

**Oklahoma State Department of Health
Board of Health Finance Committee Brief
April 2015**

**OKLAHOMA STATE DEPARTMENT OF HEALTH
SFY 2015 BUDGET AND EXPENDITURE FORECAST: AS OF 3/31/2015**

SUMMARY

<u>Division</u>	<u>Current Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Forecasted Expenditures</u>	<u>Surplus/(Deficit)</u>	<u>Performance Rate</u>
Public Health Infrastructure	\$24,678,235	\$11,891,203	\$4,094,983	\$7,725,355	\$966,694	96.08%
Protective Health Services	\$59,148,704	\$36,050,659	\$5,699,896	\$17,032,541	\$365,608	99.38%
Prevention & Preparedness Services	\$60,691,949	\$29,183,686	\$20,785,564	\$9,329,120	\$1,393,579	97.70%
Information Technology	\$7,292,390	\$2,595,760	\$4,515,077	\$0	\$181,553	97.51%
Health Improvement Services	\$21,078,986	\$10,719,499	\$3,759,283	\$5,688,101	\$1,475,436	95.67%
Community & Family Health Services	\$249,797,342	\$137,130,122	\$24,032,374	\$84,250,680	\$4,384,166	98.24%
Totals:	\$422,687,606	\$227,570,929	\$62,887,176	\$124,025,797	\$8,767,036	98.06%

< 90%	90% - 95%	95% - 102.5%	102.5% - 105%	>105%
-------	-----------	--------------	---------------	-------

Expenditure Forecast Assumptions

- Payroll forecasted through June 30, 2015
- Encumbrances shown as actual as of the report date
- Expenditure forecasts limited to realistic amounts expected to spend out during the current budget period
- Surplus/(Deficit) is projected as of June 30, 2015

Explanation of Change

- The prior month's report showed all divisions in a "green light" status.
- This month, all divisions remain in a "green light" status, with expenditures expected to be reasonably close to the budgeted amount.
- Overall the Department is forecasted to spend 98.06% of its budget, which is a reduction of .43% from the previous month.
- All expenditures will be monitored closely and adjustments in spending will be made as needed to ensure optimal budget performance for the Department.

**Oklahoma State Department of Health
Board of Health Finance Committee Brief
April 2015**

INSURANCE BILLING: AN EVOLVING FINANCIAL MODEL FOR PUBLIC HEALTH CLINICAL SERVICES

Increasingly, federal policy guidelines are encouraging or requiring private insurance billing for services provided in public health clinics. Immunization and Family Planning are two federally funded programs engaged in efforts to ensure public funds are reserved for those without the financial resources to access public health services, including those without insurance coverage. In an effort to maintain access to public health services many health departments across the nation are billing private insurance for services provided to insured clients. The Oklahoma State Department of Health (OSDH) had limited experience billing for influenza vaccine delivery but began billing private insurance companies in 2014 for a broader set of public health services.

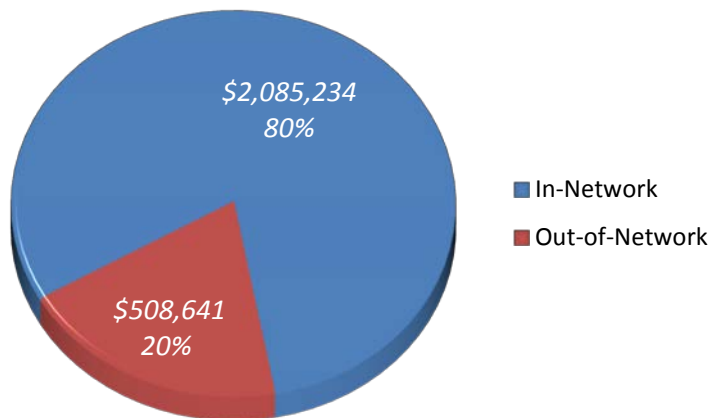
In September of 2014, the OSDH began billing private insurance for Immunization and Family Planning services. The OSDH has signed provider contracts with three large health insurers and Medicaid. The OSDH is currently exploring other services for which private insurance can be billed and additional insurers with which it should negotiate provider agreements.

<i>Insurance Claims, As of 3/31/15</i>	
<i>Insurance Companies Billed</i>	125
<i>Claims Billed</i>	32,807
<i>Amount Billed</i>	\$ 2,593,874.96
<i>Amount Paid</i>	\$ 643,851.67
<i>% of Claims - Immunizations</i>	70%
<i>% of Claims - Family Planning</i>	30%

Revenue collected will be reinvested into the programs from which they are generated. This should help sustain and stabilize programs by diversifying program revenues.

- Family Planning program has received a 16.3% reduction (\$749,524) in federal funds since 2009. Revenue will be reinvested as program income to the federal grant and will ensure availability of clinical services statewide.
- Immunization policy changes have placed significant restrictions on the use of vaccine for persons with private insurance. These restrictions apply even in areas of provider or vaccine shortage. Revenue generated will be used to replenish state and locally purchased vaccine supplies.

Insurance Claim Amounts Billed



The OSDH has entered into contracts with private insurers to become an in-network provider for some of its clients. Of the 32,807 claims filed with private insurers 82% were with contracted insurance companies.

Of the nearly \$2.6 million billed to date, 80% (\$2,085,234.34) of the total billed amounts were with contracted insurers.