Oklahoma Health Care Authority (Agency# 807)

Lead Administrator
Mike Fogarty (CEO)

Lead Financial Officer
Carrie Evans (CFO)

Mission Statement:
Our mission is to purchase state and federally funded health care in the most efficient and comprehensive manner possible and to study and recommend strategies for optimizing the accessibility and quality of health care.

FY'13 Budgeted FTE

	Supervisors	Classified	Unclassified	$0 - $35 K	$35 K - $70 K	$70 K - $$$
Operations - 10	86	0	386.1	8	417	47.1
Medicaid Payments - 20	0	0	0	0	0	0
Medicaid Contracts - 30	0	0	0	0	0	0
Premium Assistance (IO) - 40	5	0	20	1	23	1
Grants - 50	5	0	30	0	35	0
ISD Information Services - 88	5	0	31	0	34	2
Division 7	0	0	0	0	0	0
Division 8	0	0	0	0	0	0
Division 9	0	0	0	0	0	0
Total	**101**	**0**	**467.1**	**9**	**509**	**50.1**

FTE History

	2013 Budgeted	2012	2009	2008	2003
Operations - 10	472.1	448.5	425	407	273
Medicaid Payments - 20	0	0	0	0	0
Medicaid Contracts - 30	0	0	0	0	0
Premium Assistance (IO) - 40	25	24	9	3	0
Grants - 50	35	24	0	0	0
ISD Information Services - 88	36	0	0	0	0
Division 7	0	0	0	0	0
Division 8	0	0	0	0	0
Division 9	0	0	0	0	0
Total	**568.1**	**496.5**	**434**	**410**	**273**

FY'13 Projected Division/Program Funding By Source

	Appropriations	Federal	Revolving	Local	Other*	Total
Operations - 10	$19,836,072	$22,063,763	$528,190	$0	$0	$42,428,025
Medicaid Payments - 20	$860,667,170	$3,028,891,622	$1,148,819,617	$0	$0	$5,038,378,409
Medicaid Contracts - 30	$15,149,098	$35,788,983	$6,635,010	$0	$0	$57,573,091
Premium Assistance (IO) - 40	$0	$74,813,662	$50,125,965	$0	$0	$124,939,627
Grants - 50	$168,203	$1,998,940		$0	$238,830	$2,405,973
ISD Information Services - 88	$11,162,464	$70,227,623	$9,189,500	$0	$0	$90,579,587
Division 7	$0	$0	$0	$0	$0	$0
Division 8	$0	$0	$0	$0	$0	$0
Division 9	$0	$0	$0	$0	$0	$0
Total	**$906,983,007**	**$3,233,784,593**	**$1,215,298,282**	**$0**	**$238,830**	**$5,356,304,712**

*Source of "Other" and % of "Other" total for each.
Soonercare Prenatal Tobacco Cessation Initiative Grant (44%), ABCD III Grant (37%), TSET Health Promotions Coordinator Grant (19%)

FY'12 Carryover by Funding Source

	Appropriations	Federal	Revolving	Local	Other*	Total
FY'12 Carryover	$43,075,735	$0	$0	$0	$0	$43,075,735

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'12 and FY'13

1.) Are there any services no longer provided because of budget cuts? N/A (no budget cuts)

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? None

FY'14 Requested Division/Program Funding By Source						
	Appropriations	**Federal**	**Revolving**	**Other**	**Total**	**% Change**
Operations - 10	$20,787,702	$23,015,393	$528,190	$0	$44,331,285	4.49%
Medicaid Payments - 20	$964,028,239	$3,184,388,252	1,127,673,443	$0	$5,276,089,934	4.72%
Medicaid Contracts - 30	$15,474,098	$36,113,983	$6,635,010	$0	$58,223,091	1.13%
Premium Assistance (IO) - 40	$0	$74,813,662	$50,125,965	$0	$124,939,627	0.00%
Grants - 50	$168,203	$1,998,940	$0	$238,830	$2,405,973	0.00%
ISD Information Services - 88	$12,351,078	$74,465,751	$9,189,500	$0	$96,006,329	5.99%
Division 7	$0	$0	$0	$0	$0	0.00%
Division 8	$0	$0	$0	$0	$0	0.00%
Division 9	$0	$0	$0	$0	$0	0.00%
Total	**$1,012,809,320**	**$3,394,795,981**	**1,194,152,108**	**$238,830**	**$5,601,996,239**	**4.59%**

*Source of "Other" and % of "Other" total for each.
Soonercare Prenatal Tobacco Cessation Initiative Grant (44%), ABCD III Grant (37%), TSET Health Promotions Coordinator Grant (19%)

FY'14 Top Five Appropriation Funding Requests		
		$ Amount
Request 1	Annualizations - FMAP rate change / Cost to increase Miller Trust Fund / Nursing Home Medicare Co-insurance Clawback	$5,690,488
Request 2	Maintenance - Medicaid growth (3.1%) /Medicare A & B premium incr (1/1/14) /Medicaid Contract Increase /13 FTE's	$31,471,713
Request 3	One-Time Funding - FY-12 one-time Carryover & Replace	$23,075,735
Request 4	Restoration of Provider Rates - To restore 3.25% emergency provider rates cut due to FY-10 revenue failure	$27,630,880
Request 5	Provider Rate Maintenance - To Reimburse all providers at 100% of their cost or 100% of the Medicare fee schedule	$5,557,750

How would the agency handle a 3% appropriation reduction in FY'14?

A reduction of 3% in the General Revenue appropriation level amounts to a cut of $25 million. Coupled with the $60 million required to maintain the program at its current level, an additional reduction of $25 million would result in a funding shortage of approximately $85 million. Consequently, this equates to a total reduction of $236 million to the SoonerCare Program to achieve a 3% appropriation cut.

With a three month lead time to meet the required public notifications and process, the agency would recommend a reduction of overall provider rates by approximately 3% to accommodate a 3% reduction in the FY- 2013 appropriation base of $834 million. Assuming an effective date of July 1, this provider rate cut would achieve $25 million in state dollars and reduce the matching federal dollars by $45 million. The federal statutory maintenance of effort requirement prohibits states from reducing the number of people in the program by reducing qualification standards. Federal mandates also limit the majority of benefit reductions especially as it pertains to children. Although some optional adult benefits can be reduced, savings would be minimal and would actually shift more cost to mandatory benefit categories. For example, the elimination of the adult emergency dental extractions will shift additional cost to the mandatory hospital emergency room payments and other costs of treating conditions caused by dental infection. Therefore, any significant budget reduction could only be achieved by provider rate reductions.
Each one percent reduction in provider rates equates to a reduction of $8.5 million in expenditure of state funds. Therefore, a 3% budget reduction ($85 million) requires a 10% provider rate cut.

How would the agency handle a 5% appropriation reduction in FY'14?

A reduction of 5% in the General Revenue appropriation level amounts to a cut of $42 million. Coupled with the $60 million required to maintain the program at its current level, an additional reduction of $42 million would result in a funding shortage of approximately $102 million. Consequently, this equates to a total reduction of $283 million to the SoonerCare Program to achieve a 5% appropriation cut.

To achieve a 5% appropriation reduction, the agency would be held to the same restrictions and utilize the same option as descibed above; however, the reduction in provider rates would be greater. Each one percent reduction in provider rates equates to a reduction of $8.5 million in expenditure of state funds. Therefore, a 5% budget reduction ($102 million) requires a 12% provider rate cut.

Is the agency seeking any fee increases for FY'14?	
	$ Amount
Increase 1	$0
Increase 2	$0
Increase 3	$0

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
None. Participation in the Medicaid program is optional for states; however, if a state chooses to participate in Medicaid then the federal matching funds received are tied to federal requirements.

2.) Are any of those funds inadequate to pay for the federal mandate?
In relation to the response in the previous question, Medicaid is funded with federal funds matching state funds. Therefore, by definition, the federal funds are inadequate because there are not 100% federal funds tied to those mandates.

3.) What would the consequences be of ending all of the federal funded programs for your agency?
Turning back federal Medicaid funds would leave only state funds to support the program. State funds comprise about 35% of the total program expenditures that provided health care to nearly 1 million Oklahomans and had a $4.9 billion impact on the economy in SFY-2012.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
Medicaid is included in the exempt mandatory spending so the upcoming sequestration (federal budget cuts) will have no direct impact.

5.) Has the agency requested any additional federal earmarks or increases?
No

Division and Program Descriptions

Division 1 **Medicaid Program**

Medicaid is a federal and state entitlement program that provides medical benefits to low income individuals who have no or inadequate heath insurance coverage. Medicaid guarantees coverage for basic health and long term care services based upon income and / or resources. Medicaid serves as the nation's primary source of health insurance for the poor. The terms on which federal Medicaid matching funds are available to states include five broad requirements related to eligibility. In order to be eligible for Medicaid, an individual must meet all of these requirements. The availability of federal matching funds does not necessarily mean that a state will cover these individuals since the state must still contribute its own matching funds toward the cost of coverage. In exchange for federal financial participation, states 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 matching 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. Additional performance information is available in the annually issued Service Efforts and Accomplishments Report.

Performance Measure Review					
	FY12	**FY'11**	**FY'10**	**FY'09**	**FY'08**
Goal Number One					
1. % of Oklas. Enrolled in SoonerCare	26.3%	25.6%	23.8%	22.4%	21.9%
2. Unduplicated Medicaid enrollment[(1)]	1,007,356	968,296	885,238	825,138	797,556
3. % change in total enrollment	4.0%	9.4%	7.3%	3.5%	N/A
4. Unduplicated Insure Oklahoma enrollment	48,298	48,226	46,166	28,706	N/A
5. SoonerCare enrollment (at June 30)[(1)]	765,065	719,984	695,151	644,905	N/A
6. # of children enrolled in SC (at June 30)[(1)]	497,731	472,676	480,376	444,080	N/A
7. # of adults enrolled in SC (at June 30)[(1)]	267,334	247,308	214,775	200,825	N/A
8. % of enrollment applications received online[(2)]	69.0%	61.0%	N/A	N/A	N/A
Goal Number Two					
1 Customer survey (CAHPS®)[(3)]					
Getting care needed (Adult)	80.6%		77.8%		N/A
Getting care needed (Child)	85.8%	80.0%		76.8%	N/A
Getting care quickly (Adult)	82.5%		81.8%		N/A
Getting care quickly (Child)	92.7%	87.1%		87.6%	N/A
How well doctors communicate (Adult)	84.9%		84.2%		N/A
How well doctors communicate (Child)	93.1%	91.6%		88.8%	N/A
Customer service (Adult)	80.6%		78.2%		N/A
Customer service (Child)	75.7%	80.1%		75.3%	N/A
Rating a specialist (Adult)	79.1%		74.9%		N/A
Rating a specialist (Chilt)	83.5%	84.7%		75.0%	N/A
Rating a personal doctor (Adult)	75.8%		71.8%		N/A
Rating a personal doctor (Child)	84.3%	82.2%		80.3%	N/A
Rating a health plan (Adult)	68.4%		64.3%		N/A
Rating a health plan (Child)	83.9%	78.4%		82.3%	N/A
Shared decision making (Adult)[(4)]	57.9%		N/A		N/A
Shared decision making (Child)[(4)]	74.8%	68.3%		66.4%	N/A
Rating of health care (Adult)	66.1%		61.6%		N/A
Rating of health care (Child)	85.2%	78.1%		74.5%	N/A
2 Focus on Excellence (Nursing home ratings)					N/A
% of 5-star facilities	14.5%	5.7%	6.3%	N/A/	N/A
% of 4-star facilities	16.0%	21.3%	20.4%	N/A/	N/A
% of residents rating overall quality as excellent or good	82.0%	75.0%	92.0%	74.0%	N/A
% of employees rating overall satisfaction as excellent or good	83.0%	68.0%	79.0%	67.0%	N/A
Goal Number Three					
1. Well Child Visits: (1 or more visits)[(5)]					
1st 15 months	N/A	98.3%	98.3%	97.4%	97.3%
3-6 year olds	N/A	57.4%	59.8%	64.9%	60.0%
Adolescents	N/A	34.5%	33.5%	40.1%	32.1%
2. Comply w/Healthy People 2020 Immunization Rate[(6)]	N/A	72.0%	61.6%	70.2%	73.6%
3. Use of Preventive Care[(5)]					
Adult preventive care (20-44 years)	N/A	83.1%	84.2%	83.3%	78.4%
Adult preventive care (45-64 years)	N/A	91.0%	91.1%	89.7%	86.8%
4. Emergency Room Visits:					
Per 1,000 TANF member months	54	48	51	70	70
Per 1,000 ABD member months	46	47	45	51	50
5. Average members in pharmacy Lock-in program	273	303	268	165	145
6. Women seeking prenatal care[(7)]	97.3%	97.5%	95.5%	97.0%	94.0%

Goal Number Four					
1. Total unduplicated provider count[8]	40,825	30,113	28,637	28,446	N/A
2. SC Choice PCP total capacity	1,202,168	1,071,965	1,037,499	1,829,549	N/A
3. SC Choice PCP % of capacity used	37.9%	39.6%	41.3%	21.9%	N/A
4. # of members enrolled in SC Choice/Med home	479,492	439,228	449,216	412,473	N/A
5. % of members enrolled in SC Choice/Med home	67.0%	64.0%	67.0%	64.0%	N/A
6. # of SC traditional members	240,920	245,159	220,283	213,073	N/A
Goal Number Five					
1. Total program cost per member	$ 4,350	$ 4,712	$ 4,911	$ 4,892	N/A
2. % change cost per member	-7.7%	-4.1%	0.4%	1.6%	N/A
3. Reimbursement as a percentage of hospitals' costs	96.0%	95.0%	101.0%	99.7%	N/A
4. Reimbursement as a percentage of nursing homes' costs	91.0%	93.7%	95.5%	95.3%	N/A
5. Reimbursement as a percentage of ICF/MR facilities costs[9]	110.9%	111.6%	112.9%	115.1%	N/A
6. Reimbursement as apercentage of Medicare rates (NonState Emp)	96.8%	96.8%	99.2%	100.0%	N/A
7. # of health care providers receiving an Electronic Health Record incentive payment (at June 30) 100% fed funds	1,295	592	N/A	N/A	N/A
8. # of hospitals receiving an Electronic Health Record incentive payment (at June 30) 100% fed funds	75	33	N/A	N/A	N/A
9. Cost of HER incentive payments to health care providers (at June 30) 100% fed funds	$ 15,159,750	$ 12,572,917	N/A	N/A	N/A
10. Cost of Electronic Health Record incentive payments to hospitals (at June 30) 100% fed funds	$ 28,839,044	$ 22,698,793	N/A	N/A	N/A
Goal Number Six					
1. Total claims paid	36.6M	34.8M	31.7M	28.4M	25.3M
2. % of claims paid electronically (EFT)	96.8%	95.5%	95.6%	95.9%	N/A
3. Program integrity recoveries	$6.5M	$9.1M	$17.6M	$4.0M	$6.4M
4. # of involuntary provider contract terminations	59	36	47	36	N/A
5. Third party liability recoveries	$40.2M	$43.2M	$41.5M	$24.9M	$13.1M
6. Total OHCA admin costs	$137.3M	$134.2M	$119.2M	$97.3M	N/A
7. Total OHCA contracts cost (subset of admin)	$95.3M	$94.8M	$83.3M	$59.8M	N/A
8. % total contracts to total admin	70.0%	71.0%	70.0%	61.0%	N/A
9. % total OHCA admin to program	2.9%	3.0%	2.2%	2.6%	N/A
10. Total cost	$4.79B	$4.4B	$4.3B	$4B	N/A
11. # FTE (Authorized)	465.5	464.5	444.5	444.5	N/A

(1) Unduplicated SoonerCare enrollment for 2009, 2010 and 2011 were revised to show corrected numbers. Also SFY2010 numbers for SC enrollment, # of children enrolled in SC and # of adults enrolled in SC were revised to show corrected.

(2) Not all can apply online. Of those who can apply online approximately 90% do. This measure reports the % of online applications received through home applications and through agency partners. The numbers for 2011 was revised to account for rounding.

(3) Prior to 2012, the CAHPS surveys were administered to adults and to children on an alternating schedule every year. Beginning in 2012 surveys are administered to both children and adults every year.

(4) Prior to 2012, the measure "Shared Decision Making" was a child survey item only.

(5) These measures are reported on a calendar year basis. Data for CY2012 will be available in 2013.

(6) Healthy People 2010 campaign is now Healthy People 2020 campaign. The immunization series measure has changed beginning in SFY2011. This measure is reported on a calendar year basis. Data for CY2012 will be available in 2013.

(7) Numbers for 2009 through 2011 were revised to reflect data entry correction.

(8) Due to federal regulations, the OHCA must have an approved agreement on file for all providers providing care to members. To meet this requirement the agency is directly contracting with providers that had previously billed through a group or agency. The Licensed Behavioral Health Practioners and Mental Health Providers contributed to the increase in the provider counts. The provider number includes those contracted to provide service with few claims (1 or 2 visits)

(9) 2009-2011 have been revised to reflect updated data.