Oklahoma State Department of Health

FY 2023 Budget Hearing Presentation

Submitted by: Keith Reed, Interim Commissioner

Keith Reed
Interim Commissioner

The **Department of Health** serves as the primary public health protection agency. It is responsible for protecting and improving the health status of all Oklahomans.

Founded in 1907 this agency, now encompasses the following divisions: Community Health Services, Prevention and Preparedness, Legal, Operations, Communications, Administrative, Innovation and Technology.

Agency Vision, Mission and Core Values

Vision: Leading Oklahoma to prosperity through health

Mission: To protect and promote health, to prevent disease and injury and to cultivate conditions by which Oklahomans can thrive

Core Values: Service, Collaboration & Respect

Accomplishments & Challenges

Top accomplishments for FY 2021

1) Continued the fight against COVID-19 through administration of over 55,471 COVID tests and 4,368,368 vaccines around the state to Oklahomans managed by the OSDH Immunization division. Public Health networks administered another 1,222,488 doses.

2) Launched new approach to COVID-19 case investigation & contact tracing program, shifting focus from individual case investigations to empowering Oklahomans with the tools necessary to make better health decisions for themselves and their family.

3) Launched new financial system, allowing for real time budget reports and decision making

4) Created a solid foundation through the agency transformation process, with several key accomplishments:

    1) Created a new vision & strategy
    2) Conducted a redesign of our procurement and grant management processes to improve efficiency
    3) Improved employee communication and morale through a series of communications
    4) Built an accountability & tracking mechanism to ensure these goals remain on track
    5) Gained a common understanding of our true north and how OSDH fits into the broader ecosystem

Challenges (current & upcoming years)

1) Maintaining staff morale and mitigating turnover during ongoing pandemic

2) Launching and continuing the important agency transformation work including, but not limited to:

    1) Complete process re-design of all core functions
    2) Complete workforce restructure to maximize efficiency
    3) Initiate/upgrade key IT functions to support organization
    4) Ensure innovation in the work of OSDH moving forward

3) Transitioning the agency from a pandemic to endemic state

4) Enhanced engagement of our ecosystem to leverage the valued partnerships inherent in Oklahoma's diverse public health system.

Goals & Projects for FY 2023

Goals

1) **Strengthen the core**
   - Build strong customer satisfaction at all levels
   - Ensure outstanding operational efficiency & effectiveness
   - Make OSDH a top place to work in Oklahoma government

2) **Innovate public health**
   - Increase access to health and social services within each region
   - Maximize use of existing funding sources to support priority programming
   - Develop credible voice of public health across the state & country
   - Build deep & durable partnerships across the health ecosystem

3) **Manage portfolio**
   - Direct efforts to areas where OSDH can have greatest impact

Projects

1) **Strengthen the core**
   - Maximize reimbursement of services
   - Deepen program evaluation capacity to assess value/ROI
   - Utilize COVID learnings to update disease guidelines and emergency preparedness plan
   - Modernize and expand capacity of Public Health Lab network to respond to ongoing public health needs
   - Improve efficiency of regulatory processes
   - Implement new technology around 6 keys areas, PHIDDO, Financial Reporting System, Electronic Health Record, Licensing, OSDH Website, and Telehealth/Telemedicine.
   - Improve core processes, starting with grant management, procurement, budgeting
   - Design & implement new organization structure
   - Bolster talent management, including improved employee experience, new performance management system, and improved onboarding

2) **Innovate public health**
   - Innovate programming, starting with rural health
   - Bolster public health workforce for targeted roles
   - Convene & lead stakeholders, starting with ACEs
   - Establish EHR integrated with state HIE

3) **Manage portfolio**
   - Evaluate focus of services
   - Improve OMMA operations, and consider which parts should remain in OSDH

Savings & Efficiencies

- **Procurement process redesign** improvements expected by next year assuming successful implementation:
  - ~10% reduction in steps to PO for a standard request (44 steps)
  - ~30% reduction in steps to p-card purchase without budgetary wait pre-approval (5 steps)
  - ~30% reduction in non-regulated handoffs throughout process (8 handoffs, 1 of which an approval)
  - ~40% reduction in technology systems utilized in end-state redesigned process (4 technology systems)

- **Grant management process redesign** improvements expected by next year assuming successful implementation:
  - Program teams wait 3-5 weeks for all necessary application approvals, down from 4-8 weeks
  - There are programmatic, agency-wide, and state-level strategic alignment reviews ahead of approvals
  - 5+ technology systems used after consolidating FISCAL/e-Grants into Peoplesoft and using shared storage repository, down from 7+

- In the process of **re-negotiating key contracts** seeking a savings for the state. First primary win includes an $8 million dollar savings in a key COVID response contract.

- **Developed an insurance reimbursement program** for current and retrospective recovery of administration fees related to COVID vaccination program.

Historic Actual Expenditures (FY 17-21) and Current Year Budget (FY 22)

Historic Actual Expenditures and Current Year Budget
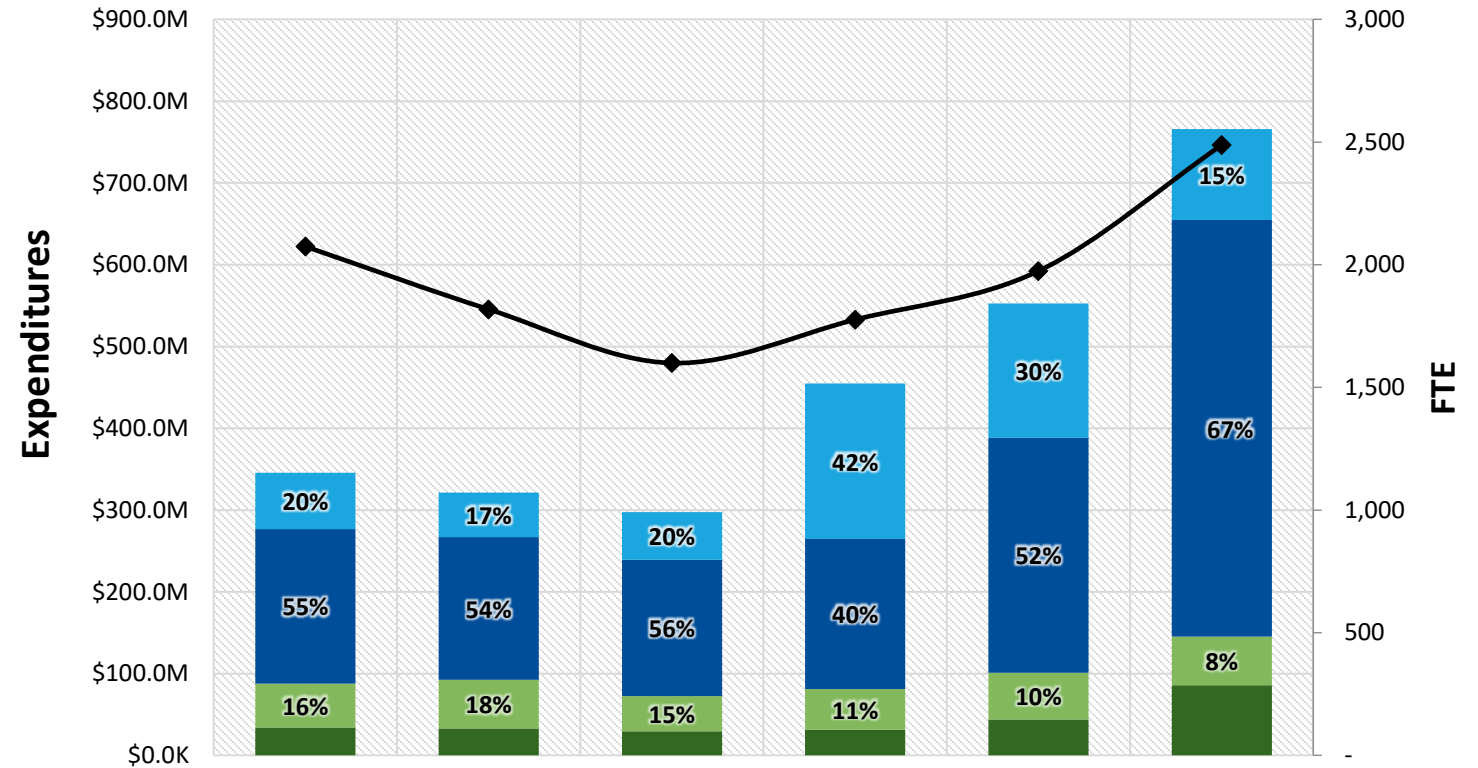
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Budget
Appropriated	$53.7M	$59.3M	$43.3M	$49.6M	$57.2M	$59.3M
Revolving	$68.9M	$54.6M	$58.4M	$190.2M	$164.0M	$111.2M
Federal	$188.9M	$174.6M	$166.7M	$183.4M	$287.3M	$509.6M
Agency Special Accounts	$34.3M	$33.0M	$29.3M	$31.5M	$43.9M	$85.9M
Total	$345.7M	$321.4M	$297.7M	$454.6M	$552.5M	$766.1M
FTE	2,074	1,818	1,599	1,776	1,974	2,488

FY 2022 Budgeted Full Time Equivalents (FTE)

	FY 2022 Budgeted FTE
Total FTE	2,488
Supervisor FTE	731
Supervisors to Total FTE Ratio (%)	29%

Appropriation History

Fiscal Year	Appropriation ($) *(include supplemental if applicable)*
FY 2018	$50,300,349
FY 2019	$43,296,533
FY 2020	$49,589,625
FY 2021	$58,337,965
FY 2022	$59,337,964

Five-Year Appropriation History

Bar chart showing:
- FY 2018: Appropriation $30.5M, Supplemental $19.8M
- FY 2019: Appropriation $43.3M, Supplemental $0.0K
- FY 2020: Appropriation $49.6M, Supplemental $0.0K
- FY 2021: Appropriation $58.3M, Supplemental $0.0K
- FY 2022: Appropriation $59.3M, Supplemental $0.0K

Legend: ■ Appropriation ■ Supplemental
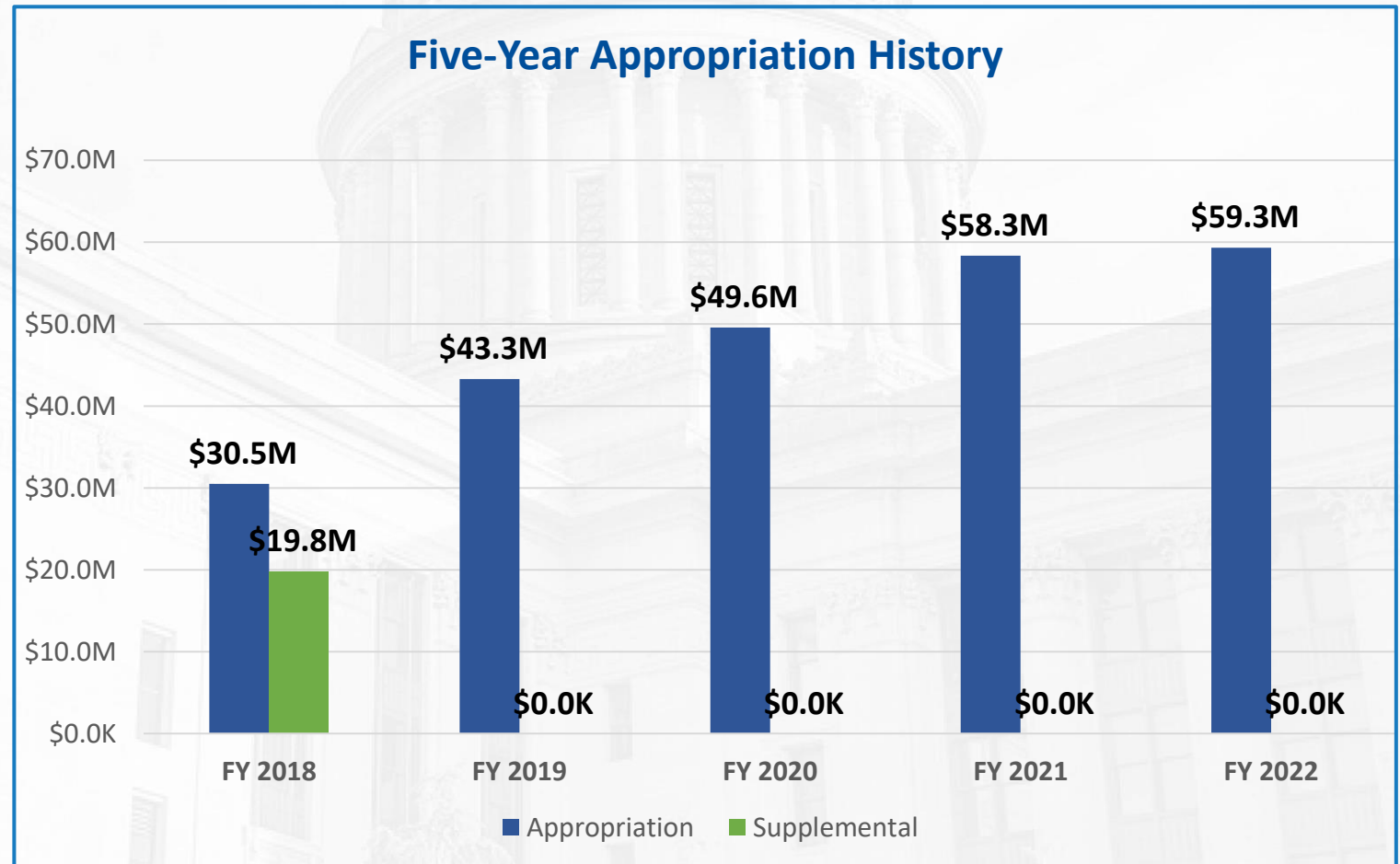
Appropriated Carryover History and Justification

	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Actuals)	FY 2020 (Actuals)	FY 2021 (Actuals)	FY 2022 (Planned)
Total appropriated carryover amount expended ($)	0	0	0	1.8	10.1	11.0

Fiscal Year of the original appropriation	Projected amount carried over to FY 2023 ($)	Describe how projected carryover will be used in FY 2023
FY 2022	0	
FY 2021	11.0	Public Health Lab, Choosing Childbirth 4 million, Ernst & Young's Peoplesoft Implementation Project, Regional Director for District 6, Innofin PBCS SOW, Newborn Hearing Equipment, Legal's software for case management
Total projected FY 23 Carryover ($)	0	

Available Cash Description and Justification

Class Fund #	Available Cash amount ($)
19101	$11,000,000
Total Available Cash:	$11,000,000

Available cash is unbudgeted cash that is not restricted by federal partners, statute, or contractual obligations.

Fiscal Year	Agency's plan to deploy available cash (include amounts):
FY 2023	
FY 2024	
FY 2025	

Agency Key Performance Metrics

	Metric	Goal	FY 20 Actuals	FY 21 Actuals	FY 22 Target	FY 23 Target
1	Strengthen the Core	• Build strong customer satisfaction at all levels • Ensure outstanding operational efficiency & effectiveness • Make OSDH a top place to work in Oklahoma government	N/A	Baseline Year	Baseline Year	
2	Innovate Public Health	• Increase access to health and social services within each region • Maximize use of existing funding sources to support priority programming • Develop credible voice of public health across the state & country • Build deep & durable partnerships across the health ecosystem	N/A	Baseline Year	Baseline Year	
3	Manage Portfolio	• Direct efforts to areas where OSDH can have greatest impact	N/A	Baseline Year	Baseline Year	
4						
5						

Budget & Supplemental Request Summary

	Request Name	FY 23 Appropriated Request Amount ($)	Type of Request: Operating, One-time, or Supplemental
1	Debt Services	$4,200.000	Operating
2	Nurses, Epidemiologists, Public Health Specialists	$2,500,000	Operating
3	Information Technology	$5,000,000	Operating
4			
5			5

(1) Budget Request

Debt Service	
Type: Operating	$4,200,000
This is for repayment of a bond issued in 2017. **If ARPA request for OPCIE is approved this debt service will not be needed.	

(2) Budget Request

Nurses, Epidemiologists, Public Healthcare Specialists (Salary Adjustments)	
Type: Operating	$2,500,000
The use of funds would be to build a sustainable service delivery and data workforce in county health departments and other relevant needed areas around the state.	

(3) Budget Request

Information Technology	
Type: Operating	$5,000,000
Inability to accurately report data and financial information has led to system upgrades that will require ongoing maintenance costs. There will also be additional system upgrades that will be needed for continuous improvement and data integrity.	