

OKLAHOMA HEALTH CARE AUTHORITY
REGULARLY SCHEDULED BOARD MEETING
January 12, 2017 at 1:00 P.M.
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
OKC, OK

AGENDA

Items to be presented by Ed McFall, Chairman

1. Call to Order / Determination of Quorum
2. Action Item – Approval of the December 8, 2016 OHCA Board Meeting Minutes

Item to be presented by Becky Pasternik-Ikard, Chief Executive Officer

3. Discussion Item – Chief Executive Officer’s Report
 - a) All-Star Introduction
 - September 2016 All-Star – Mary Ann Dimery, Behavioral Health Specialist (Melody Anthony)
 - b) Financial Update – Carrie Evans, Chief Financial Officer
 - c) Medicaid Director’s Update – Garth Splinter, Deputy Chief Executive Officer
 - 1.) Program Expenditures Presentation – Courtney Barrett, Dental Services Dentist & Melanie Lawrence, Assistant Director of Strategic Planning & Reform
 - 2.) CPC+ Update – Melody Anthony, Deputy State Medicaid Director
 - d) Recognition of Anataya Rucker for the selection of one of Oklahoma’s Top Forty Under 40 for 2016 – Tywanda Cox, Director of Health Policy
 - e) Top Workplace Recognition – Jennie Melendez, Sr. Public Information Representative

Item to be presented by Nicole Nantois, Chief of Legal Services

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

Item to be presented by Tiffany Lyon, Director of Fiscal Planning & Procurement

5. Action Item – Consideration and Vote of Authority for Expenditure of Funds
 - a) Consideration and Vote of Authority for Expenditure of Funds for the Recovery Audit Contractor (RAC)
 - b) Consideration and Vote of Authority for Expenditure of Funds for the Medicaid Management Information System (MMIS) Fiscal Agent Hewlett Packard Enterprise (HPE)

Item to be presented by Nancy Nesser, Pharmacy Director

6. 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 **Acticlate® (Doxycycline Hyclate)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
 - b) Consideration and vote to add **Jadenu™ (Deferasirox) and Ferriprox® (Deferiprone)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
 - c) Consideration and vote to add **Pancreaze® (Pancrelipase), Pertzye® (Pancrelipase), and Viokace® (Pancrelipase)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

Item to be presented by Ed McFall, Chairman

7. 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) and (7).
 - a) Discussion of Pending Supreme Court Litigation
 - b) Discussion of Pending Class Action Litigation
 - c) Discussion of Pending Eligibility Litigation
 - d) Discussion of Pending Contractual Litigation
8. New Business
9. ADJOURNMENT

NEXT BOARD MEETING
February 9, 2017
Oklahoma Health Care Authority
Oklahoma City, OK

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
December 8, 2016
Oklahoma Health Care Authority Boardroom
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 7, 2016 at 11:00 a.m. Advance public meeting notice was 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 1, 2016 at 12:50 p.m.

Pursuant to a roll call of the members, a quorum was declared to be present, and Vice-Chairman Armstrong called the meeting to order at 1:02 p.m.

BOARD MEMBERS PRESENT: Vice-Chairman Armstrong, Member Bryant, Member Case, Member McVay, Member Nuttle

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

OTHERS PRESENT: OTHERS PRESENT:

Randy Curry, SWOSU College of Pharmacy	Rebekah Gossett, OHCA
Marlene Asmussen, OHCA	Karen Egesdal, OHCA/COP
Shannon Wilkinson, OHCA	Tandie Hastings, OAHCP
Jean Ann Ingram, SOFS	Rick Snyder, OHA
Johnney Johnson, OHCA	Terry Cothran, OU COP
Ashley Herron, OHCA	Dara Holmes, OHCA
Carmen Johnson, OHCA	Tatiana Reed, OHCA
Harvey Reynolds, OHCA	Mike Fogarty
Sherris H-Ososanya, OHCA	Lucinda Gumm, OHCA
Robert Groeneveld, XEROX	Melissa McCully, OHCA
Tyler Talley, eCapitol	Brett Coble, EMC
Virginia Ragan, SOFS	Joni Bruce, OFN
Sandra Jerrell, OFN	Brenda Teel, Chickasaw Nation
Will Widman, HPE	Marquetta Frye, Maxim
LeKenya Antwine, OHCA	Mary Brinkley, LeadingAge OK
Sandra Puebla, OHCA	Brent Wilborn, OKPCA
Janet Byas, OHCA	Amy Eden, MCN Tribe

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARLY SCHEDULED BOARD MEETING HELD OCTOBER 13, 2016.

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 Bryant moved for approval of the October 13, 2016 board meeting minutes as published. The motion was seconded by Member McVay.

FOR THE MOTION: Vice-Chairman Armstrong

ABSTAINED: Member Case, Member Nuttle

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

BECKY PASTERNIK-IKARD, CHIEF EXECUTIVE OFFICER'S REPORT

Ms. Ikard stated that our request to extend the 1115 waiver for another year was granted by CMS. She wanted to thank all of the staff involved in moving this forward as it has been a tremendous amount of effort.

ITEM 3a / FINANCIAL UPDATE

Carrie Evans, Chief Financial Officer

Ms. Evans reported on the financial transactions through the month of October. OHCA has a positive \$3.1 million state dollars and are running under budget by \$5.8 million in program spending and \$1 million in administration. She reported that we are currently under budget in drug rebates and medical refunds. She stated that we will continue to monitor those as sometimes the drug rebate timing is a little off from how we budget it and we do expect that number to go back to positive later in the fiscal year. The taxes and fees are under \$0.9 million and overpayments and settlements are \$1.5 million under. Ms. Evans predicted that OHCA will stay flat for the month of November. For more detailed information, see Item 3a in the board packet.

ITEM 3b / MEDICAID DIRECTOR'S UPDATE

Garth Splinter, Deputy Chief Executive Officer

Dr. Splinter recognized and congratulated Becky Pasternik-Ikard for being elected as our regional representative on the National Association of Medicaid Directors board.

Dr. Splinter provided an update for October 2016 data that included a report on the number of SoonerCare enrollees in different areas of the Medicaid program including Insure Oklahoma numbers. He discussed charts provided. For more detailed information, see Item 3b in the board packet.

ITEM 3b.1 / SOONERCARE CHOICE PROGRAM UPDATE

Melody Anthony, Deputy State Medicaid Director

Ms. Anthony gave a presentation on the SoonerCare Choice Patient Centered Medical Home. She stated that there are currently 540 thousand enrolled and the report included the available capacity, capacity by tier, by provider type and by age. The report also included the HAN total summary report for October 2016 as well as locations. For more detailed information, see Item 3b.1 in the board packet.

ITEM 3b.2 / HEALTH MANAGEMENT PROGRAM UPDATE

Della Gregg, HMP Manager

Ms. Gregg presented an update on the SoonerCare Health Management Program (HMP) and Chronic Care Unit (CCU). This included an overview of the departments in Population Care Management, HMP overview and CCU overview. Ms. Gregg also discussed program objectives, member goals, HMP practice facilitation, outcomes, satisfaction, utilization and cost-effectiveness. For more detailed information, see Item 3b.2 in the board packet.

ITEM 3b.3 / RECOGNITION OF REBEKAH GOSSETT, RN, POPULATION CARE MANAGEMENT SUPERVISOR

Marlene Asmussen, PCM Director

Ms. Asmussen recognized and congratulated Rebekah Gossett as a 2016 Great 100 Nurses honoree and for her nomination for March of Dimes' Nurse of the Year Public Health category.

ITEM 3c / LEGISLATIVE UPDATE

Emily Shipley, Director of Government Relations

Ms. Shipley mentioned that the 2016 Interim Study season has come to a close and OHCA was tracking 33 of the interim studies and participated in two of them. The first was requested by Representative Morrisette in regards to Zika and the other was requested by Representative Mulready in regards to addressing the uninsured. Ms. Shipley stated that the 2017 56th legislative session will begin February 6th at noon. She mentioned a few confirmed members of the Senate and House. For more detailed information, see Item 3c in the board packet.

ITEM 3c.1 / ANNUAL TRIBAL CONSULTATION UPDATE

Dana Miller, Tribal Relations Director

Ms. Miller reported on the 10th annual Tribal Consultation that was held October 19, 2016 which included the purpose of the annual meeting, format, topics and attendees. For more detailed information, see Item 3c. 1 in the board packet.

ITEM 4 / PAIN MANAGEMENT AND OPIOID USE UPDATE

Burl Beasley, Assistant Pharmacy Director

Mr. Beasley presented a Pain Management and Opioid Use update. This included numbers of abuse and diversion, overview of prescription drug overdose in Oklahoma, overdoses by county, pain management and opioid use initiatives and OHCA initiatives. Mr. Beasley also discussed Naloxone and the pharmacy lock-in program. For more detailed information, see Item 4 in the board packet.

ITEM 5 / MEMBER ADVISORY TASK FORCE (MATF) UPDATE

Hillary Burkholder, Health Promotions Program Manager

Ms. Burkholder gave an overview of the MATF which included the history, who they are, purpose, successes and recognition. For more detailed information, see Item 5 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 UPON THE RECOMMENDATIONS OF THE STATE PLAN AMENDMENT RATE COMMITTEE

Carrie Evans, Chairperson of the State Plan Amendment Rate Committee

- a) Consideration and Vote for a Rate and Method Change to Pharmacy Reimbursement Which Includes: A Change From Estimated Acquisition Cost to Actual Acquisition Cost, to Add the Pricing Term Specialty Pharmaceutical Allowable Cost, to Set the Professional Dispensing Fee at \$10.55, and to Set the Rate for I/T/U Pharmacy Claims at the OMB Encounter Rate Effective January 1, 2017. These Changes are Estimated to be Budget Neutral.

MOTION: Member Case moved for approval of Item 7a as published. The motion was seconded by Member Nuttle.

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

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

ITEM 8.A-D / CONSIDERATION AND VOTE OF AGENCY RECOMMENDED RULEMAKING PURSUANT TO ARTICLE I OF THE ADMINISTRATIVE PROCEDURES ACT

Melinda Thomason, Assistant Director of Health Policy

Action Item – a) Consideration and Vote upon a Declaration of a Compelling Public Interest for the promulgation of *all Emergency Rules* in item eight in accordance with 75 Okla. Stat. § 253.

Action Item – b) Consideration and Vote of Agency Recommended Rulemaking Pursuant to Article I of the Administrative Procedures Act. The Agency Requests the Adoption of the Following Emergency Rules:

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

- A. AMENDING agency rules at OAC 317:30-5-72.1, 317:30-5-78, 317:30-5-87, 317:30-5-1090 and 317:30-5-1098 to comply with regulations that update the reimbursement structure for Indian Health Services, Tribal Programs, Urban Indian Clinics (I/T/U), and non-I/T/U pharmacies. Revisions align reimbursement for covered outpatient drugs with Actual Acquisition Cost and create new pricing terms for specialty pharmaceutical products. Revisions also modify the current dispensing fee to a professional dispensing fee. The revisions will modify the reimbursement structure for I/T/U pharmacies; these pharmacies will be reimbursed at the federal Office of Management and Budget encounter rate, and will receive one payment per member per facility per day regardless of the number of prescriptions dispensed to the member on that day. Revisions also remove limitations for smoking cessation benefits and replace references to old sections of policy with current sections of policy.
Budget Impact: Budget neutral

(Reference APA WF # 16-13)

- B. AMENDING agency rules at OAC 317:2-1-2 and ADDING agency rules at 317:2-1-16 to establish a supplemental

payment program for nursing facilities owned and as applicable operated by non-state government owned (NSGO) entities. The proposed revisions establish requirements and criteria for supplemental payments to be made to participating NSGOs up to the allowable Medicare upper payment limit (UPL). In addition, proposed revisions define terms related to the program and set forth criteria and eligibility requirements. Rules are also added to outline cost reporting, change in ownership, disbursement of payment, and appeal requirements.

Budget Impact: There is no cost to the OHCA as the state share will be financed by the NSGO and will be transferred to the state by way of an intergovernmental transfer for claiming of federal financial participation.

(Reference APA WF # 16-16A)

- C. ADDING agency rules at OAC 317:30-5-136 to establish a supplemental payment program for nursing facilities owned and as applicable operated by non-state government owned (NSGO) entities. The proposed revisions establish requirements and criteria for supplemental payments to be made to participating NSGOs up to the allowable Medicare upper payment limit (UPL). In addition, proposed revisions define terms related to the program and set forth criteria and eligibility requirements. Rules are also added to outline cost reporting, change in ownership, disbursement of payment, and appeal requirements.

Budget Impact: There is no cost to the OHCA as the state share will be financed by the NSGO and will be transferred to the state by way of an intergovernmental transfer for claiming of federal financial participation.

(Reference APA WF # 16-16B)

- D. AMENDING agency rules at OAC 317:30-3-27 to revise language in Chapter 30 to reflect the repeal of 36 O.S. Section 6804, of The Oklahoma Telemedicine Act, which eliminates the informed consent requirement from Oklahoma Statutes.

Budget Impact: Budget neutral

(Reference APA WF # 16-18)

MOTION:

Member McVay moved for approval of emergency rulemaking for Item 8a as published. The motion was seconded by Member Bryant.

FOR THE MOTION:

Vice-Chairman Armstrong, Member Case, Member Nuttle

BOARD MEMBERS ABSENT:

Chairman McFall, Member Robison

MOTION:

Member Case moved for approval of Item 8b.A-D as published. The motion was seconded by Member Nuttle.

FOR THE MOTION:

Vice-Chairman Armstrong, Member Bryant, Member McVay

BOARD MEMBERS ABSENT:

Chairman McFall, Member Robison

ITEM 9a-g / CONSIDERATION AND VOTE REGARDING RECOMMENDATIONS MADE BY THE DRUG UTILIZATION REVIEW BOARD UNDER 63 OKLAHOMA STATUTES §5030.3.

Nancy Nesser, Pharmacy Director

a) Consideration and vote to add **Ocaliva™ (Obeticholic Acid)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

b) Consideration and vote to add **Millipred™ (Prednisolone Sodium Phosphate Oral Solution 10mg/5mL)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

c) Consideration and vote to add **Xiidra™ (Lifitegrast 5% Ophthalmic Solution)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

d) Consideration and vote to add **Allzital® (Butalbital/Acetaminophen 25mg/325mg) & Esgic® Capsules (Butalbital/Acetaminophen/Caffeine 50mg/325mg/40mg)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

e) Consideration and vote to add **Odomzo® (Sonidegib), Erivedge® (Vismodegib), Keytruda® (Pembrolizumab), Opdivo® (Nivolumab), Yervoy® (Ipilimumab), Tafinlar® (Dabrafenib), Zelboraf® (Vemurafenib), Cotellic® (Cobimetinib), Mekinist® (Trametinib), and Imlygic® (Tolimogene Laherparepvec)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

f) Consideration and vote to add **Relistor® (Methylnaltrexone) Tablets** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

g) Consideration and vote to add **Synera® (Lidocaine/Tetracaine Topical Patch)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

MOTION: Member McVay moved for approval of Item 9a-g as published. The motion was seconded by Member Bryant.

FOR THE MOTION: Vice-Chairman Armstrong, Member Case, Member Nuttle

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

ITEM 10 / CONSIDERATION AND VOTE UPON THE OKLAHOMA HEALTH CARE AUTHORITY BOARD MEETING DATES, TIMES AND LOCATIONS FOR CALENDAR YEAR 2017

Tony Armstrong, Vice-Chairman

MOTION: Member Case moved for approval of item 10 as published. The motion was seconded by Member McVay.

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

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

ITEM 11 / ELECTION OF THE OKLAHOMA HEALTH CARE AUTHORITY 2016-2017 BOARD OFFICERS

MOTION: Member Bryant moved for approval of Ed McFall remaining Chairman. The motion was seconded by Member Case.

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

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

MOTION: Member Case moved for approval of Tony Armstrong remaining Vice-Chairman. The motion was seconded by Member Bryant.

FOR THE MOTION: Member McVay, Member Nuttle

ABSTAINED: Vice-Chairman Armstrong

BOARD MEMBERS ABSENT: Chairman McFall, Member Robison

ITEM 12 / PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE CHIEF OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLAHOMA STATUTES §307(B) (4) and (7).

Nicole Nantois, Chief of Legal Services

Ms. Nantois said there was no need for an executive session at this time.

ITEM 13 / NEW BUSINESS

There was no new business.

ITEM 14 / ADJOURNMENT

MOTION:

Member McVay moved for approval for adjournment. The motion was seconded by Member Nuttle.

FOR THE MOTION:

Vice-Chairman Armstrong, Member Bryant, Member Case

BOARD MEMBERS ABSENT:

Chairman McFall, Member Robison

Meeting adjourned at 2:36 p.m., 12/8/16

NEXT BOARD MEETING
January 12, 2016
Oklahoma Health Care Authority
Oklahoma City, OK

Lindsey Bateman
Board Secretary

Minutes Approved: _____

Initials: _____

DRAFT



FINANCIAL REPORT

For the Five Months Ended November 30, 2016
Submitted to the CEO & Board

- Revenues for OHCA through November, accounting for receivables, were **\$1,654,625,831** or **.9% under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$1,695,195,449** or **1.1% under** budget.
- The state dollar budget variance through November is a **positive \$3,563,335**.
- The budget variance is primarily attributable to the following (in millions):

Expenditures:		
Medicaid Program Variance	5.0	
Administration	1.3	
Revenues:		
Drug Rebate	.6	
Taxes and Fees	(.9)	
Overpayments/Settlements	(2.4)	
Total FY 17 Variance	\$ 3.6	

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
SFY 2017, For the Five Month Period Ending November 30, 2016

REVENUES	FY17 Budget YTD	FY17 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 406,103,882	\$ 406,103,882	\$ -	0.0%
Federal Funds	980,109,797	969,742,679	(10,367,117)	(1.1)%
Tobacco Tax Collections	21,183,222	20,496,560	(686,662)	(3.2)%
Quality of Care Collections	32,804,303	32,466,646	(337,657)	(1.0)%
Prior Year Carryover	17,518,798	17,518,798	-	0.0%
Federal Deferral - Interest	24,354	24,354	-	0.0%
Drug Rebates	85,755,463	87,310,629	1,555,166	1.8%
Medical Refunds	19,455,272	13,547,449	(5,907,823)	(30.4)%
Supplemental Hospital Offset Payment Program	99,151,315	99,151,315	-	0.0%
Other Revenues	8,185,024	8,263,520	78,495	1.0%
TOTAL REVENUES	\$ 1,670,291,430	\$ 1,654,625,831	\$ (15,665,598)	(0.9)%
EXPENDITURES	FY17 Budget YTD	FY17 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	\$ 22,535,299	\$ 21,046,145	\$ 1,489,154	6.6%
ADMINISTRATION - CONTRACTS	\$ 35,054,438	\$ 32,774,043	\$ 2,280,395	6.5%
MEDICAID PROGRAMS				
<u>Managed Care:</u>				
SoonerCare Choice	17,811,902	16,654,740	1,157,162	6.5%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	384,761,664	385,000,987	(239,323)	(0.1)%
Behavioral Health	8,241,442	8,424,469	(183,027)	(2.2)%
Physicians	176,850,696	174,051,405	2,799,291	1.6%
Dentists	56,630,914	56,204,176	426,738	0.8%
Other Practitioners	21,728,117	23,368,110	(1,639,993)	(7.5)%
Home Health Care	8,281,756	7,428,608	853,147	10.3%
Lab & Radiology	19,145,804	14,424,182	4,721,622	24.7%
Medical Supplies	19,845,944	19,816,569	29,375	0.1%
Ambulatory/Clinics	76,113,439	76,463,124	(349,685)	(0.5)%
Prescription Drugs	225,042,007	224,490,827	551,179	0.2%
OHCA Therapeutic Foster Care	62,637	(62,768)	125,405	0.0%
<u>Other Payments:</u>				
Nursing Facilities	244,736,121	240,546,711	4,189,409	1.7%
Intermediate Care Facilities for Individuals with Intellectual Disabilities Private	27,137,531	26,128,226	1,009,306	3.7%
Medicare Buy-In	72,541,981	68,891,252	3,650,730	5.0%
Transportation	27,635,726	27,880,659	(244,933)	(0.9)%
Money Follows the Person-OHCA	149,502	70,470	79,032	0.0%
Electronic Health Records-Incentive Payments	7,401,920	7,401,920	-	0.0%
Part D Phase-In Contribution	38,751,480	38,851,787	(100,307)	(0.3)%
Supplemental Hospital Offset Payment Program	219,592,382	219,592,382	-	0.0%
Telligen	4,282,300	5,747,425	(1,465,125)	(34.2)%
Total OHCA Medical Programs	1,656,745,263	1,641,375,261	15,370,003	0.9%
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
TOTAL OHCA	\$ 1,714,424,382	\$ 1,695,195,449	\$ 19,228,933	1.1%
REVENUES OVER/(UNDER) EXPENDITURES	\$ (44,132,953)	\$ (40,569,618)	\$ 3,563,335	

OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
SFY 2017, For the Five Month Period Ending November 30, 2016

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	SHOPP Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 16,705,233	\$ 16,650,079	\$ -	\$ 50,493	\$ -	\$ 4,661	\$ -
Inpatient Acute Care	479,325,320	252,727,203	202,786	1,530,043	151,584,678	781,193	72,499,418
Outpatient Acute Care	187,363,374	129,661,400	17,335	1,901,822	54,171,746	1,611,071	-
Behavioral Health - Inpatient	24,482,274	4,993,248	-	116,814	13,323,353	-	6,048,860
Behavioral Health - Psychiatrist	3,943,827	3,431,221	-	-	512,606	-	-
Behavioral Health - Outpatient	7,517,252	-	-	-	-	-	7,517,252
Behavioral Health-Health Home	15,176,823	-	-	-	-	-	15,176,823
Behavioral Health Facility- Rehab	97,061,768	-	-	-	-	28,029	97,061,768
Behavioral Health - Case Management	7,809,995	-	-	-	-	-	7,809,995
Behavioral Health - PRTF	28,209,326	-	-	-	-	-	28,209,326
Residential Behavioral Management	7,380,915	-	-	-	-	-	7,380,915
Targeted Case Management	31,230,253	-	-	-	-	-	31,230,253
Therapeutic Foster Care	(62,768)	(62,768)	-	-	-	-	-
Physicians	200,230,175	172,266,792	24,209	(91,529)	-	1,760,404	26,270,300
Dentists	56,217,219	56,200,017	-	13,043	-	4,158	-
Mid Level Practitioners	1,207,071	1,197,040	-	9,042	-	989	-
Other Practitioners	22,332,735	21,949,387	185,985	162,654	-	34,709	-
Home Health Care	7,434,886	7,425,100	-	6,278	-	3,508	-
Lab & Radiology	14,744,728	14,324,671	-	320,546	-	99,511	-
Medical Supplies	19,938,799	18,674,015	1,129,805	122,230	-	12,749	-
Clinic Services	75,460,126	73,157,816	-	378,782	-	70,107	1,853,421
Ambulatory Surgery Centers	3,278,442	3,230,582	-	43,241	-	4,619	-
Personal Care Services	4,973,735	-	-	-	-	-	4,973,735
Nursing Facilities	240,546,711	147,932,968	92,613,744	-	-	-	-
Transportation	27,812,789	26,762,853	1,033,884	-	-	16,053	-
GME/IME/DME	60,635,271	-	-	-	-	-	60,635,271
ICF/IID Private	26,128,226	21,385,570	4,742,656	-	-	-	-
ICF/IID Public	7,348,963	-	-	-	-	-	7,348,963
CMS Payments	107,743,038	107,400,399	342,640	-	-	-	-
Prescription Drugs	229,943,223	223,425,541	-	5,452,396	-	1,065,287	-
Miscellaneous Medical Payments	67,870	67,870	-	-	-	-	-
Home and Community Based Waiver	87,019,265	-	-	-	-	-	87,019,265
Homeward Bound Waiver	35,749,467	-	-	-	-	-	35,749,467
Money Follows the Person	113,596	70,470	-	-	-	-	43,126
In-Home Support Waiver	10,992,429	-	-	-	-	-	10,992,429
ADvantage Waiver	80,756,949	-	-	-	-	-	80,756,949
Family Planning/Family Planning Waiver	1,806,072	-	-	-	-	-	1,806,072
Premium Assistance*	26,352,993	-	-	26,352,993	-	-	-
Telligen	5,747,425	5,747,425	-	-	-	-	-
Electronic Health Records Incentive Payments	7,401,920	7,401,920	-	-	-	-	-
Total Medicaid Expenditures	\$ 2,268,127,716	\$ 1,316,020,816	\$ 100,293,043	\$ 36,368,846	\$ 219,592,383	\$ 5,497,049	\$ 590,383,608

* Includes \$26,190,019.41 paid out of Fund 245

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures:
Other State Agencies
SFY 2017, For the Five Month Period Ending November 30, 2016

REVENUE	FY17
	Actual YTD
Revenues from Other State Agencies	\$ 249,481,237
Federal Funds	371,775,428
TOTAL REVENUES	\$ 621,256,666
EXPENDITURES	Actual YTD
Department of Human Services	
Home and Community Based Waiver	\$ 87,019,265
Money Follows the Person	43,126
Homeward Bound Waiver	35,749,467
In-Home Support Waivers	10,992,429
ADvantage Waiver	80,756,949
Intermediate Care Facilities for Individuals with Intellectual Disabilities Public	7,348,963
Personal Care	4,973,735
Residential Behavioral Management	6,150,321
Targeted Case Management	26,925,906
Total Department of Human Services	259,960,161
State Employees Physician Payment	
Physician Payments	26,270,300
Total State Employees Physician Payment	26,270,300
Education Payments	
Graduate Medical Education	25,162,701
Graduate Medical Education - Physicians Manpower Training Commission	1,757,289
Indirect Medical Education	33,086,772
Direct Medical Education	628,509
Total Education Payments	60,635,271
Office of Juvenile Affairs	
Targeted Case Management	1,120,804
Residential Behavioral Management	1,230,594
Total Office of Juvenile Affairs	2,351,398
Department of Mental Health	
Case Management	7,809,995
Inpatient Psychiatric Free-standing	6,048,860
Outpatient	7,517,252
Health Homes	15,176,823
Psychiatric Residential Treatment Facility	28,209,326
Rehabilitation Centers	97,061,768
Total Department of Mental Health	161,824,023
State Department of Health	
Children's First	930,029
Sooner Start	623,273
Early Intervention	2,081,115
Early and Periodic Screening, Diagnosis, and Treatment Clinic	361,739
Family Planning	62,856
Family Planning Waiver	1,735,082
Maternity Clinic	2,709
Total Department of Health	5,796,804
County Health Departments	
EPSDT Clinic	336,208
Family Planning Waiver	8,134
Total County Health Departments	344,341
State Department of Education	72,079
Public Schools	100,320
Medicare DRG Limit	70,000,000
Native American Tribal Agreements	529,492
Department of Corrections	288,327
JD McCarty	2,211,091
Total OSA Medicaid Programs	\$ 590,383,608
OSA Non-Medicaid Programs	\$ 28,794,634
Accounts Receivable from OSA	\$ (2,078,424)

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 205: Supplemental Hospital Offset Payment Program Fund
SFY 2017, For the Five Month Period Ending November 30, 2016

REVENUES	FY 17 Revenue
SHOPP Assessment Fee	\$ 99,093,637
Federal Draws	132,782,700
Interest	53,429
Penalties	4,249
State Appropriations	(15,100,000)
TOTAL REVENUES	\$ 216,834,015

EXPENDITURES	Quarter	Quarter	FY 17 Expenditures
	7/1/16 - 9/30/16	10/1/16 - 12/31/16	
Program Costs:			
Hospital - Inpatient Care	76,250,540	75,334,137	\$ 151,584,677
Hospital -Outpatient Care	27,213,505	26,958,241	54,171,746
Psychiatric Facilities-Inpatient	6,661,677	6,661,677	13,323,353
Rehabilitation Facilities-Inpatient	257,683	254,922	512,606
Total OHCA Program Costs	110,383,405	109,208,977	\$ 219,592,382

Total Expenditures	\$ 219,592,382
---------------------------	-----------------------

CASH BALANCE	\$ (2,758,368)
---------------------	-----------------------

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
SFY 2017, For the Five Month Period Ending November 30, 2016

REVENUES	Total Revenue	State Share
Quality of Care Assessment	\$ 32,453,026	\$ 32,453,026
Interest Earned	13,620	13,620
TOTAL REVENUES	\$ 32,466,646	\$ 32,466,646

EXPENDITURES	FY 17 Total \$ YTD	FY 17 State \$ YTD	Total State \$ Cost
Program Costs			
Nursing Facility Rate Adjustment	\$ 91,078,675	\$ 35,912,321	
Eyeglasses and Dentures	118,249	46,626	
Personal Allowance Increase	1,416,820	558,652	
Coverage for Durable Medical Equipment and Supplies	1,129,805	445,482	
Coverage of Qualified Medicare Beneficiary	430,315	169,673	
Part D Phase-In	342,640	135,103	
ICF/IID Rate Adjustment	2,180,446	859,750	
Acute Services ICF/IID	2,562,210	1,010,280	
Non-emergency Transportation - Soonerride	1,033,884	407,660	
Total Program Costs	\$ 100,293,043	\$ 39,545,547	\$ 39,545,547
Administration			
OHCA Administration Costs	\$ 218,180	\$ 109,090	
DHS-Ombudsmen	-	-	
OSDH-Nursing Facility Inspectors	-	-	
Mike Fine, CPA	-	-	
Total Administration Costs	\$ 218,180	\$ 109,090	\$ 109,090
Total Quality of Care Fee Costs	\$ 100,511,223	\$ 39,654,637	
TOTAL STATE SHARE OF COSTS			\$ 39,654,637

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

OKLAHOMA HEALTH CARE AUTHORITY

SUMMARY OF REVENUES & EXPENDITURES:

Fund 245: Health Employee and Economy Improvement Act Revolving Fund
SFY 2017, For the Five Month Period Ending November 30, 2016

REVENUES	FY 16 Carryover	FY 17 Revenue	Total Revenue
Prior Year Balance	\$ 5,199,281	\$ -	\$ 3,102,480
State Appropriations	(2,000,000)	-	-
Tobacco Tax Collections	-	16,858,266	16,858,266
Interest Income	-	53,799	53,799
Federal Draws	246,145	16,376,008	16,376,008
TOTAL REVENUES	\$ 3,445,426	\$ 33,288,073	\$ 36,390,553

EXPENDITURES	FY 16 Expenditures	FY 17 Expenditures	Total \$ YTD
Program Costs:			
Employer Sponsored Insurance		\$ 26,190,019	\$ 26,190,019
College Students/ESI Dental		162,974	64,261
Individual Plan			
SoonerCare Choice		\$ 48,612	\$ 19,168
Inpatient Hospital		1,524,957	601,291
Outpatient Hospital		1,873,345	738,660
BH - Inpatient Services-DRG		110,840	43,704
BH -Psychiatrist		-	-
Physicians		(58,162)	(22,933)
Dentists		12,933	5,099
Mid Level Practitioner		9,042	3,565
Other Practitioners		159,613	62,935
Home Health		4,437	1,749
Lab and Radiology		316,535	124,810
Medical Supplies		115,871	45,688
Clinic Services		371,472	146,471
Ambulatory Surgery Center		43,241	17,050
Prescription Drugs		5,338,654	2,105,031
Miscellaneous Medical		-	-
Premiums Collected		-	(209,014)
Total Individual Plan		\$ 9,871,389	\$ 3,683,275
College Students-Service Costs		\$ 144,464	\$ 56,962
Total OHCA Program Costs		\$ 36,368,846	\$ 29,994,517
Administrative Costs			
Salaries	\$ 32,930	\$ 851,080	\$ 884,009
Operating Costs	15,971	63,639	79,610
Health Dept-Postponing	-	-	-
Contract - HP	294,045	950,511	1,244,556
Total Administrative Costs	\$ 342,946	\$ 1,865,230	\$ 2,208,176
Total Expenditures			\$ 32,202,693
NET CASH BALANCE	\$ 3,102,480	\$	4,187,860

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

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund
SFY 2017, For the Five Month Period Ending November 30, 2016**

REVENUES	FY 17 Revenue	State Share
Tobacco Tax Collections	\$ 336,352	\$ 336,352
TOTAL REVENUES	\$ 336,352	\$ 336,352

EXPENDITURES	FY 17 Total \$ YTD	FY 17 State \$ YTD	Total State \$ Cost
Program Costs			
SoonerCare Choice	\$ 4,661	\$ 214	
Inpatient Hospital	781,193	35,935	
Outpatient Hospital	1,611,071	74,109	
Inpatient Services-DRG	-	-	
Psychiatrist	-	-	
TFC-OHCA	-	-	
Nursing Facility	-	-	
Physicians	1,760,404	80,979	
Dentists	4,158	191	
Mid-level Practitioner	989	45	
Other Practitioners	34,709	1,597	
Home Health	3,508	161	
Lab & Radiology	99,511	4,578	
Medical Supplies	12,749	586	
Clinic Services	70,107	3,225	
Ambulatory Surgery Center	4,619	212	
Prescription Drugs	1,062,991	48,898	
Transportation	16,053	738	
Miscellaneous Medical	2,296	106	
Total OHCA Program Costs	\$ 5,469,020	\$ 251,575	
OSA DMHSAS Rehab	\$ 28,029	\$ 1,289	
Total Medicaid Program Costs	\$ 5,497,049	\$ 252,864	
TOTAL STATE SHARE OF COSTS			\$ 252,864

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.

OHCA Board Meeting Jan 12, 2017 (Nov 2016 Data)

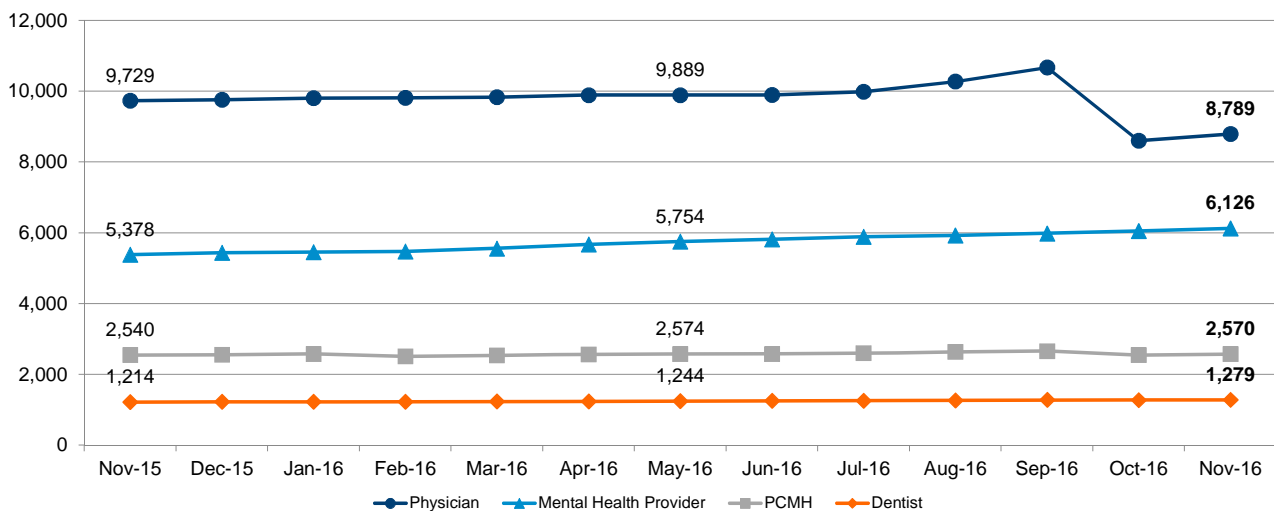
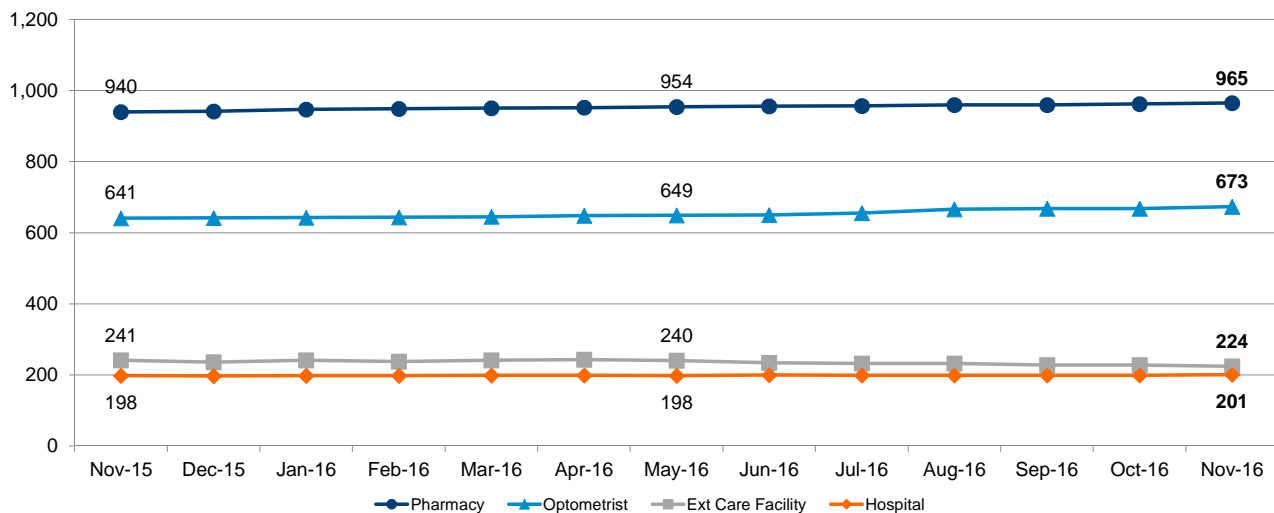
SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System			Enrollment November 2016	Children November 2016	Adults November 2016	Enrollment Change	Total Expenditures November	PMPM November 2016	Forecasted Nov 2016 Trend PMPM
SoonerCare Choice Patient-Centered Medical Home			549,196	453,411	95,785	3,647	\$176,618,681		
	Lower Cost	(Children/Parents; Other)	505,884	439,763	66,121	3,668	\$129,417,546	\$256	\$233
	Higher Cost	(Aged, Blind or Disabled; TEFFRA; BCC)	43,312	13,648	29,664	-21	\$47,201,136	\$1,090	\$1,198
SoonerCare Traditional			232,631	87,303	145,328	2,574	\$207,788,939		
	Lower Cost	(Children/Parents; Other)	119,800	82,205	37,595	2,547	\$52,110,508	\$435	\$373
	Higher Cost	(Aged, Blind or Disabled; TEFFRA; BCC & HCBS Waiver)	112,831	5,098	107,733	27	\$155,678,431	\$1,380	\$1,192
SoonerPlan			34,768	2,778	31,990	1,137	\$261,608	\$8	\$8
Insure Oklahoma			19,891	557	19,334	364	\$7,231,637		
	Employer-Sponsored Insurance		15,172	361	14,811	323	\$4,891,415	\$322	\$333
	Individual Plan		4,719	196	4,523	41	\$2,340,222	\$496	\$416
TOTAL			836,486	544,049	292,437	7,722	\$391,900,866		

Enrollment totals include all members enrolled during the report month. Members may not have expenditure data. Children are members aged 0 - 20 or for Insure Oklahoma enrolled as Students or Dependents.

IN-STATE CONTRACTED PROVIDERS

Total In-State Providers: 32,868 (+264) (In-State Providers counted multiple times due to multiple locations, programs, types, and specialties)



*Decrease in Physician count is due to contract renewal. Decrease during contract renewal period is typical during all renewal periods.

PROGRAM EXPENDITURES PROJECT

Courtney Barrett, DDS
Melanie Lawrence, MBA, PMP



Highlights

- Program expenditures are claims payments made to providers for services that were rendered and eligible for payment but they cannot be paid through the MMIS claims system.
- The Program Expenditures Project was initiated to track claims paid via expenditures and to determine how to make the existing process more efficient.

Highlights, Cont.

- The project was carried out through several meetings with the Division of Strategic Planning & Reform (DSPAR) and all the units involved in the expenditures process:
 - Quality Assurance/Quality Integrity (QA/QI)
 - Business Enterprises (BE)
 - Finance
 - Medical Professional Services
 - Provider Services

Analysis

- Analyzed root causes of expenditures
 - Total expenditures for 2015 and 2016 = 286
 - Three primary reasons made up 76 percent (217) of the total expenditures
- Analyzed the expenditure business process itself
 - Six units involved; created a workgroup
 - Workgroups were interviewed and brought together to discuss and map the process for understanding
 - No one knew the entire process from start to finish
 - Workgroup created a vision of how the process should look

Workgroup recommendations

- The Expenditures Workgroup met the spirit of the original request by addressing the root causes of the highest volume expenditures and made the following recommendations:
 1. Doctors to only sign-off on expenditures that require medical necessity approval and transfer the others to another executive (e.g., CFO for pricing issues);
 2. Finance to monitor expenditure process, volume and causes;
 3. Finance may automate the expenditure process further, depending on the need and cost-benefit analysis.

Process changes

Past

Request for Expenditure

OHCA staff

→ **QA/QI**

→ **OHCA staff**

→ **QA/QI**

→ **CMO**

→ **QA/QI** AA

→ **QA-QI** Manager

→ **QA/QI** AA

→ **Finance**

→ **Provider Services**

→ **Finance**

Present

Request for Expenditure

OHCA staff

→ **Finance**

→ **CMO/authorizing staff**

→ **Finance**

Accomplishments

- Process streamlined, fewer steps
- Finance maintains database from initial request to completion
- Improved tracking, reducing risk of loss or duplication
- Agency collaboration
- Continuous improvement on existing systems and processes
- Estimated savings of ½ FTE

Questions?



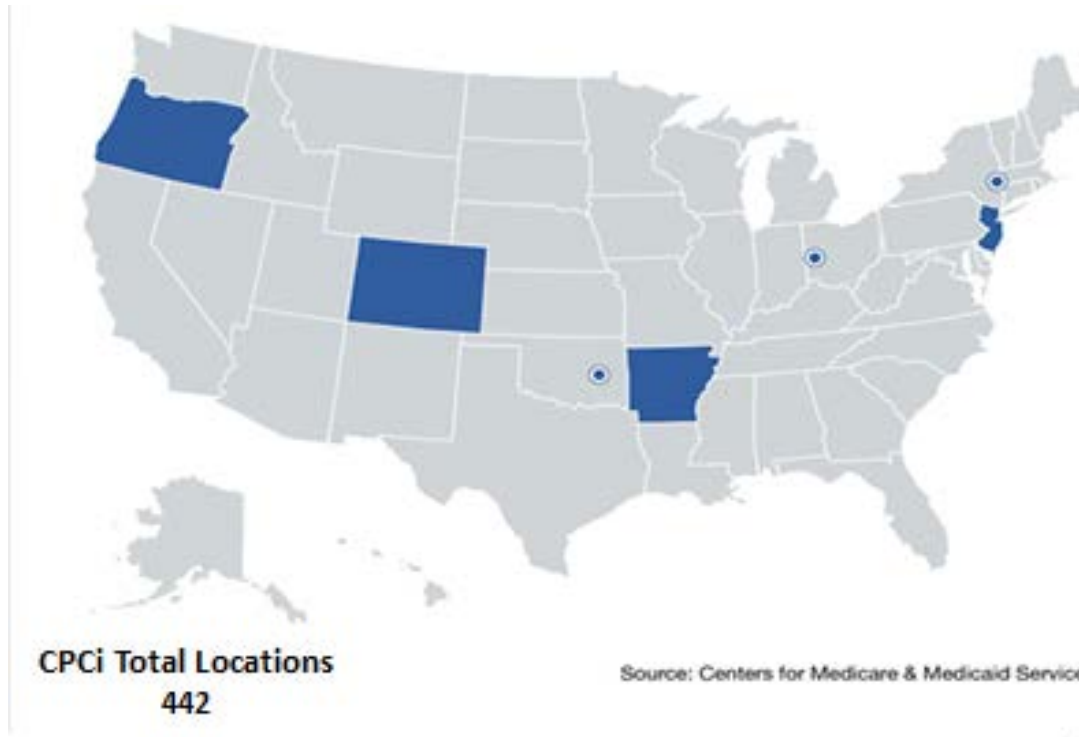
Comprehensive Primary Care (CPC) 2015 Shared Savings

**OHCA Board Meeting
January 12, 2017
Melody Anthony, MS
Deputy State Medicaid Director**



CPC CLASSIC REGIONS

Current Comprehensive Primary Care Initiative (National)



Updated 10.03.2016

CPC CLASSIC'S PRIMARY FOCUS FOR THE PROVIDERS



Multi-payers



Primary/Preventative Care



Transformation at the Primary Care
Site



Covered Lives



Actionable Data

2014 CMS SHARED SAVINGS

Greater Tulsa Region was the only location that received shared savings from Medicare

- Medicare distributed more than \$547K dollars to 49 CPC classic locations

34 of our 37 SoonerCare Choice locations received a payment

BCBSOK and Community Care also distributed shared savings payments

2015 CMS SHARED SAVINGS

Total savings for Medicare Part A and B in year two was 57.7M

- Greater Tulsa, Colorado, Arkansas and Oregon has enough shared savings to off set the net loss of the other 3 regions

Greater Tulsa, Colorado, Arkansas and Oregon shaved in distribution of 13 M to 240 practices.

BCBSOK and Community Care will be distributing shared savings payments.

ABOUT CPC+ IN OKLAHOMA

174 locations completed participation agreements with CMS,
78 Track 1 96 Track 2

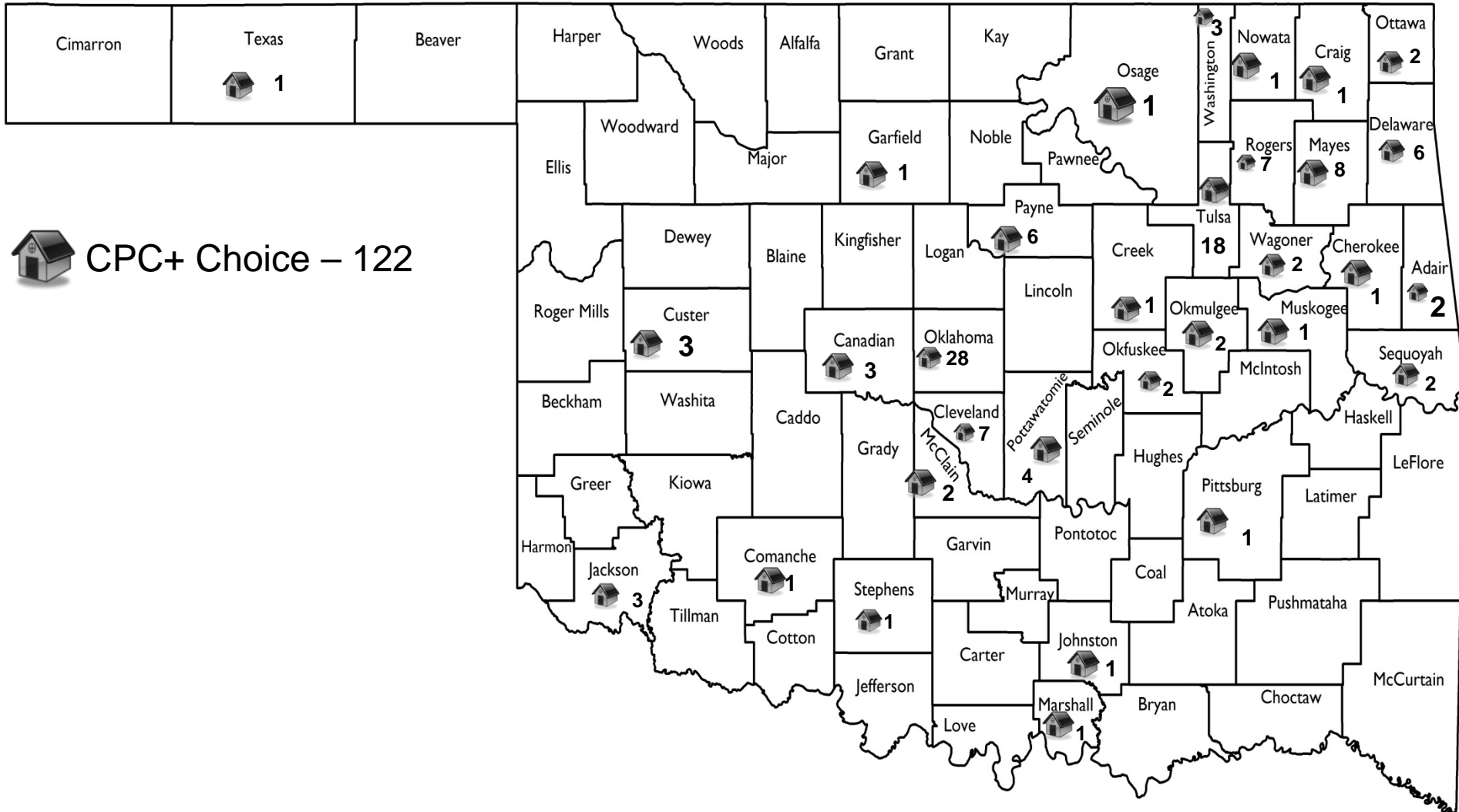
Quarterly payers meetings with Arkansas, Oklahoma and Kansas City.

CPC+

122 locations are SoonerCare Choice 41 are Track 1 and 81 are Track 2 serving 70,967 SoonerCare Choice-covered lives

Medicare, SoonerCare, Community Care, BCBSOK, Advantage Medicare Plan (CC) and United HealthCare within the state wide payer participation.

CPC+ Choice Locations January 2017



01/10/2017

THANK YOU!

For Additional Information:

Melody Anthony, MS

Deputy State Medicaid Director

405-522-7360

Employee Engagement Survey



Workplace Dynamics 2016 Survey



SURVEY OVERVIEW

July 21 to August 9, 2016

Surveys Sent: 563

Benchmark:
2015 Survey

Responses: 524

Response Rate:
93%

Benchmark:
State
Government

KEY MEASURES

Engagement

- Referral
- Motivation
- Loyalty

Alignment

- Direction
- Values & ethics
- Inter-department Cooperation
- Negativity

Effectiveness

- Ideas
- Execution
- Communication up
- Open-mindedness

KEY MEASURES

Connection

- Communication down
- Appreciation
- Meaningfulness
- Potential

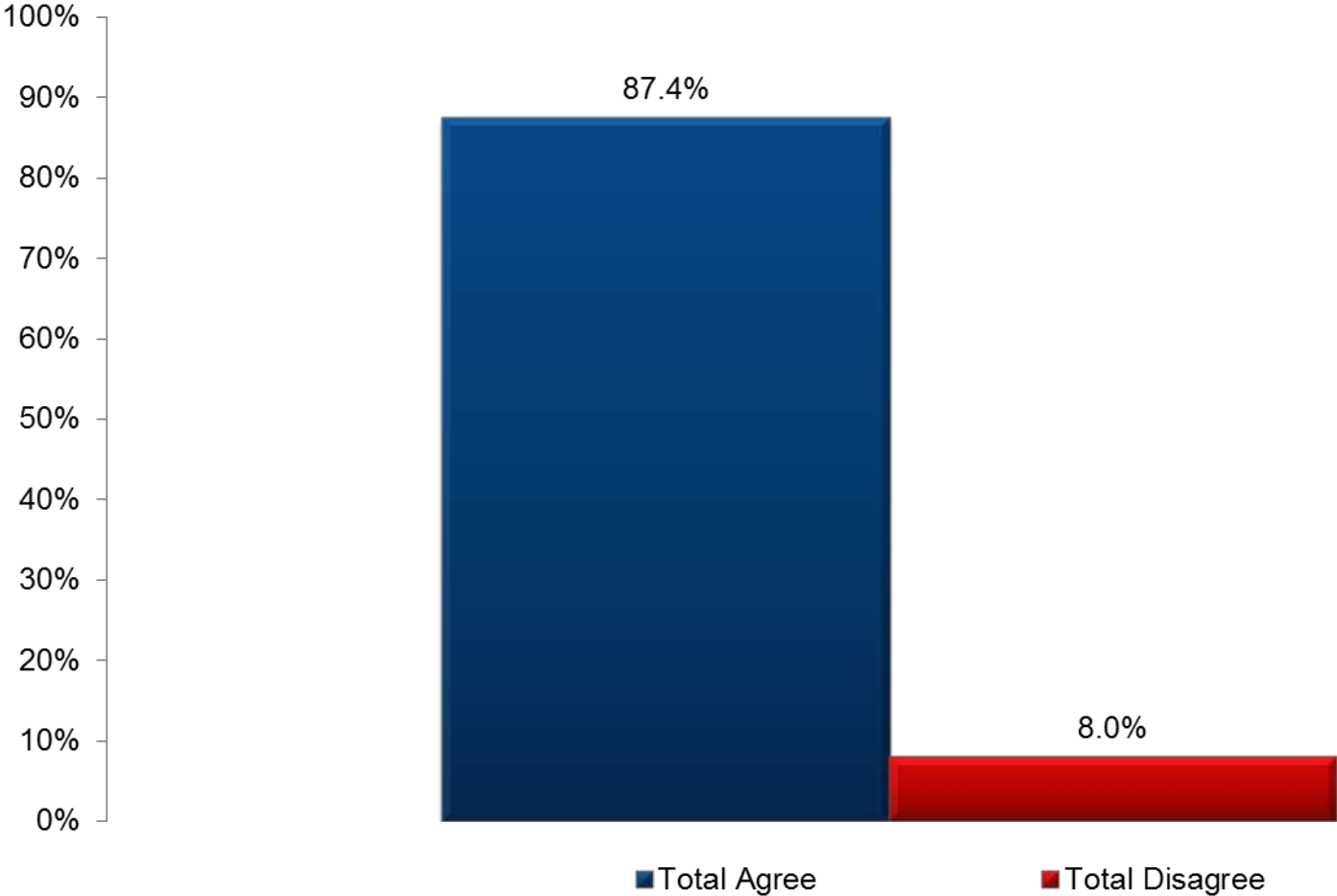
My Manager

- Helpfulness
- Concerns
- Development

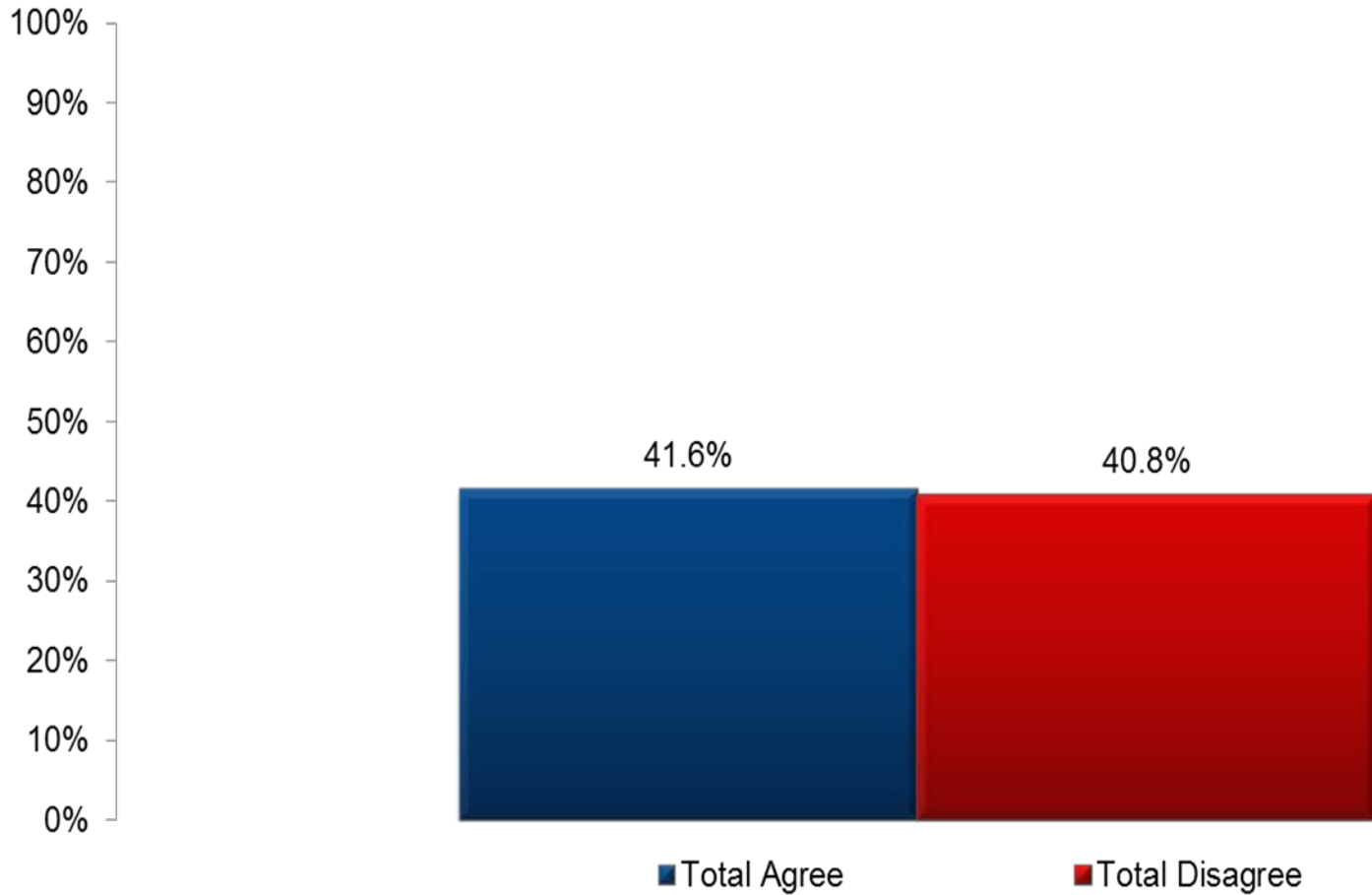
The Basics

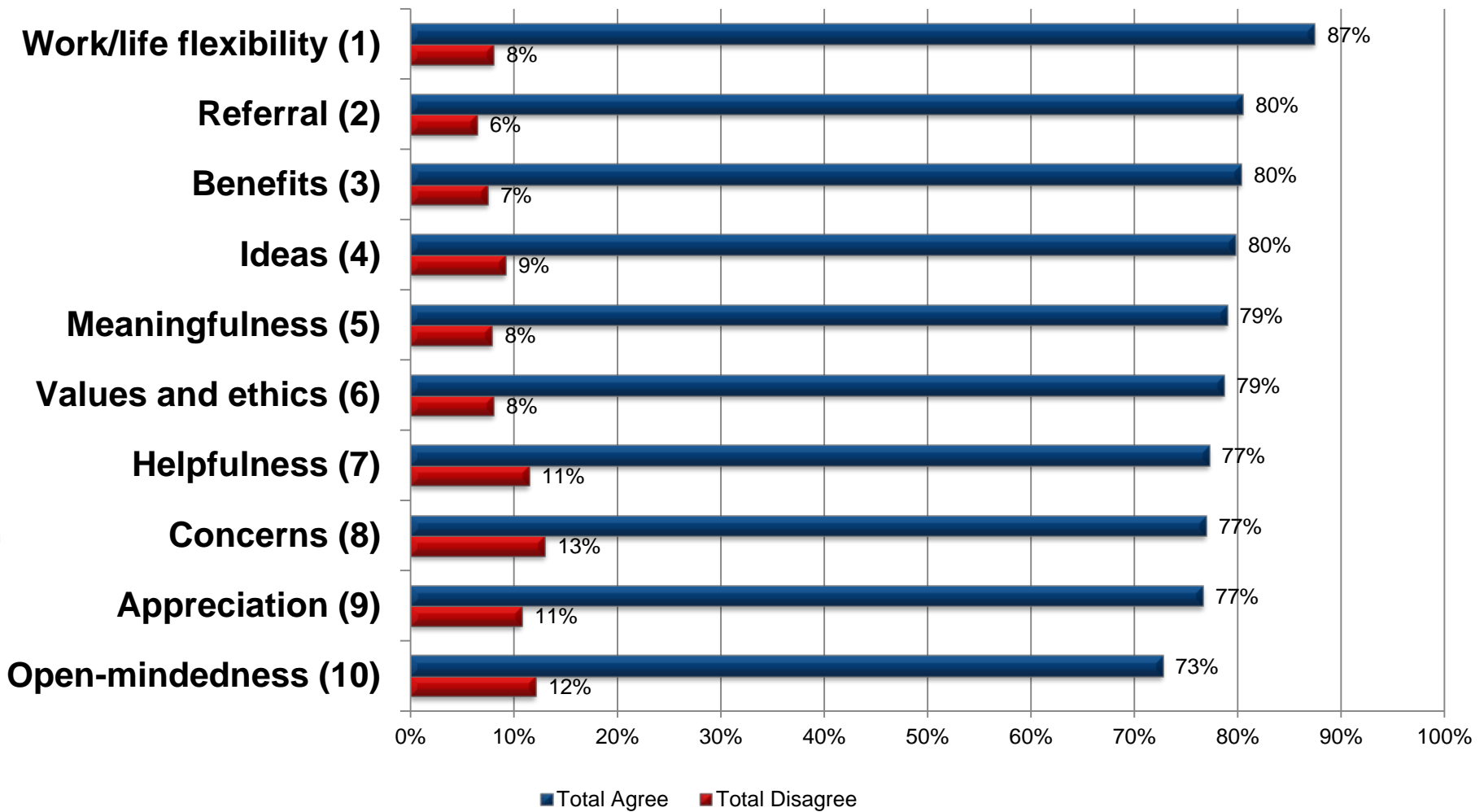
- Work/life flexibility
- Benefits
- Expectations
- Formal training
- Pay

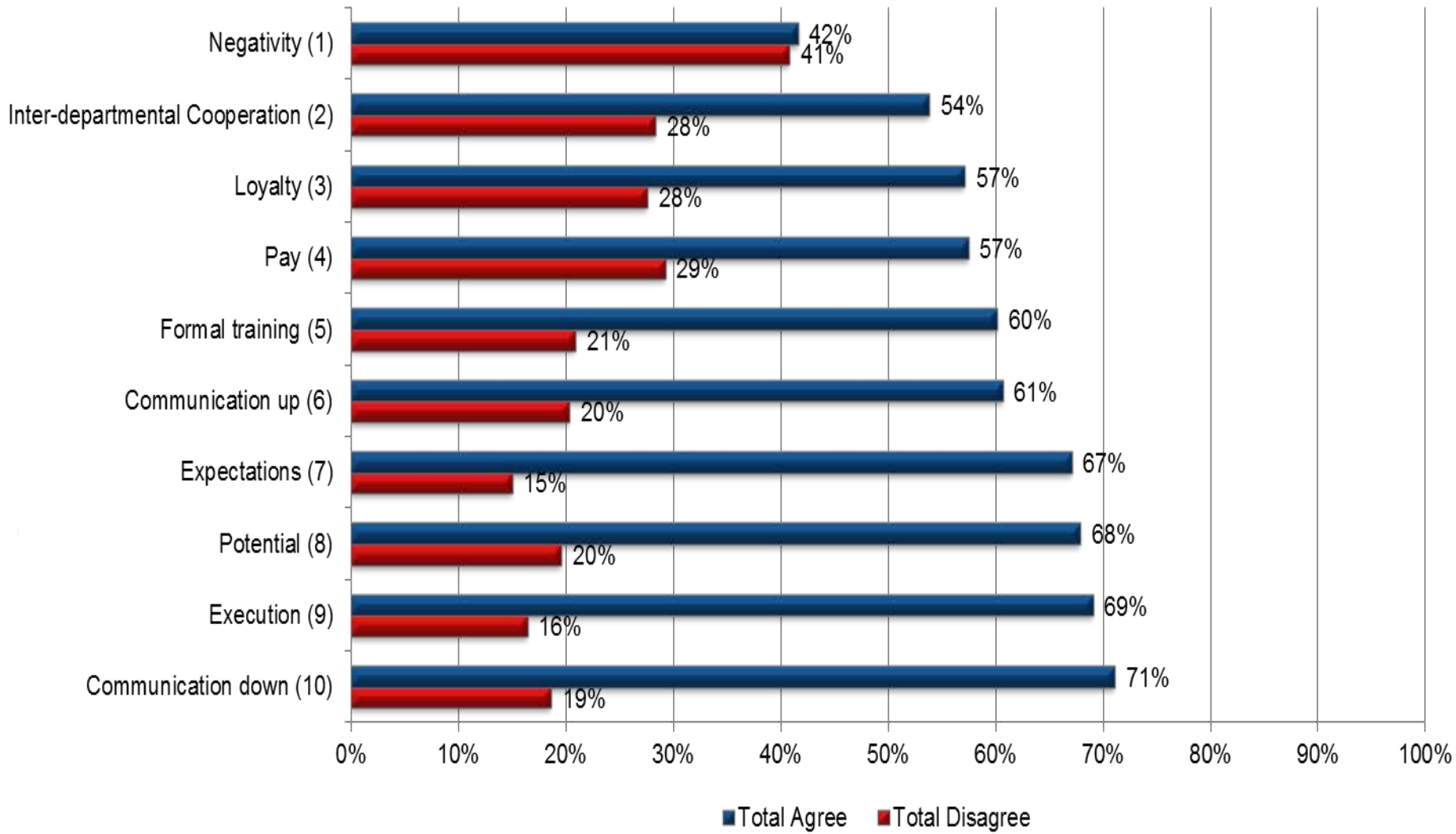
(Work/life flexibility) I have the flexibility to balance my work and personal life.

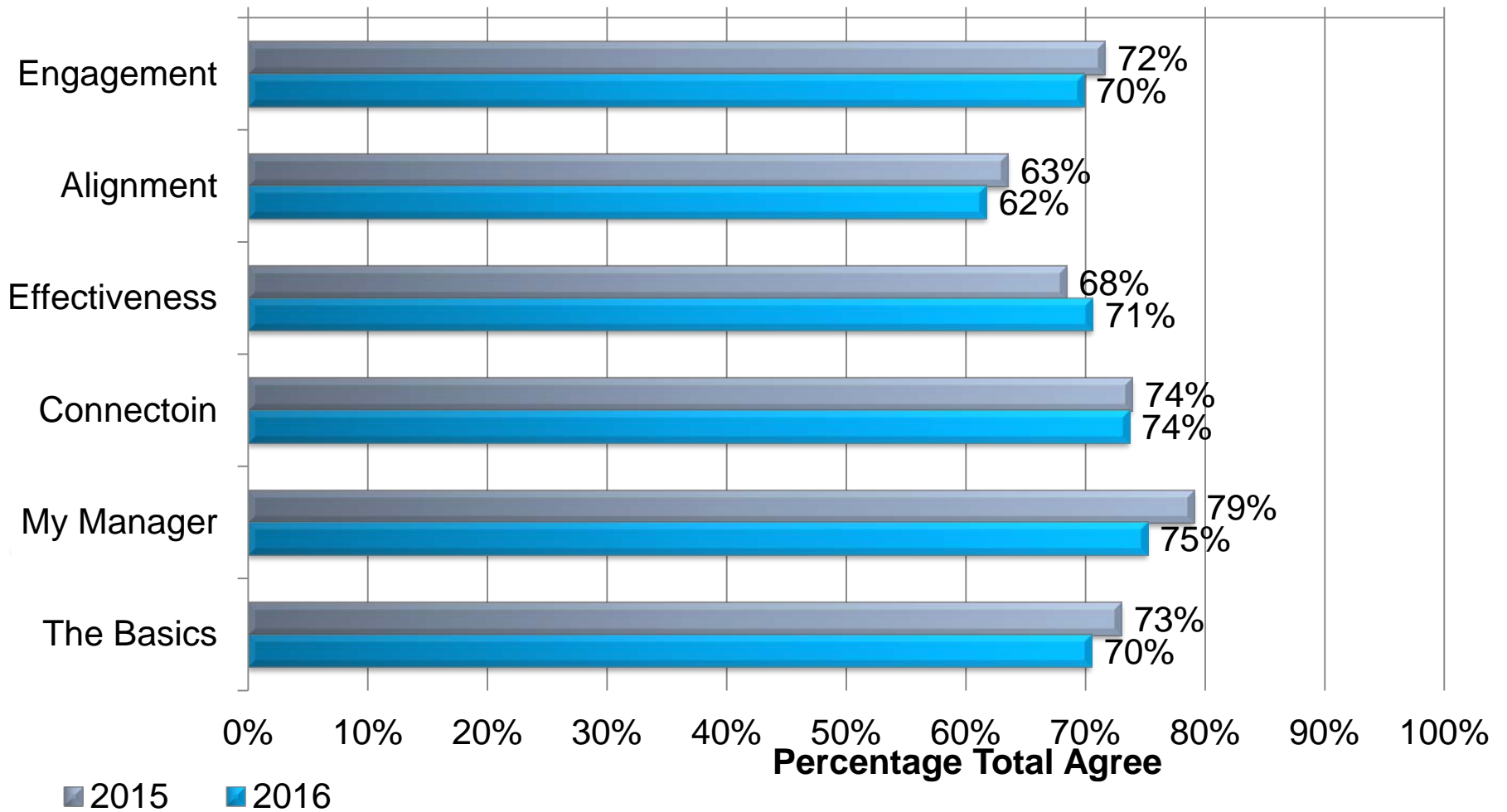


(Negativity) There is not a lot of negativity at my workplace.

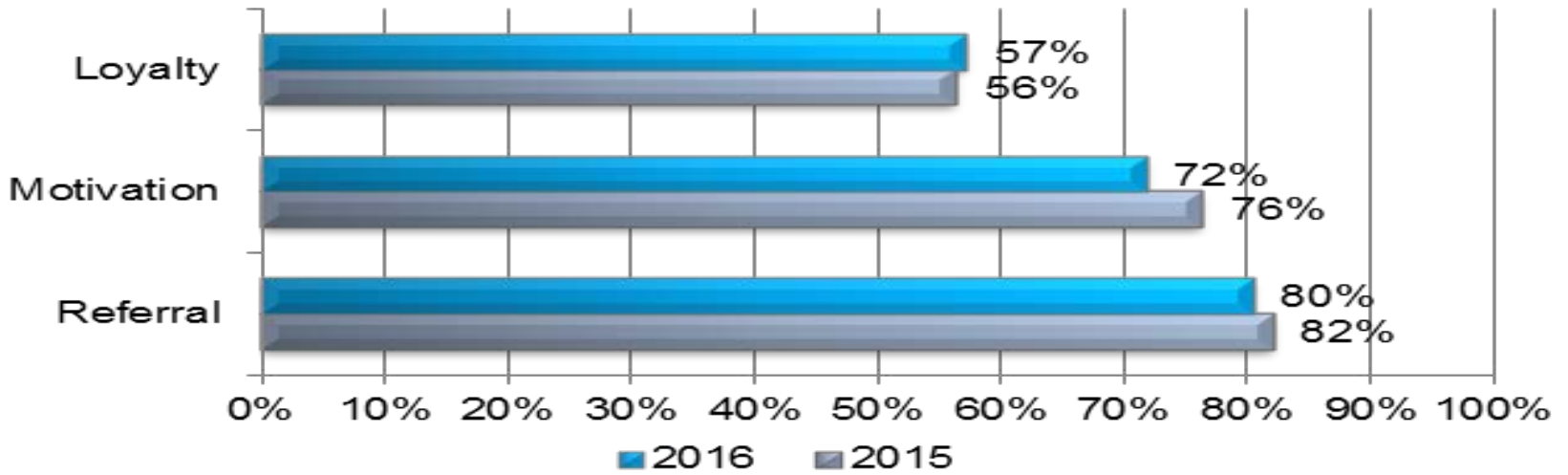




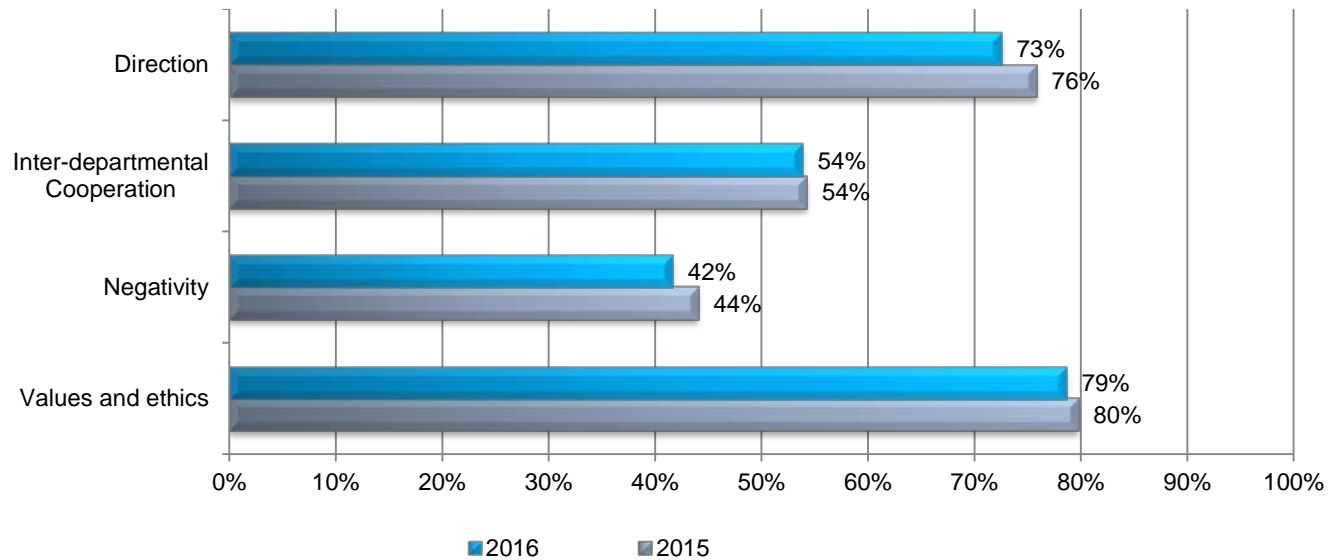




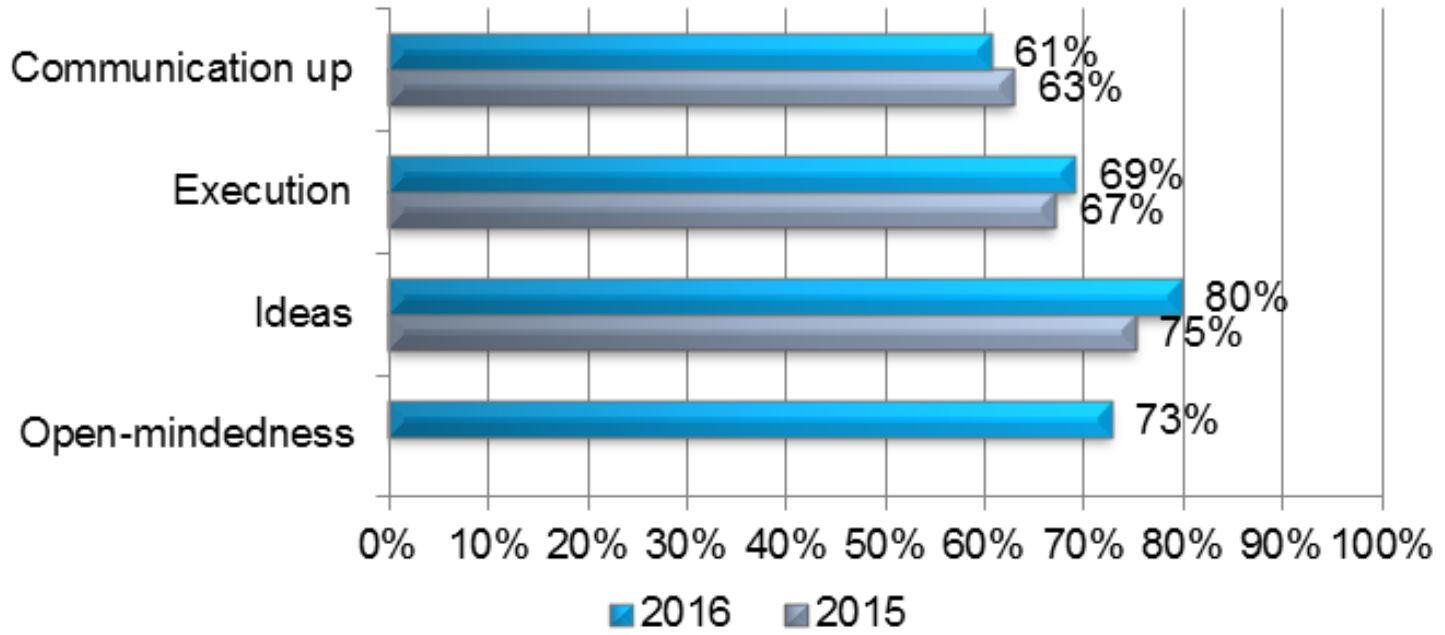
Engagement



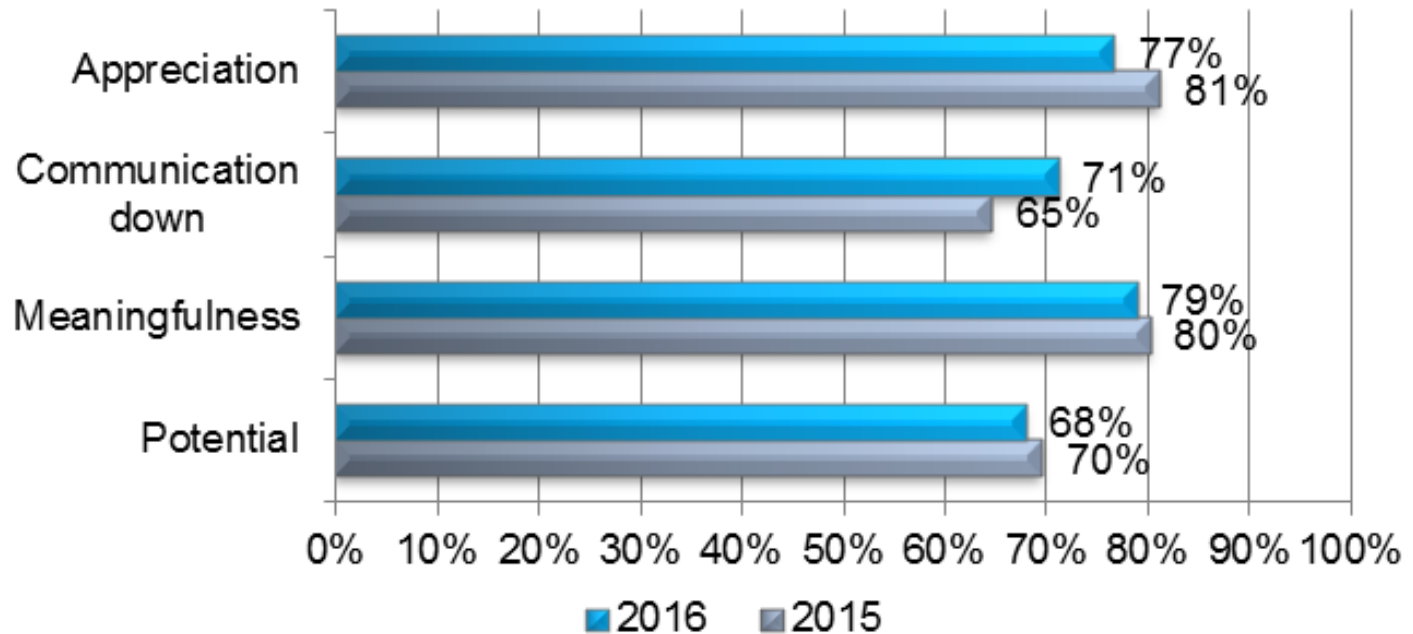
Alignment



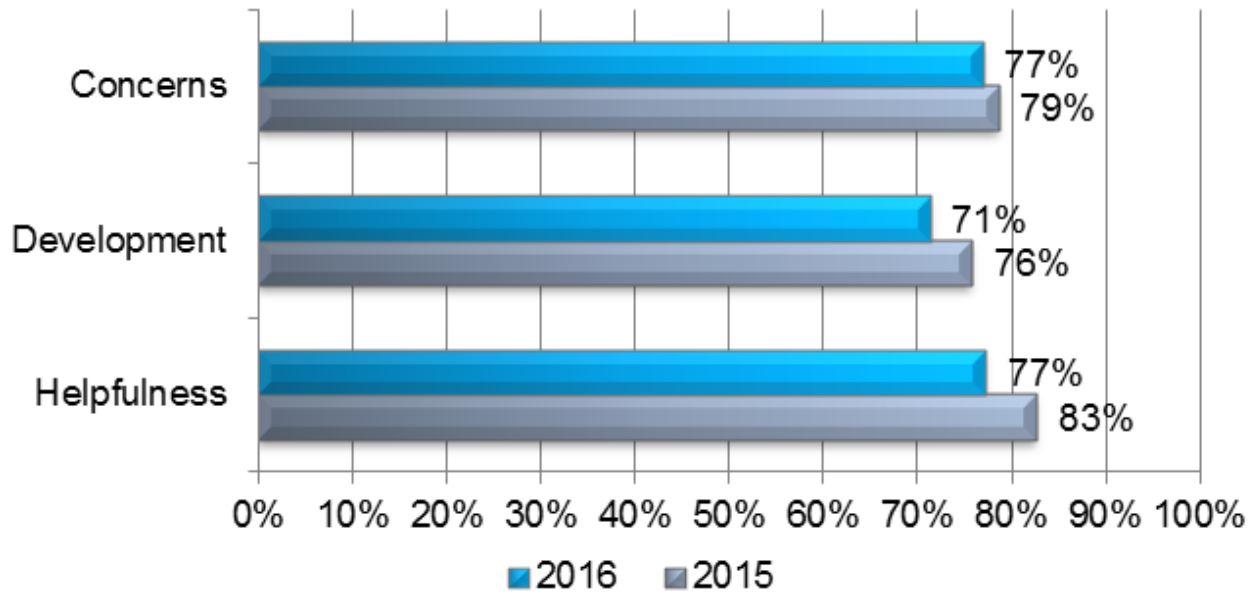
Effectiveness



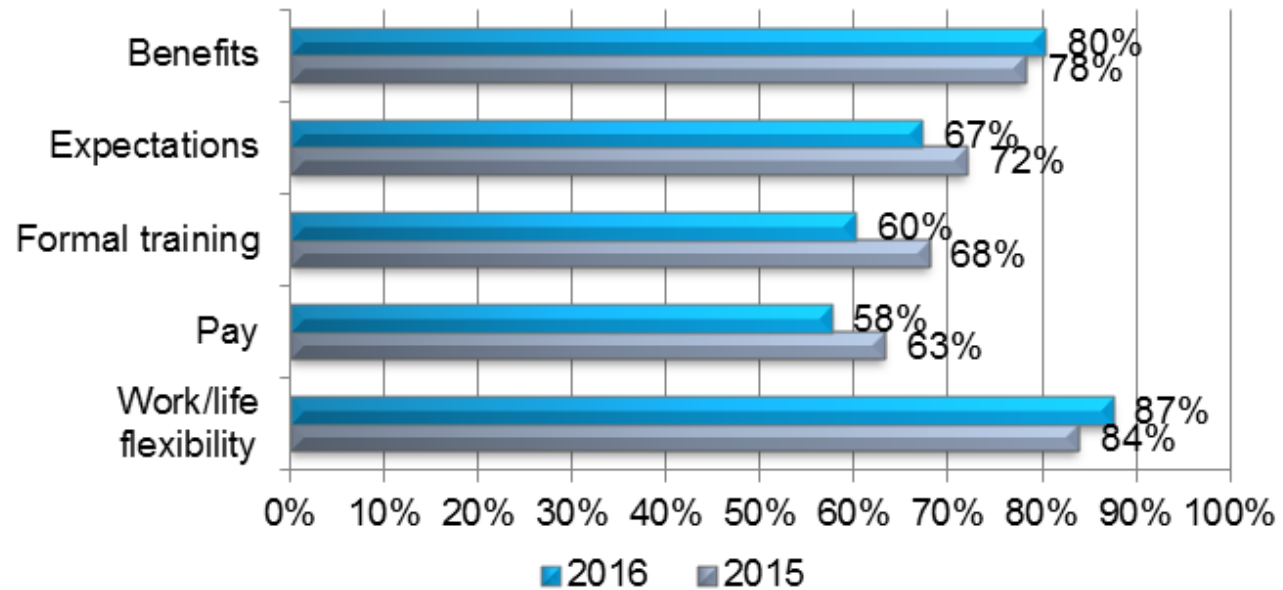
Connection



My Manager



The Basics



How the companies ranked

LARGE (350+ EMPLOYEES)

Rank	Company	Founded	Ownership	Sector	Locations	Employees
1	Paycom	1998	Private	Payroll and HR Technology	3	1,359
2	Encompass Home Health-Hospice	1998	Private	Health Care	18	543
3	Oklahoma Medical Research Foundation (OMRF)	1946	Private	Biomedical Research	1	391
4	Ben E. Keith Company	1906	Private	Wholesale Foodservice Distribution	2	475
5	Valir Health	2000	Private	Post Acute Care Rehabilitation and Hospice	20	515
6	Topgolf Entertainment Group	2000	Private	Golf entertainment facility	1	386
7	Yukon Public Schools	1901	Government	Public Education	1	898
8	US Cellular	1983	Public	Wireless Communication	30	749
9	Edmond Public Schools	1922	Government	Public School District	1	2,703
10	Oklahoma Health Care Authority	1993	Government	State Government	1	563
11	Whole Foods Market	1980	Public	Grocery / Organic / Healthfood	3	518
12	University of Central Oklahoma	1890	Government	Higher Education	2	1,451
13	Southwestern Medical Center	1907	Parent company	Hospitals	1	506

Employees talk about their company's strong points



ABOVE: Oklahoma Health Care Authority employees staff a trade show booth.
[PHOTOS PROVIDED]

BELOW: Whole Foods produces colorful, letter-shaped yummy doughnuts to deliver an appreciation message to team members in Tulsa.



Submitted to the C.E.O. and Board on January 12, 2017

**AUTHORITY FOR EXPENDITURE OF FUNDS
Recovery Audit Contractor (RAC)**

BACKGROUND

OHCA is seeking a Contractor to establish and manage its Medicaid RAC Program as required by 42 CFR §455, which will support and supplement the various audits and integrity efforts currently performed by the Program Integrity Unit.

A Medicaid RAC Program is defined as a recovery audit contractor program administered by a State to identify overpayments/underpayments and to recoup overpayments.

The activities to be conducted by the Medicaid RAC, eligibility requirements for Medicaid RACs, the Payments to RACs, the Medicaid Provider Appeals, and the Federal share of State expense of the Medicaid RAC program are also detailed in the above referenced section.

SCOPE OF WORK

- Maximize revenues to OHCA from collection of overpayments;
- Comply with all aspects of 42 C. F. R. §455 and any other applicable regulation;
- Minimize the number of provider overpayment appeals to the OHCA;
- Coordinate and reduce overlap with existing OHCA program integrity programs;
- Lessen the accounting and collection work required of OHCA; and
- Ensure Contractor's staff treats OHCA Providers in a professional and collegial manner.

CONTRACT PERIOD

July 1, 2017 through June 30, 2018 with four (4) annual options to renew through June 30, 2022.

CONTRACT AMOUNT AND PROCUREMENT METHOD

- Will be awarded through competitive bidding conducted by OHCA
- Federal matching percentage is 50%
- Estimated contract amounts

	SFY18	SFY19	SFY20	SFY21	SFY22	Total
Federal \$	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
State \$	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
Total	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

While funds must be encumbered in order to pay the Contractor's invoices, the funding for this contract is provided from the dollars the Contractor recovers in overpayments.

RECOMMENDATION

- Board approval to procure the services discussed above.

Submitted to the C.E.O. and Board on January 12, 2017
AUTHORITY FOR EXPENDITURE OF FUNDS
Medicaid Management Information System (MMIS) Fiscal Agent
Hewlett Packard Enterprise (HPE)

BACKGROUND

The Board previously approved this contract in 2010 for MMIS Fiscal Agent Services. Expenditure of authority is requested for an amendment to extend the contract through a sole source with Hewlett Packard Enterprise (HPE) through 2024.

OHCA received approval from the Office of Management & Enterprise Services (OMES) and the Center of Medicare and Medicaid Services (CMS) to extend the HPE based on the following justifications:

1. Procuring a new vendor to take over the existing system would cost OHCA at least \$18 million for the conversion, based on OHCA's updates of Cognosante's 2009 estimates. This assumes no enhancements, hardware improvements or other added benefit to the current system. The breakeven for this cost amount would require an operational cost reduction of about 7% per year over a 7-year contract.
2. The major MMIS challenges of the next decade--interoperability and modularity--cannot be effectively met if OHCA must focus its resources on a risky conversion or system replacement. Federal Medicaid information technology architecture (MITA) standards require that all Medicaid agencies modernize their systems to improve interoperability between agencies within and outside the state. MITA also requires that Medicaid agencies move towards a modular "plug and play" type approach with multiple vendors involved in developing and operating separate components of the MMIS. To achieve these standards, OHCA must have a stable core system and outstanding integration capabilities. Only HPE with its core knowledge, experienced staff and outstanding record in Oklahoma is well-positioned to meet these needs.

AMENDMENT SCOPE OF WORK

Additional tasks added to the scope include are as follows:

- HPE shall transition from being a strictly MMIS Fiscal Agent contract to a System Integrator, responsible to coordinate system core operations with modular components provided by separate contractors.
- The system hosting platform that HPE provides for the OHCA MMIS is nearing its end of life, and must be refreshed. The refresh will ensure the MMIS continues to perform at desired levels through the sole source contracted period.

AMENDMENT AMOUNT AND PROCUREMENT METHOD

Additional expenditures are estimated as follows:

State Fiscal Year / Total Increase	Item	Additional Budget	Federal Matching Fund %
SFY2017	Hardware Refresh	\$936,160.00	90%
State Fiscal Year total from SFY 18 – SFY2024	Administration	\$5,500,000.00	50%
	Operations	\$315,500,000.00	75%
Total Increase		\$321,936,160.00	

The original acquisition was made by competitive bid, and this extension is authorized by Sole Source.

RECOMMENDATION

Board approval to expend funds as explained above.

<u>Drug</u>	<u>Used for</u>	<u>Cost</u>	<u>Notes</u>
Acticlate	Infection	Expected to be high	Other strengths less \$\$
Jadenu	Iron overload	\$11,000/month	Preferred drug has a
Ferriprox	Iron overload	\$15,000/month	lower net cost
Pancreaze	Pancreatic enzyme	\$600/month	Preferred drugs have
Pertzye	Pancreatic enzyme	\$1500/month	lower net cost
Viokase	Pancreatic enzyme	\$900/month	

Recommendation 1: Prior Authorize Acticlate® (Doxycycline Hyclate)

The Drug Utilization Review Board recommends the prior authorization of Acticlate® (doxycycline hyclate) 75mg capsules with the following criteria:

Oral Antibiotic Special Formulation Approval Criteria:

1. Member must have a patient-specific, clinically significant reason why the immediate release formulation and/or other cost effective therapeutic equivalent medication(s) cannot be used.

Recommendation 2: Prior Authorize Jadenu™ (Deferasirox) and Ferriprox® (Deferiprone)

Based on the low net cost of Exjade® (deferasirox) and significant cost savings if members using Jadenu™ (deferasirox) or Ferriprox® (deferiprone) switched to Exjade® (deferasirox), the Drug Utilization Review Board recommends the prior authorization of Jadenu™ (deferasirox) and Ferriprox® (deferiprone) with the following criteria:

Jadenu™ (Deferasirox) and Ferriprox® (Deferiprone) Approval Criteria:

1. An FDA approved diagnosis; and
2. A patient-specific, clinically significant reason other than convenience why the member cannot use Exjade® (deferasirox) must be provided; and
3. The member's recent weight must be provided on the prior authorization request in order to authorize the appropriate amount of drug required according to package labeling.

Recommendation 3: Prior Authorize Pancreaze® (Pancrelipase), Pertzze® (Pancrelipase), and Viokace® (Pancrelipase)

The Drug Utilization Review Board recommends the prior authorization of Pancreaze®, Pertzze®, and Viokace® with the following criteria:

Pancreaze®, Pertzze®, and Viokace® Approval Criteria:

1. An FDA approved diagnosis of pancreatic insufficiency; and
2. Documented trials of inadequate response to Creon® and Zenpep® or a patient-specific, clinically significant reason why the member cannot use Creon® or Zenpep®.

Based on the lower net cost of Creon® and Zenpep®, the DUR Board does not recommend the prior authorization of Creon® or Zenpep® at this time.