals $15.2 m; assuming a 30% reduction w/ PA)		
Increase Cost Sharing Amounts to the Federal Limit	**8,294,160**	**3,091,234**
(raising pharmacy copays to $4 even on zero copay generics)		
Limit number of pairs of glasses we pay for children to 2 pair / year	**347,055**	**129,347**
(PA all glasses over 2)		
Nursing Homes	**3,106,334**	**1,157,731**
Eliminate payment for leave days		
Pharmacy	**7,900,000**	**2,944,330**
Require PA for all controlled substances (includes net of administrative cost)		
Physician crossover claims	**8,229,146**	**3,067,003**
Reduce payment of co-insurance from 100% to 83.75%		
Total of Admin and Program Changes	**73,585,107**	**27,907,492**

Provider Payment Reductions

Changes in Appropriations	Flat	-1.25%	-2.50%	-5.00%
Across the board cuts / additional state share needed	**55,768,480**	**67,689,746**	**79,611,012**	**103,453,544**
(results in total dollar impact)	**149,633,700**	**181,619,925**	**213,606,150**	**277,578,599**
with Nursing Facilities (1% cut = 7.8 m state)	6.48%	7.86%	9.25%	12.02%
without Nursing Facilities (1% cut = 6.5 m state)	7.81%	9.48%	11.15%	14.49%

Assumes a loss of 13.7 m in tobacco tax revenue

Assumes 20 m additional in carryover

Assumes a July implementation with 1 month claim lag; an 11 month impact

Each 1% cut to Nursing Facilities results in another 2.1 m loss to them from QoC

DRAFT

Oklahoma HealthCare Authority

SOONERCARE HEALTH MANAGEMENT PROGRAM (HMP)

OHCA Board Meeting

May 2014

HMP Development

Oklahoma HealthCare Authority

Health Rankings in 2005*

- 48th in diabetes related deaths
- 48th in stroke related deaths
- 49th in heart disease related deaths

2006 Legislative Mandate (HB 2842)

- Focus on chronic disease
- Reduce costs
- Improve quality of care

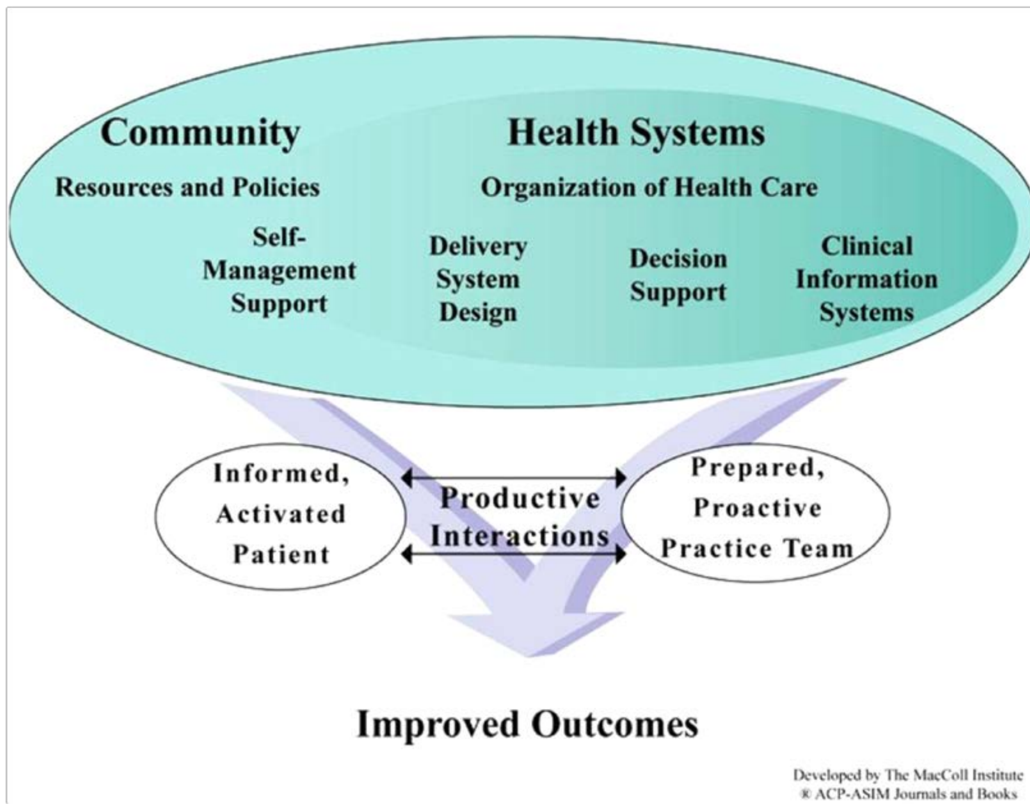
*Number of deaths due to disease per 100,000 United States Department of Health and Human Services (US DHHS), Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS), Compressed Mortality File (CMF) compiled from 2005, Series 20 No. 2K, 2008. Accessed 3/24/2008 via the CDC WONDER On-line Database.

Program Principles

Oklahoma HealthCare Authority

- Patient-centered, not disease based
- Teach the member how to self-manage rather than do it for them
- Providers must be included
- Redesign practices to support team-based care

The Chronic Care Model



HMP Design (2008 – 2013)

Arm 1

- Focuses on the high risk patients

Nurse Care Management

Arm 2

- Focuses on assisting targeted providers

Practice Facilitation

Program administered by Telligen, a national quality improvement and medical management firm

Nurse Care Management

Oklahoma HealthCare Authority

- Intervention for highest risk members (Tier 1) is face-to-face home visits and telephonic intervention for high risk members (Tier 2)
  - Health risk assessment
  - Health literacy assessment
  - Medication reconciliation
  - Behavioral health screening
  - Community resource assistance
  - Patient-centered care plan

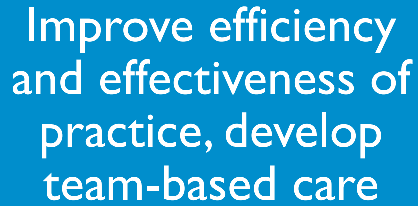
Nurse Care Management Goals

- Engage members in their care
- Develop self-management skills
- Improve clinical health outcomes

Practice Facilitation

- Deployed into SoonerCare Patient-Centered Medical Home practices
- Provide process mapping, quality improvement training and education
- Research clinical data for baseline data, assist with creating PDSA cycles for improvement
- Populate and maintain disease registry
- Provide academic detailing and other learning collaborative opportunities

Practice Facilitation Goals



Improve efficiency and effectiveness of practice, develop team-based care

Improve quality of care provided to chronically ill patients

Improve clinical health outcomes

HMP Population Statistics

86%
- Of members are over 21 years old

75%
- Of members have at least 2 chronic conditions

46%
- Of members have both physical and behavioral health conditions

96
- Practices served through Practice Facilitation
- 115,000+ SoonerCare Choice members served by participating practices

HMP Evaluation (2008 – 2013)

- Performed by external, independent evaluator Pacific Health Policy Group (PHPG)
  - Quality of care
  - Satisfaction
  - Utilization and expenditure trends
  - Cost effectiveness

Quality of Care Results

Nurse Care Management

HMP participants performed better than the comparison group on 76% of disease-specific clinical measures

Practice Facilitation

Improved on 83% of disease-specific clinical measures

Most Improved Measures

Asthma, CHF, COPD, diabetes and hypertension

Satisfaction

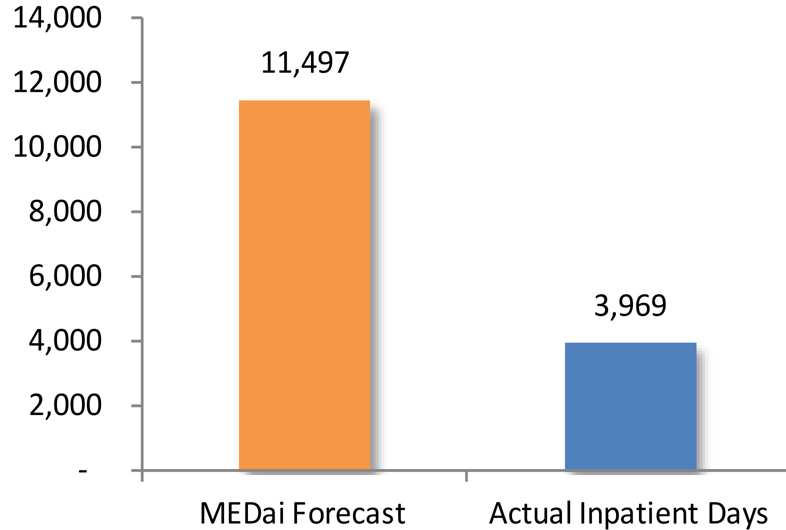
Nurse Care Management

- 97% of members were somewhat or very satisfied with the program
- 92% reported the HMP contributed to their improved health

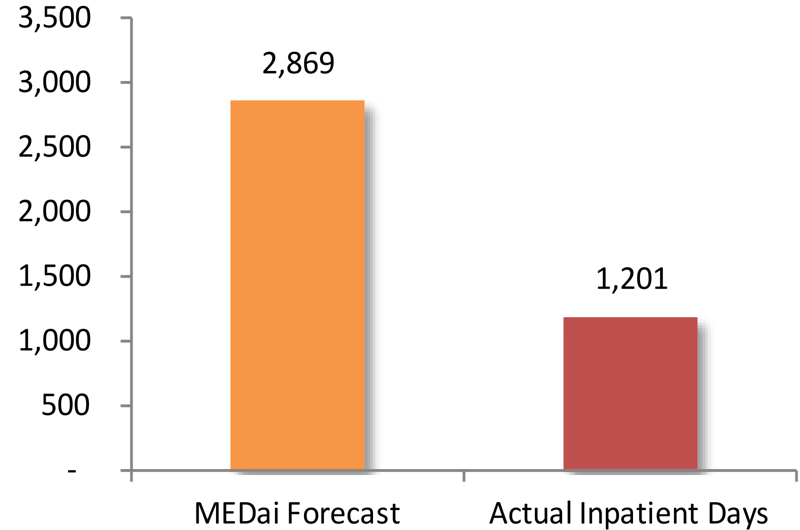
Practice Facilitation

- 86% of providers credit the program with improving care to patients with chronic conditions
- 91% would recommend the program to a colleague

Inpatient Utilization Trends

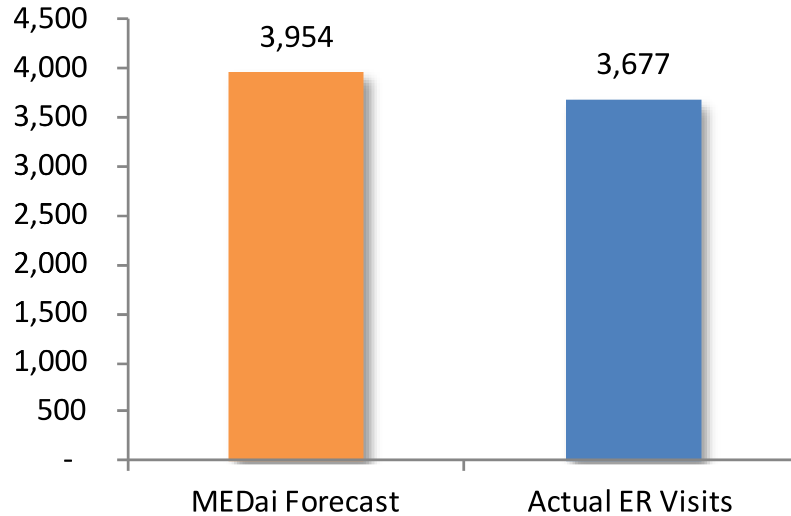


65% Reduction

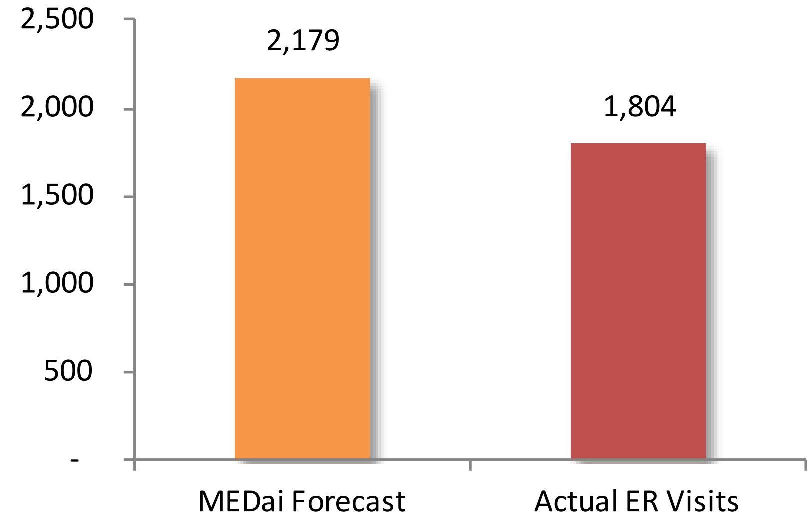


58% Reduction

Emergency Department Utilization Trends



7% Reduction

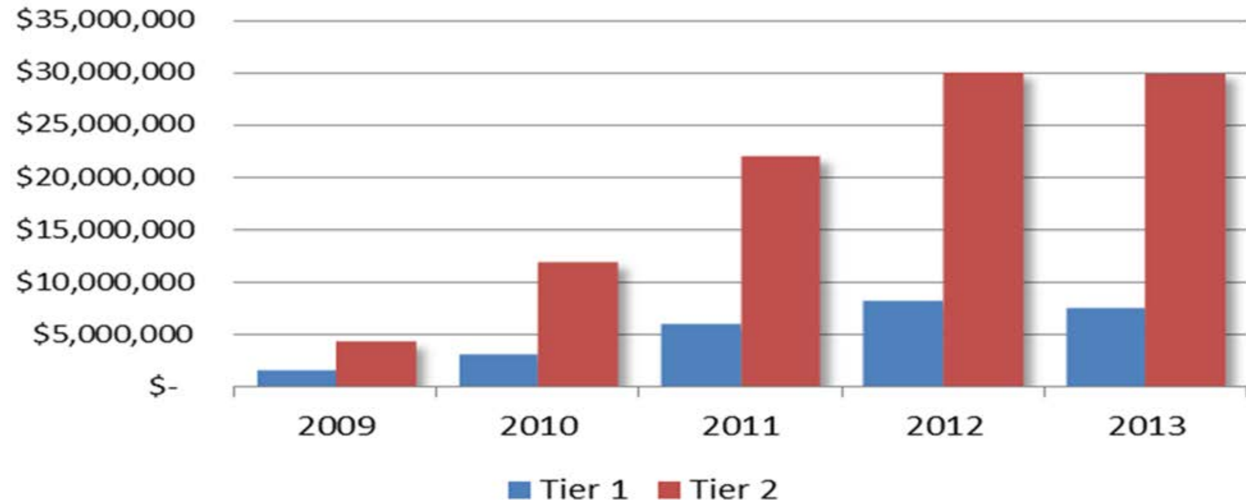


17% Reduction

Cost Effectiveness

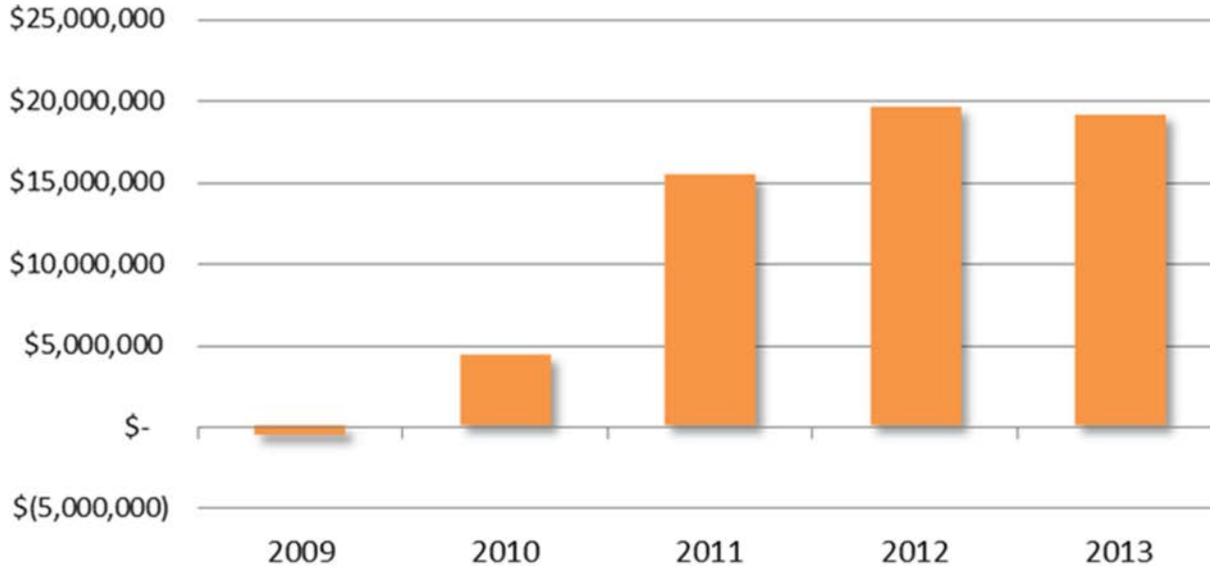
- Overall per member per month savings in medical expenditures runs a $32.62 deficit in the 1st 12 months, but results in savings of $342.67 after 13 months

Aggregate NCM Savings $124 million



Cost Effectiveness

- Overall per member per month savings $43.70



Aggregate PF Savings $58 million

Cost Effectiveness

Component	Administrative Costs	Medical Savings	Net Savings	Return on Investment
NCM (All)	($20,119,627)	$144,006,988	$123,887,361	616%
NCM Tier 1	($10,068,727*)*	$36,007,971	$25,939,244	*258%*
NCM Tier 2	($10,050,900*)*	$107,999,018	$97,948,117	*975%*
Practice Facilitation	($12,251,082)	$70,245,367	$57,994,284	473%
TOTAL Program	**($32,370,709)**	**$214,252,355**	**$181,881,645**	**562%**

HMP 2nd Generation – 7/1/2013

NCM transition to Health Coaching

Interventions take place in targeted medical home practices and telephonically between visits

Expanded to include at risk population in addition to those at high risk

All staff trained in Motivational Interviewing to elicit behavior change

Promotes collaboration between provider, coach and patient

Community Resource Specialists support coaches and connect patients to local resources

Practice Facilitation continues with increased number of educational opportunities

OHCA Population Care Management

Case Management Unit

Health Management Program

Chronic Care Management Unit

Case Management Unit

Provides case management for members specifically identified through programs, episodes or events (obstetrics, pediatrics, other populations)

Members are identified through data mining, self-referral, provider referral, community agency/state partner agency referral, legislative referral, intra-agency (OHCA) referral

Staff includes nurses (Exceptional Needs Coordinators), Social Service Coordinators and support staff

Health Management Program

HMP embeds Health Coaches (RNs) within SoonerCare patient-centered medical home practices with a high chronic disease burden

Members with or at risk for developing chronic conditions are identified through data mining and by the provider/staff

Coaches provide care management for identified members

face-to-face in the office and telephonically between visits

Chronic Care Unit

Care Management for members with chronic conditions

At risk and high risk; identified through self-referral, provider referral, data mining, transfer from Health Management Program

Targeted hemophilia and sickle cell programs

Chronic Care Unit

Assessment

(health status, health literacy, behavioral health, pharmacy)

Care coordination

Self-management principles

Behavior modification principles

Motivational Interviewing

Works in tandem with Health Management Program

Contact Us

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