

## FY 2024 Budget Performance Review

Lead Administrator: Kevin Corbett

Lead Financial Officer: Aaron Morris

### 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. Oklahoma's Medicaid program, commonly known as SoonerCare, 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. OHCA contracts with approximately 65,000 medical and dental providers to provide Medical services to more than 1.2 million SoonerCare members including expansion population annually.

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

The Employer Sponsored Insurance (ESI) program covers individuals with qualifying income between 138 to 200% of the FPL. ESI is a premium assistance program for qualifying 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'23 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
10	Administration/Operations	\$27,752,756	\$33,507,969	\$1,270,139			\$62,530,865
20	Medicaid Payments	\$1,043,188,151	\$6,283,025,611	\$1,105,083,184			\$8,431,296,945
21 thru 25	Non-Title XIX Medical Services			\$119,065,000			\$119,065,000
30	Medicaid Contracts	\$14,250,632	\$24,189,946	\$4,188,670			\$42,629,248
40	Premium Assistance Program (IO)		\$34,923,472	\$11,695,282			\$46,618,754
50	Grants Management	\$12,306	\$3,889,077	\$188,438		\$576,478	\$4,666,299
88	ISD Information Services	\$13,399,741	\$64,177,678	\$14,919,833			\$92,497,252
	*Rate Preservation Fund 236	\$164,138,056		(\$164,138,056)			\$0
<b>Total</b>		<b>\$1,262,741,642</b>	<b>\$6,443,713,753</b>	<b>\$1,092,272,490</b>	<b>\$0</b>	<b>\$576,478</b>	<b>\$8,799,304,363</b>

\*Per SB1040, Section 75 - Appropriated for transfer to the Rate Preservation Fund created pursuant to Section 5020A of Title 63 of the Oklahoma Statute; no authorization to spend.

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department

TSET & Tulsa Community Foundation

### FY'22 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
20000	Administrative Disbursing Fund			\$16,231,093			\$16,231,093
34000	OHCA Disbursing Fund (Est. EFMAP Balance)			\$538,580,645			\$538,580,645

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

### What changes did the agency make between FY'22 and FY'23?

1.) Are there any services no longer provided because of budget cuts?

No

2.) What services are provided at a higher cost to the user?

None

3.) What services are still provided but with a slower response rate?

Due to the PHE and the resulting unprecedented enrollment, there has been some impact to OHCA response times on incoming calls, prior authorizations and suspended claims.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

Yes

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### FY'24 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
10	Administration/Operations	\$27,752,756	\$33,507,969	\$1,270,139	\$0	\$62,530,865	0.00%
20	Medicaid Payments	\$1,043,188,151	\$6,249,380,041	\$1,111,226,251	\$30,780,525	\$8,434,574,969	0.04%
21 thru 25	Non-Title XIX Medical Services	\$0	\$0	\$119,065,000	\$0	\$119,065,000	0.00%
30	Medicaid Contracts	\$14,250,632	\$24,189,946	\$4,188,670	\$0	\$42,629,248	0.00%
40	Premium Assistance Program (IO)	\$0	\$34,923,472	\$11,695,282	\$0	\$46,618,754	0.00%
50	Grants Management	\$12,306	\$3,889,077	\$188,438	\$576,478	\$4,666,299	0.00%
88	ISD Information Services	\$13,399,741	\$70,651,214	\$14,919,833	\$719,282	\$99,690,070	7.78%
	*Rate Preservation Fund 236	\$164,138,056	\$0	(\$164,138,056)	\$0	\$0	
<b>Total</b>		<b>\$1,262,741,642</b>	<b>\$6,416,541,719</b>	<b>\$1,098,415,558</b>	<b>\$32,076,285</b>	<b>\$8,809,775,204</b>	<b>0.12%</b>

1. Please describe source(s) and % of total of "Other" funding for each department: TSET & Tulsa Community Foundation  
 \*Per SB1040, Section 75 - Appropriated for transfer to the Rate Preservation Fund created pursuant to Section 5020A of Title 63 of the Oklahoma Statute; no authorization to spend.

### FY'24 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Carryover Amount (\$)	Appropriation Request Amount (\$)
Request 1:	Annualizations - Impact of Federal Medical Assistance Percentage changes	\$4,257,562	
Request 2:	Maintenance - Cost to maintain Oklahoma Medicaid Program at the current level	\$2,948,997	
Request 3:	Replace FY23 Appropriation reduction	\$12,103,458	
Request 4:	Program Enhancements	\$7,393,429	
Request 5:	Operational Excellence - Electronic Visit and Verification contract (Federal Mandate)	\$719,282	
		<b>\$27,422,728</b>	<b>Top Five Request Subtotal: \$0</b>
<b>Total Increase above FY-23 Budget (including all requests)</b>			<b>\$ -</b>
Difference between Top Five requests and total requests:			\$0

The OHCA is not requesting an increase in appropriations for SFY 2024. One-time carryover of \$31.5M will be utilized for the state share of costs for Operational Funding Requests 1-5. The estimated Medicaid program growth of \$34M will be partially offset by a decrease in enrollment resulting from the public health emergency (PHE) unwind; the disenrollment of members who no longer meet income eligibility requirements.

### 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 '24 as was received in FY '23? (Flat/ 0% change)

The agency is not requesting additional appropriations requesting for SFY 2024. The program growth will be offset by the decrease in enrollment resulting from the impact of the public health emergency (PHE) unwind. The offset is estimated to be \$34M state dollars. The OHCA will utilize one-time carryover funds of \$31M for the state share of the Operational Funding Requests 1-5.

### How would the agency handle a 2% appropriation reduction in FY '24?

If the agency receive a 2% reduction in SFY'24 appropriated dollars, **one-time** carryover would be utilized and request replacement of those funds in subsequent years.

### Is the agency seeking any fee increases for FY '24?

	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 LRPC? (Yes/No)
Priority 1		
Priority 2		
Priority 3		

### Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 23 budgeted	FY 22	FY 21	FY 20	FY 19
93.778	Title XIX Medical Assistance Program	10/20/30/40/50/88	6,202,710,354	5,883,461,156	4,021,232,331	3,508,333,070	3,059,861,806
93.767	Title XXI Children's Health Insurance Program	20/50	232,568,339	225,886,192	221,978,648	247,651,647	242,385,524
93.796	HQSB-Medicaid Survey & Certification	30	5,505,750	0	3,681,059	4,834,076	5,777,586
93.791	Money Follows the Person (MFP) grant	20/50	2,929,310	1,032,430	982,043	908,673	1,097,209

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### Federal Government Impact

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**

100% - 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 an 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.

**2.) Are any of those funds inadequate to pay for the federal mandate?**

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.

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**

Federal Funds accounts for over 70% of the total cost of the \$9 billion Oklahoma 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. Ending federal funds would require significant state investment or elimination of the Medicaid program. 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 necessary to maintain and operate the Medicaid program.

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**

Under current federal law, Medicaid is an entitlement program and federal financial participation is tied to state expenditures; thus, no direct impact is anticipated. However, the federal matching percentage (FMAP) determines the federal share of the cost of Medicaid services in each state and changes annually. The FMAP is calculated using a formula set forth in the federal Medicaid statute and is based on a three-year rolling average of the state's per capita income relative to the national average. The lower the state's per capita income, the higher the state's FMAP. The risk associated with FMAP is the lag in data used in the calculation. A state's FMAP does not always correspond with the current state of its economic climate. A reduction in FMAP results in a decrease in federal matching dollars, thus requiring additional state resources or reductions in the Medicaid budget.

**5.) Has the agency requested any additional federal earmarks or increases?**

No

### FY'23 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
10	Operations	114	450	1	375	119	69
20	Medicaid Payments	0	0				
30	Medicaid Contracts	0	0				
40	Premium Assistance	2	14		14	2	
50	Grants Management	4	20	6	17	1	
88	ISD Information Services	3	2		2	2	1
<b>Total</b>		<b>123</b>	<b>486</b>	<b>7</b>	<b>408</b>	<b>124</b>	<b>70</b>

### FTE History

Division #	Division Name	2023 Budgeted	2022	2021	2019	2014
10	Operations	564.0	562.5	492.2	502.0	489.0
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	16.0	18.0	32.0	36.0	22.0
50	Grants Management	24.0	12.0	18.1	14.0	16.0
88	ISD Information Services	5.0	7.0	45.3	54.0	62.0
<b>Total</b>		<b>609.0</b>	<b>599.5</b>	<b>587.6</b>	<b>606.0</b>	<b>589.0</b>

### Performance Measure Review

	FY 22	FY 21	FY 20	FY 19	FY 18
<b>Fiscal Responsibility:</b>					
1. Total # of Unduplicated SoonerCare Members Enrolled	1,323,301	1,075,881	1,005,671	998,209	1,020,726
2. Avg SoonerCare Program Expenditure per Member Enrolled	\$5,118	\$4,812	\$4,831	\$4,756	\$4,407
3. Physician reimbursement as a Percentage of Medicare Rates	93.63%	93.63%	93.63%	89.17%	86.57%
<b>Health Outcomes:</b>					
4. Engagement of Alcohol and other Drug Dependency Treatment		6.6%	10.4%	10.6%	4.0%
5. EPSDT Participation Ratio (Under age 21)		42.0%	43.0%	47.0%	65.0%
6. Adult Preventive Care 20 to 65+ years		80.5%	87.0%	87.0%	83.0%
<b>Operational Excellence:</b>					
7. Number of "Does Not Meet," Employees at PMP Close	0	0			

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Revolving Funds (200 Series Funds)			
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'20-22 Avg. Revenues	FY'20-22 Avg. Expenditures	June '22 Balance
<b>200 - Administrative Disbursing Fund</b>			
<i>Fund 200 is utilized for tracking (federal/state) revenues and expenditures for OHCA's administrative costs (except Insure Oklahoma Program administrative costs disbursed thru Fund 245-HEEIA). Funds from this account are transferred out only in the event of a federal deferral or disallowance to Fund 240 (Federal Deferral Fund). Remaining fund balances are carried forward to the next fiscal year.</i>	\$140,914,278	\$142,385,815	\$36,429,881
<b>205 - Supplemental Hospital Offset Payment Program (SHOPP)</b>			
<i>Fund 205 is utilized to track the revenues for SHOPP assessment fees, penalties and interest. Transfers from this account were stipulated initially in House Bill 1381 and later amended most recently in 2022 SB 1396. As of 1/1/14, SHOPP expenditures are processed through Fund 340.</i>	\$178,510,661	\$178,796,491	\$723,251
<b>230 - Quality of Care Fee (QOC)</b>			
<i>Fund 230 is utilized to track revenues for Quality of Care assessment fees, penalties and interest. Expenditures for this fund are processed through Fund 340 and were directed in House Bill 2019 to be used for enhancements to specific Medicaid program rates of pay which include the daily rate for Nursing Facilities, ICFs/MR facilities, Nursing Facility residents eyeglasses and dentures, personal needs allowance increases, etc.</i>	\$83,025,342	\$82,998,776	\$158,274
<b>236 - Rate Preservation Fund</b>			
<i>Fund 236 was authorized in HB2767 to appropriate monies for the sole purpose of maintaining reimbursement rates to providers should the state experience a reduction in the Federal Matching Assistance Percentage (FMAP) which would otherwise result in implementation of reimbursement rate decreases.</i>	\$65,863,757	\$0	\$197,591,272
<b>240 - Federal Deferral Fund</b>			
<i>Fund 240 is utilized to track monies received by the OHCA which, in the opinion of the OHCA Board, may be subject to federal disallowances and interest which may accrue on said receipts. All monies accruing to the credit of said fund may be budgeted and expended by the OHCA at the discretion of the Oklahoma Health Care Authority Board for eventual settlement of the appropriate pending disallowances. If utilizing these funds, OHCA would budget and transfer to the appropriate disbursing Fund 200 or 340.</i>	\$17,615,584	\$0	\$66,105,110
<b>245 - Health Employee and Economy Improvement Act (HEEIA)</b>			
<i>Fund 245 is utilized to track revenues for tobacco tax collections, federal draws and interest income. Expenditures for this fund are for the Insure Oklahoma Employee Sponsored Insurance (ESI) program and related administrative costs. The revenues generated from this fund also provide the state share for Medicaid program expenditures as amended in 2020 Senate Bill 1073 which are disbursed through Fund 340.</i>	\$78,725,122	\$74,265,721	\$14,187,453
<b>250 - Belle Maxine Hilliard Breast &amp; Cervical Cancer Treatment Fund</b>			
<i>Apportioned tobacco tax collections. Revenues are transferred to Fund 340 for Medicaid program expenditures for purposes specified in the Oklahoma Breast and Cervical Act; establishing a new Oklahoma Medicaid eligibility group.</i>	\$774,626	\$774,626	\$0
<b>255 - Medicaid Program Fund</b>			
<i>Apportioned tobacco tax collections. Revenues are transferred to Fund 340 for Medicaid program expenditures to support hospital rates, increase in number of physicians visits allowed, increase in emergency physician rates, enhanced drug benefits, dental services, etc.</i>	\$46,418,553	\$46,418,553	\$0
<b>340 - Medicaid Program Fund - Continuing Fund</b>			
<i>Fund 340 is the Medicaid program disbursing fund utilized to track 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.</i>	\$6,475,943,586	\$6,551,355,595	\$717,008,788

FY 2023 Current Employee Telework Summary						
<i>List each agency location, then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees, not budgeted or actual FTE.</i>			Full-time and Part-time Employees (#)			
Agency Location / Address	City	County	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
80700 - OHCA / 4345 N Lincoln Blvd	Oklahoma City	OK	76	174	332	582
<b>Total Agency Employees</b>						<b>582</b>