

**FY23 Budget Performance Review  
Oklahoma Health Care Authority (807)**

Lead Administrator: Kevin Corbett (CEO)

Lead Financial Officer: Aaron Morris (CFO)

**Agency Mission**

The mission of the OHCA is to responsibly purchase state and federally-funded health care in the most efficient and comprehensive manner possible; to analyze and recommend strategies for optimizing the accessibility and quality of health care; and, to cultivate relationships to improve the health outcomes of Oklahomans.

**Division and Program Descriptions**

**Division 20 - SoonerCare (Oklahoma Medicaid Program)**

Medicaid serves as the nation's primary source of health insurance for those with low-income. Medicaid, known as "SoonerCare" in Oklahoma, is a federal and state health coverage program that provides medical benefits to low income individuals who are uninsured or under-insured. Medicaid guarantees coverage for basic health and long-term care services based upon specific eligibility guidelines. These categories of eligibility include the aged, blind and disabled (ABD); families qualifying under federal Temporary Assistance to Needy Families (TANF) guidelines; qualified Medicare beneficiaries; children served through the Tax Equity and Fiscal Responsibility Act (TEFRA); women with breast and cervical cancer; and certain children and pregnant women. State Medicaid programs are funded with both federal and state dollars and in accordance with a federally-approved State Plan. In order for states to receive federal matching dollars, the state must agree to cover groups of individuals referred to as "mandatory groups" and offer a minimum set of services referred to as "mandatory benefits." States can also receive federal funds to cover additional "optional" groups of individuals and benefits. A detailed summary of the categorical eligibility standards as well as mandatory and optional benefits provided in Oklahoma can be found in the OHCA Annual Report. In FY 2021, a total of 1,075,881 unduplicated SoonerCare members were served. : In SFY2022, it is estimated that an additional 215,000 Oklahomans will enroll in SoonerCare due to State Question 802 and the statutory mandate to expand coverage to adults between 18 and 65 with incomes at or below 138% of the federal poverty level (FPL).

**Division 40 - Insure Oklahoma (Premium Assistance Program)**

Beginning of SFY 2022, all of Insure Oklahoma Individual Plan (IP) members and approximately 1/3rd of ESI members transitioned to Medicaid Expansion. The IP program will be discontinued and the ESI program will continue but cover only individuals with qualifying income between 138 to 200% of the FPL. ESI is a premium assistance program for employers who offer insurance coverage. For ESI, eligibility includes: household income that does not exceed 200 percent of the Federal Poverty Level (FPL); Oklahoma residency; US citizenship or legal resident status.

**Division 10 - Administrative Operations**

Administrative Operations comprises of the direct and indirect operating expenses associated with the delivery, management and fiscal oversight of the Medicaid program for the State of Oklahoma. It includes personnel costs and vendor contract costs with public and private entities to acquire professional services that support the administrative and program operations. Services include but are not limited to; compliance, evaluation, legal, technical, case management, health outcome improvement initiatives and professional medical review, which are essential in ensuring the success of the SoonerCare program and delivery of service to members.

**FY'22 Budgeted Department Funding By Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
10	Administration/Operations	\$29,054,118	\$32,502,438	\$1,134,168			\$62,690,724
20	Medicaid Payments	\$977,936,977	\$5,646,442,677	\$1,058,880,669			\$7,683,260,323
21 thru 25	Non-Title XIX Medical Services			\$107,650,000			\$107,650,000
30	Medicaid Contracts	\$11,901,500	\$24,323,422	\$6,745,584			\$42,970,506
40	Premium Assistance Program (IO)		\$49,034,654	\$15,141,209			\$64,175,863
50	Grants Management	\$43,965	\$3,166,167	176,573		\$518,062	\$3,904,766
88	ISD Information Services	\$11,262,688	\$96,953,064	\$21,180,725			\$129,396,478
	Appropriated But Not Budgeted in FY22	\$164,138,054		(164,138,054)			\$0
<b>Total</b>		<b>\$1,194,337,302</b>	<b>\$5,852,422,421</b>	<b>\$1,046,770,873</b>	<b>\$0</b>	<b>\$518,062</b>	<b>\$8,094,048,659</b>

Note: Appropriated But Not Budgeted \$164,138,054.00 per HB2900, Section 65 transfer to Rate Preservation Fund. These funds were appropriated in FY22 but not budgeted and are immediately transferred to the Rate Preservation Fund.

- Please describe source of Local funding not included in other categories:
- Please describe source(s) and % of total of "Other" funding if applicable for each department: 50% TSET/50% Tulsa Community Foundation

**FY'21 Carryover by Funding Source**

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
20000	Ok Health Care Auth Revolving			\$24,523,793			\$24,523,793
							\$0

- Please describe source of Local funding not included in other categories:
- Please describe source(s) and % of total of "Other" funding if applicable:

**What changes did the agency make between FY'21 and FY'22?**

- Are there any services no longer provided because of budget cuts?  
No
- What services are provided at a higher cost to the user?  
None
- What services are still provided but with a slower response rate?  
None
- Did the agency provide any pay raises that were not legislatively/statutorily required?  
Yes

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**FY'23 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
10	Administration/Operations	\$29,054,118	\$32,502,438	\$1,134,168	\$0	\$62,690,724	0.00%
20	Medicaid Payments	\$1,054,560,711	\$5,758,770,415	\$1,075,288,509	\$0	\$7,888,619,635	2.67%
21 thru 25	Non-Title XIX Medical Services	\$0	\$0	\$107,650,000	\$0	\$107,650,000	0.00%
30	Medicaid Contracts	\$13,872,500	\$26,294,422	\$6,745,584	\$0	\$46,912,506	9.17%
40	Premium Assistance Program (IO)	\$0	\$49,034,654	\$15,141,209	\$0	\$64,175,863	0.00%
50	Grants Management	\$43,965	\$3,166,167	\$176,573	\$518,062	\$3,904,766	0.00%
88	ISD Information Services	\$13,165,852	\$101,019,059	\$21,180,725	\$0	\$135,365,637	4.61%
	Appropriated But Not Budgeted in FY22	\$164,138,054	\$0	(164,138,054)	\$0	\$0	
<b>Total</b>		<b>\$1,274,835,201</b>	<b>\$5,970,787,154</b>	<b>\$1,063,178,713</b>	<b>\$518,062</b>	<b>\$8,309,319,131</b>	<b>2.66%</b>

Note: Appropriated but not budgeted \$164,138,054.00 per HB2900, Section 65 transfer to Rate Preservation Fund. These funds were appropriated in FY22 and are immediately transferred to the Rate Preservation Fund and are not budgeted for FY'22.

1. Please describe source(s) and % of total of "Other" funding for each department: 50% TSET/50% Tulsa Community Foundation

**FY'23 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Annualizations - Impact of Federal Medical Assistance Percentage changes	\$24,400,658
Request 2:	Maintenance - Cost to maintain Oklahoma Medicaid Program at the current level	\$52,348,263
Request 3:	Program Enhancements/Operational Excellence	\$3,748,977
<b>Top Three Request Subtotal:</b>		<b>\$80,497,898</b>
<b>Total Increase above FY-21 Budget (including all requests)</b>		<b>\$ 80,497,898</b>
Difference between Top Five requests and total requests:		\$0

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

Yes. The agency is charged 16.5% by OPERS for all employees, however, we are only allowed to claim the federal matching dollars for the actual cost associated with the pathfinder retirement plan of 7%.

**How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)**

If the agency received the same appropriation in SFY'23 as received in SFY'22, we would utilize the **one time** savings accumulated from enhanced FMAP funds and request replacement of those funds in subsequent years.

**How would the agency handle a 2% appropriation reduction in FY '23?**

If the agency received the same appropriation in SFY'23 as received in SFY'22, we would utilize the **one time** savings accumulated from enhanced FMAP funds and request replacement of those funds in subsequent years.

**Is the agency seeking any fee increases for FY '23?**

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
Increase 2		
Increase 3		

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 NA		
Priority 2 NA		
Priority 3 NA		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
93.778	Title XIX Medical Assistance Program	10/20/30/40/50/88	5,630,872,037	4,002,069,725	3,508,333,070	3,059,861,806	2,823,951,090
93.767	Title XXI Children's Health Insurance Program	20/50	214,729,152	216,717,436	247,651,647	242,385,524	232,670,914
93.796	HQSB-Medicaid Survey & Certification	30	5,505,750	0	4,834,076	5,777,586	2,637,646
93.791	Money Follows the Person (MFP) grant	20/50	1,315,482	676,643	908,673	1,097,209	1,319,691

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**Federal Government Impact**

<b>1.) How much federal money received by the agency is tied to a mandate by the Federal Government?</b>
State participation in Medicaid is optional; however, if a state chooses to participate it must adhere to all federal mandates and requirements associated with the federally funded program which includes and approved State plan. The federal government guarantees matching funds to states for qualifying Medicaid expenditures. States are guaranteed at minimum \$1 in federal matching funds for every \$1 in state spending.
<b>2.) Are any of those funds inadequate to pay for the federal mandate?</b>
In relation to the response in the previous question, State matching funds are required to receive federal financial participation for the Medicaid program, thus, federal funds are not adequate.
<b>3.) What would the consequences be of ending all of the federal funded programs for your agency?</b>
Ending the federally funded Medicaid and CHIP programs would negatively impact Oklahoma's economy, healthcare delivery system/network, and the health of Oklahomans. Opting out of participating with the federal government would shift the cost entirely to the state placing a strain on the states' resources needed to maintain and operate the Medicaid program. For FY-2022, State funds account for 27% of the total estimated resources needed to provide health care to nearly 1.2 million Oklahomans.
<b>4.) How will your agency be affected by federal budget cuts in the coming fiscal year?</b>
Under current federal law, Medicaid is not capped and federal financial participation is tied to state expenditures; therefore no direct impact is anticipated.
<b>5.) Has the agency requested any additional federal earmarks or increases?</b>
No

**FY'22 Budgeted FTE**

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
10	Operations	134		562.5	1	417.6	143.9
20	Medicaid Payments						
30	Medicaid Contracts						
40	Premium Assistance	3		18		16	2
50	Grants Management	2		12		12	
88	ISD Information Services	2		7		1	6
<b>Total</b>		<b>141</b>	<b>0</b>	<b>599.5</b>	<b>1</b>	<b>446.6</b>	<b>151.9</b>

**FTE History**

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013
10	Operations	562.5	492.2	513.0	499.0	342.5
20	Medicaid Payments	0.0	0.0	0.0	0.0	0.0
30	Medicaid Contracts	0.0	0.0	0.0	0.0	0.0
40	Premium Assistance	18.0	32.0	36.0	36.0	23.0
50	Grants Management	12.0	18.1	13.0	17.0	22.0
88	ISD Information Services	7.0	45.3	54.0	52.0	59.0
<b>Total</b>		<b>599.5</b>	<b>587.5</b>	<b>616.0</b>	<b>604.0</b>	<b>446.5</b>

**Performance Measure Review**

Program Name	FY 21	FY 20	FY 19	FY 18	FY 17
<b>Fiscal Responsibility</b>					
1. Total # of Unduplicated SoonerCare Members Enrolled	<b>1,075,881</b>	1,005,671	998,209	1,020,726	1,014,983
2. Avg SoonerCare Program Expenditure per Member Enrolled	<b>N/A</b>	4,831	4,756	4407	4,370
3. Physician reimbursement as a Percentage of Medicare Rates	93.63%	93.63%	89.17%	86.57%	86.57%
<b>Health Outcomes:</b>					
4. Engagement of Alcohol and other Drug Dependency Treatment	<b>N/A</b>	10.4%	10.6%	4.0%	5.0%
5. EPSDT Participation Ratio (Under age 21)	<b>N/A</b>	43%	47.0%	65.0%	61.0%
6. Adult Preventive Care 20 to 65+ years	<b>N/A</b>	87%	87.0%	83.2%	84.0%
<b>Operational Excellence</b>					
7. Employee Turnover Rate	<b>9.93%</b>	10.24%	12.55%	8.69%	7.87%

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<b>Revolving Funds (200 Series Funds)</b>			
	<b>FY'19-21 Avg. Revenues</b>	<b>FY'19-21 Avg. Expenditures</b>	<b>June '21 Balance</b>
<b>Fund 200 Administrative Disbursing Fund</b>			
This fund is utilized for tracking revenues (federal & state) and expenditures for OHCA's administrative cost (except administrative cost of Fund 245-HEEIA). Normally, there are no transfers from this account, only transfers in. However, in the case of a federal disallowance, we have transferred from Fund 200 to Fund 240 (Federal Deferral Account). This is a revolving fund; balances are carried forward into the next fiscal year.	\$133,616,103	\$128,841,399	\$39,253,164
<b>Fund 205 SHOPP Fund</b>			
This fund maintains the revenues and expenditures for the Supplemental Hospital Offset Payment Program. Transfers from this account are stipulated in House Bill 1381 with payments of \$7,500,000 directed to Fund 340 on a quarterly basis. Also, included is a \$200,000 yearly administrative expense. As of 1/1/14 SHOPP expenditures are processed through the agency's Fund 340.	\$183,893,166	\$182,194,658	\$6,328,681
<b>Fund 230 Quality of Care (QOC) Revolving Fund</b>			
This fund is utilized for posting of Assessment fees, penalties and interest. Expenditures for this fund were directed in HB 2019 to be used for enhancements to specific Medicaid program rates of pay which included increases in the rate of pay for ICFs/MR facilities, to the nursing facilities, to the nursing home rate of pay for eyeglasses and denture services, personal needs allowance increases, etc. These Medicaid program expenditures are processed through the Medicaid Management Information System which is budgeted and posted in mass to Fund 340. OHCA transfers money from Fund 230 to Fund 340 to replenish the fund for these enhanced costs.	\$80,007,317	\$80,025,486	\$25,267
<b>Fund 236 Rate Preservation Fund</b>			
Monies appropriated to this fund are for the sole purpose of maintaining reimbursement rates to providers when decreases in the state's Federal Matching Assistance Program (FMAP) rate would otherwise result in decreases of the reimbursement rates.	\$16,726,609	\$0	\$33,453,218
<b>Fund 240 Federal Deferral Account</b>			
Amounts are transferred in from different funds in anticipation of repayment of Federal Disallowances. Payments are not made from this account; amounts are transferred and paid from the account in which the disallowance is found.	\$305,380	\$0	\$13,821,907
<b>Fund 245 OEPIC Health Employee and Economy Improvement Act</b>			
Revenue for this account includes tobacco tax collections, federal draws, interest income, and appropriations for prior year carryover. Expenditures passing through the fund are for managed program costs for employer sponsored insurance, individual plan service costs and administrative costs. Payments are processed through the Medicaid Management Information System which is budgeted and posted in mass to Fund 340.	\$78,964,024	\$74,354,013	\$12,826,511
<b>Fund 250 Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund</b>			
This fund receives tobacco tax funds and those funds are transferred to Fund 340 which are expended for the purpose specified and associated with the Oklahoma Breast and Cervical Act. This act established a new member group. The health services for this group are paid through the Medicaid Management Information System which is budgeted and in mass posted to Fund 340.	\$768,347	\$768,347	\$0
<b>Fund 255 OHCA Medicaid Program Fund</b>			
This fund receives tobacco tax funds and those funds are transferred to Fund 340. This fund provided hospital rate increases, increase in number of physicians visits allowed, increase in emergency physician rates, enhanced drug benefits, dental services, etc. The health services for this fund are paid through the Medicaid Management Information System which is budgeted and in mass posted to Fund 340.	\$46,041,379	\$46,041,379	\$0
<b>Fund 340 Medicaid Program Fund</b>			
This Program Disbursing fund is utilized for revenues and expenditures for OHCA's program costs. Expenditures for this fund are paid through the Medicaid Management Information System (MMIS). The MMIS is an integrated group of procedures and computer processing operations (subsystems) developed to mechanize claims processing and information retrieval systems as identified in section 1903(a)(3) of the Act and defined in regulation at 42 CFR 433.111. The MMIS system must meet federal mandated requirements including HIPAA compliance. The MMIS claims are processed and uploaded to the State Treasurer. Expenditures are posted in mass to PeopleSoft.	\$5,390,836,274	\$5,789,512,552	\$348,305,602