

OKLAHOMA HEALTH CARE AUTHORITY  
REGULARLY SCHEDULED BOARD MEETING  
November 9, 2017 at 1:00 P.M.  
Oklahoma Health Care Authority  
4345 N. Lincoln Blvd.  
OKC, OK

**AGENDA**

**Items to be presented by Ed McFall, Chairman**

1. Call to Order / Determination of Quorum
2. Action Item – Approval of the October 12, 2017 OHCA Board Meeting Minutes

**Item to be presented by Nicole Nantois, Chief of Legal Services**

3. Discussion Item – Public Comment on this meeting’s agenda items by attendees who gave 24 hour prior written notice

**Item to be presented by Becky Pasternik-Ikard, Chief Executive Officer**

4. Discussion Item – Chief Executive Officer’s Report
  - a) Financial Update – Gloria Hudson, Director of General Accounting
  - b) Medicaid Director’s Update – Melody Anthony, Deputy State Medicaid Director
  - c) Legislative Update – Cate Jeffries, Interim Legislative Liaison

**Item to be presented by Nicole Nantois, Chief of Legal Services**

5. Announcements of Conflicts of Interest Panel Recommendations for All Action Items Regarding This Board Meeting.

**Item to be presented by Tywanda Cox, Chief of Federal and State Policy**

6. Action Item – Consideration and Vote upon the Recommendations of the State Plan Amendment Committee.
  - a) Consideration and vote to implement an across-the-board rate reduction in the amount of 9.00% to SoonerCare providers. The proposed reduction excludes complex rehabilitation technology provider services, long-term care facilities, child abuse exams, non-emergency transportation, Insure Oklahoma, payments for drug ingredients, physician supplied drugs, services provided under a waiver, services paid for by other state agencies, services provided to Native Americans through Indian Health Services Indian/Tribal/Urban (ITU) Clinics, and private duty nursing, emergency transportation, FQHCs/RHCs, Choice Care Coordination, and Programs of All-inclusive Care for the Elderly (PACE). While this list of exclusions is fairly comprehensive it is not exhaustive. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$68,409,743; of which \$28,342,157 is state savings.
  - b) Consideration and vote to implement a payment methodology change to pay 0% of the Medicare Part A and Part B coinsurance and deductible on crossover claims to nursing facilities. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$3,523,232; of which \$1,459,675 is state savings.

- c) Consideration and vote to implement a rate change to reduce the reimbursement rates for services provided by Regular Nursing Facilities by 4.00%. The new Base Rate Component will be \$107.55 per patient day. The new combined pool amount for “Direct Care” and “Other” Component will be \$150,326,168. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$10,669,304; of which \$4,384,017 is state savings.
- d) Consideration and vote to implement a rate change to reduce the reimbursement rates for services provided by Regular (more than 16 beds) Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) by 4.00%. The new Base Rate Component will be \$118.50 per patient day. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$444,759; of which \$182,752 is state savings.
- e) Consideration and vote to implement a rate change to reduce the reimbursement rates for services provided by Acute (16 beds or less) Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) by 4.00%. The new Base Rate Component will be \$151.44 per patient day. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$789,944; of which \$324,588 is state savings.
- f) Consideration and vote to implement a rate change to reduce the reimbursement rates for services provided by Nursing Facilities for Individuals with Acquired Immune Deficiency Syndrome (AIDS) by 4.00%. The new Base Rate Component will be \$193.53 per patient day. The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$31,557; of which \$12,967 is state savings.

**Item to be presented by Tywanda Cox, Chief of Federal and State Policy**

- 7. Action Item – Consideration and Vote of Agency Recommended Rulemaking Pursuant to Article I of the Administrative Procedures Act.

Action Item – a) Consideration and Vote upon a Declaration of a Compelling Public Interest for the promulgation of **all Emergency Rules** in item seven in accordance with 75 Okla. Stat. § 253.

Action Item – b) Consideration and Vote of Agency Recommended Rulemaking Pursuant to Article I of the Administrative Procedures Act. The Agency Requests the Adoption of the Following Emergency Rule:

- a) AMENDING agency rules at OAC 317:30-5-1096 will allow Indian Health Services, Tribal Program and Urban Indian Clinics, who are designated as Federally Qualified Health Centers, to be reimbursed at the Office of Management and Budget rate for services provided outside of the four walls of their facilities. These changes are necessary to comply with federal regulations.  
**Budget Impact: No budget impact.**

**(Reference APA WF # 17-03)**

**Item to be presented by Ed McFall, Chairman**

- 8. Discussion Item – Proposed Executive Session as Recommended by the Chief of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B)(1),(4) and (7).

Discuss Contractual Litigation

- 9. New Business

- 10. ADJOURNMENT

NEXT BOARD MEETING  
December 14, 2017  
Oklahoma Health Care Authority  
Oklahoma City, OK

MINUTES OF A SCHEDULED BOARD MEETING  
OF THE HEALTH CARE AUTHORITY BOARD  
October 12, 2017  
Oklahoma Health Care Authority Boardroom  
Oklahoma City, Oklahoma

Manner and Time of Notice of Meeting: A statutorily required public meeting notice was placed on the front door of the Oklahoma Health Care Authority on October 10, 2017 at 8:15 a.m. Advance public meeting notice was provided to the Oklahoma Secretary of State. In addition to the posting of the statutory public notice, the agency placed its agenda on its website on October 6, 2017 at 12:30 p.m.

Pursuant to a roll call of the members, a quorum was declared to be present, and Chairman McFall called the meeting to order at 12:33 p.m.

BOARD MEMBERS PRESENT: Chairman McFall, Vice-Chairman Armstrong, Member Bryant, Member Case, Member McVay, Member Nuttle,

BOARD MEMBERS ABSENT: Member Robison

OTHERS PRESENT:

Mike Herndon, OHCA  
Meg Wingerter, The Oklahoman  
Kelli Brodersen, OHCA  
Scott Wittman, PHPG  
Harvey Reynolds, OHCA  
Lewis Robinson, OHCA  
Braden Mitchell, OHCA  
Jasmine Barve, OHCA  
Melanie Lawrence, OHCA  
David Ward, OHCA  
Tyler Telley, eCaP  
Rick Snyder, OHA  
Kim Helton, OHCA  
Terry Cothran, CoP  
Will Widman, DXC

OTHERS PRESENT:

Rebecca B. Williamson, Muskogee Co. EMS/OKAMA  
Kara Kearns, OHCA  
Andy Cohen, PHPG  
Elio De Los Santos, Maximus  
David Dude, American Cancer Society  
Marlene Asmussen, OHCA  
Jami Adams, OHCA  
Natasha Kester, OHCA  
Beverly Couch, OHCA  
Christopher Chesny, JRLR  
Marie Moore, DHS/DDS  
Kyle Janzen, OHCA  
Thomas Nunn, OHCA  
Courtney Barrett, OHCA  
Kevin Kelley, OHCA

**DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARY SCHEDULED BOARD MEETING HELD September 27, 2017.**

The Board routinely reviews and approves a synopsis of all its meetings. The full-length recordings of the meetings of the Board are retained at the Board Offices and may be reviewed upon written request.

MOTION: Member Case moved for approval of the September 27, 2017 board meeting minutes as published. The motion was seconded by Member Nuttle.

FOR THE MOTION: Chairman McFall

ABSTAINED: Vice-Chairman Armstrong, Member Bryant, Member McVay

BOARD MEMBERS ABSENT: Member Robison

**ITEM 3A / EMPLOYEE RECOGNITION**

The following OHCA employees were recognized

- July All-Star – Bev Reed, Financial Manager II (Carrie Evans)
- Dr. Garth Splinter was recognized for his upcoming retirement

### **ITEM 3B / SPECIAL RECOGNITION**

The OHCA board members were recognized and presented with a gift, that included a small snack and a collection of agency photographs, as a token of the agency's appreciation

### **ITEM 3C / FINANCIAL UPDATE**

Carrie Evans, Chief Financial Officer

Ms. Evans gave a brief update on OHCA's July and August Financials. OHCA is \$8.2 million to the positive state dollars and under budget by \$4.2 million in Medicaid program spending. Administrative spending ran under budget by half a million state dollars. OHCA ran over budget in revenues as follows: drug rebate by \$1.9 million; taxes and fees by \$1.2 million; and overpayment settlements by \$.5 million. OHCA filed its budget revision on October 10, 2017, as required by OMES to adjust for the lack of revenue. The above-mentioned \$8.2 million in savings was used to balance the budget. If OHCA continues to run under budget, there's the potential that we could see some savings growth throughout the year. The following budget reductions will become effective November 1, 2017: adult only dental reductions; removing coverage for prenatal cystic fibrosis screening; delaying capitation payments until the first primary care visit; and member date specific end dates. On November 2, 2017, OHCA will take an across the board 9% rate reduction to all provider groups with some exclusions, propose a 4% rate reduction to nursing facilities, eliminate reimbursement for therapeutic leave days for long-term care facilities, and eliminate crossover payments for coinsurance and deductibles for nursing homes. The savings, in total, come to about \$35 million and also include the \$8.2 million mentioned earlier. For more detailed information, see Item 3c in the board packet.

### **ITEM 3D / MEDICAID DIRECTOR'S UPDATE**

Garth Splinter, Deputy Chief Executive Officer

Dr. Splinter provided an update for August 2017 data that included a report on the number of SoonerCare enrollees in different areas of the Medicaid program including total in-state providers. Dr. Splinter also presented charts showing monthly enrollment and monthly change in enrollment for Choice, Traditional and Insure Oklahoma For more detailed information, see Item 3d in the board packet.

### **ITEM 3D.1 / MAU TRANSFORMATION**

Garth Splinter, Deputy Chief Executive Officer

Dr. Splinter gave an update on the recent changes to OHCA's Medical Authorization & Review Unit which included information regarding prior authorizations (PA), why OHCA has them, our outsourcing history, contract amendments, OHCA's original plan, expanding in-house PA processing, PA tread lines, anticipated budget effects, future plans and a list of all those involved. For more detailed information, see Item 3d.1 in the board packet.

### **ITEM 3D.2 / TOBACCO CESSATION**

Della Gregg, HMP Manager; Kelly Parker, SoonerQuit Health Promotion Grant Supervisor

Ms. Gregg and Ms. Parker gave a tobacco cessation program update, which included information on adult smoking rates, statewide efforts, partnerships with Connect4Health and TSET, SoonerQuit for Women, Oklahoma Tobacco Helpline, SoonerQuit provider engagement, SoonerQuit Health Promotion, OHCA policy changes, additional efforts and OHCA's progress. For more detailed information, see Item 3d.2 in the board packet.

### **ITEM 3E / LEGISLATIVE**

Cate Jeffries, Interim Legislative Liaison

Ms. Jeffries gave a brief update regarding the special session, which started September 25, 2017. The special session is currently adjourned; however, committees have met and there have been about 48 scheduled interim studies. HB1093, which would require the agency to conduct some data checks, was heard in the House Rules Committee on September 28, 2017 and did receive a due pass recommendation; it is eligible to be heard on the House Floor. OHCA was one of about 5 agencies that were asked to participate in an interim study held by Rep. Kevin McDugle. OHCA will continue to track interim studies and will participate when asked.

### **ITEM 4 / STATEWIDE TRANSITION PLAN OVERVIEW**

Beverly Couch, Senior Research Analyst for Quality Assurance and Community Living Services

Ms. Couch gave a Statewide Transition Plan (STP) update, which included information on the final rule background/intent, transition period, what the STP is and what it includes, HCBS setting requirements and Oklahoma's requirements. For more detailed information, see Item 4 in the board packet.

**ITEM 5 / ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FOR ALL ACTION ITEMS**

Maria Maule, Deputy General Counsel

There were no recommendations regarding conflicts.

**ITEM 6A-E / CONSIDERATION AND VOTE REGARDING RECOMMENDATIONS MADE BY THE DRUG UTILIZATION BOARD UNDER 63 OKLAHOMA STATUTES 5030.3**

Burl Beasley, Assistant Director of Pharmacy Services

- a) Consideration and vote to add **Afstyla® [Antihemophilic Factor (Recombinant), Single Chain] and Rebinyn® [Coagulation Factor IX (Recombinant), GlycoPEGylated]** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
- b) Consideration and vote to add **Endari™ (L-Glutamine)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
- c) Consideration and vote to add **Namenda XR® (Memantine Extended-Release Capsules)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
- d) Consideration and vote to add **Fabrazyme® (Agalsidase Beta)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).
- e) Consideration and vote to add **Kisqali® (Ribociclib), Kisqali® Femara® Co-Pack (Ribociclib/Letrozole), and Nerlynx™ (Neratinib)** to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

**MOTION:**

Vice-Chairman Armstrong moved for approval of Item 6a-e as published. The motion was seconded by Member McVay

**FOR THE MOTION:**

Chairman McFall, Member Bryant, Member Case, Member Nuttle

**BOARD MEMBERS ABSENT:**

Member Robison

**ITEM 7 / PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE CHIEF OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLAHOMA STATUTES §307(B) (4)**

Maria Maule, Deputy General Counsel

There was no executive session.

**ITEM 8 / NEW BUSINESS**

There was no new business.

**ITEM 9 / ADJOURNMENT**

**MOTION:**

Member Case moved for approval for adjournment. The motion was seconded by Member Bryant

**FOR THE MOTION:**

Chairman McFall, Vice-Chairman Armstrong, Member McVay, Member Nuttle

**BOARD MEMBERS ABSENT:**

Member Robison

Meeting adjourned at 2:01 p.m., 10/12/2017

NEXT BOARD MEETING  
November 9, 2017  
Oklahoma Health Care Authority  
Oklahoma City, OK

*Martina Ordonez*  
Board Secretary

Minutes Approved: \_\_\_\_\_

Initials: \_\_\_\_\_

DRAFT



## FINANCIAL REPORT

For the Three Months Ended September 30, 2017  
Submitted to the CEO & Board

- Revenues for OHCA through September, accounting for receivables, were **\$1,101,117,955** or **.4% under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$1,011,924,747** or **.5% under** budget.
- The state dollar budget variance through September is a **positive \$556,763**.
- The budget variance is primarily attributable to the following (in millions):

<b>Expenditures:</b>	
Medicaid Program Variance	(2.0)
Administration	1.2
<b>Revenues:</b>	
Drug Rebate	.0
Taxes and Fees	1.4
Overpayments/Settlements	.0
<b>Total FY 18 Variance</b>	<b>\$ .6</b>

### ATTACHMENTS

Summary of Revenue and Expenditures: OHCA	1
Medicaid Program Expenditures by Source of Funds	2
Other State Agencies Medicaid Payments	3
Fund 205: Supplemental Hospital Offset Payment Program Fund	4
Fund 230: Quality of Care Fund Summary	5
Fund 245: Health Employee and Economy Act Revolving Fund	6
Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund	7



**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures: OHCA**  
**SFY 2018, For the Three Month Period Ending September 30, 2017**

REVENUES	FY18 Budget YTD	FY18 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 301,330,548	\$ 301,330,548	\$ -	0.0%
Federal Funds	571,323,294	565,213,294	(6,110,000)	(1.1)%
Tobacco Tax Collections	12,502,751	13,981,260	1,478,509	11.8%
Quality of Care Collections	19,754,144	19,700,977	(53,167)	(0.3)%
Prior Year Carryover	39,249,967	39,249,967	-	0.0%
Federal Deferral - Interest	67,286	67,286	-	0.0%
Drug Rebates	85,241,953	85,308,519	66,566	0.1%
Medical Refunds	8,535,694	8,535,694	0	0.0%
Supplemental Hospital Offset Payment Program	60,407,861	60,407,861	-	0.0%
Other Revenues	7,308,547	7,322,549	14,002	0.2%
<b>TOTAL REVENUES</b>	<b>\$ 1,105,722,044</b>	<b>\$ 1,101,117,955</b>	<b>\$ (4,604,089)</b>	<b>(0.4)%</b>

EXPENDITURES	FY18 Budget YTD	FY18 Actual YTD	Variance	% (Over)/ Under
<b>ADMINISTRATION - OPERATING</b>	<b>\$ 13,929,006</b>	<b>\$ 12,666,252</b>	<b>\$ 1,262,754</b>	<b>9.1%</b>
<b>ADMINISTRATION - CONTRACTS</b>	<b>\$ 27,289,614</b>	<b>\$ 25,689,669</b>	<b>\$ 1,599,945</b>	<b>5.9%</b>
<b>MEDICAID PROGRAMS</b>				
<u>Managed Care:</u>				
SoonerCare Choice	11,241,086	10,807,399	433,687	3.9%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	226,433,028	227,322,422	(889,394)	(0.4)%
Behavioral Health	5,010,038	5,091,849	(81,811)	(1.6)%
Physicians	94,958,331	94,273,449	684,882	0.7%
Dentists	31,471,778	32,201,455	(729,677)	(2.3)%
Other Practitioners	13,730,498	13,658,326	72,172	0.5%
Home Health Care	4,199,101	4,262,987	(63,886)	(1.5)%
Lab & Radiology	7,935,651	6,996,990	938,661	11.8%
Medical Supplies	12,344,397	12,248,830	95,567	0.8%
Ambulatory/Clinics	49,090,396	47,096,195	1,994,201	4.1%
Prescription Drugs	142,226,186	142,178,279	47,907	0.0%
OHCA Therapeutic Foster Care	3,000	751	2,249	0.0%
<u>Other Payments:</u>				
Nursing Facilities	137,126,332	136,698,064	428,268	0.3%
Intermediate Care Facilities for Individuals with Intellectual Disabilities Private	15,433,262	15,182,604	250,658	1.6%
Medicare Buy-In	43,164,446	43,323,623	(159,178)	(0.4)%
Transportation	16,237,447	16,054,480	182,967	1.1%
Money Follows the Person-OHCA	59,202	76,291	(17,089)	0.0%
Electronic Health Records-Incentive Payments	3,310,174	3,310,174	-	0.0%
Part D Phase-In Contribution	26,846,908	27,032,741	(185,833)	(0.7)%
Supplemental Hospital Offset Payment Program	132,311,447	132,311,447	-	0.0%
Telligen	2,644,890	3,440,470	(795,580)	(30.1)%
<b>Total OHCA Medical Programs</b>	<b>975,777,597</b>	<b>973,568,826</b>	<b>2,208,771</b>	<b>0.2%</b>
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
<b>TOTAL OHCA</b>	<b>\$ 1,017,085,599</b>	<b>\$ 1,011,924,747</b>	<b>\$ 5,160,852</b>	<b>0.5%</b>

<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>\$ 88,636,445</b>	<b>\$ 89,193,208</b>	<b>\$ 556,763</b>	
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**OKLAHOMA HEALTH CARE AUTHORITY**  
**Total Medicaid Program Expenditures**  
**by Source of State Funds**  
**SFY 2018, For the Three Month Period Ending September 30, 2017**

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	SHOPP Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 10,839,454	\$ 10,804,220	\$ -	\$ 32,055	\$ -	\$ 3,178	\$ -
Inpatient Acute Care	318,362,982	151,868,268	121,672	783,230	98,870,820	193,570	66,525,422
Outpatient Acute Care	101,728,698	74,349,179	10,401	1,052,740	25,537,046	779,332	-
Behavioral Health - Inpatient	13,733,100	3,087,108	-	94,273	7,574,695	-	2,977,024
Behavioral Health - Psychiatrist	2,333,626	2,004,740	-	-	328,886	-	-
Behavioral Health - Outpatient	3,770,357	-	-	-	-	-	3,770,357
Behavioral Health-Health Home	12,584,730	-	-	-	-	-	12,584,730
Behavioral Health Facility- Rehab	69,347,209	-	-	-	-	16,684	69,347,209
Behavioral Health - Case Management	3,606,617	-	-	-	-	-	3,606,617
Behavioral Health - PRTF	14,535,818	-	-	-	-	-	14,535,818
Behavioral Health - CCBHC	14,660,325	-	-	-	-	-	14,660,325
Residential Behavioral Management	4,151,574	-	-	-	-	-	4,151,574
Targeted Case Management	17,497,372	-	-	-	-	-	17,497,372
Therapeutic Foster Care	751	751	-	-	-	-	-
Physicians	110,772,919	93,124,274	14,525	1,166,152	-	1,134,650	15,333,317
Dentists	32,213,004	32,199,357	-	11,549	-	2,098	-
Mid Level Practitioners	613,808	609,459	-	4,104	-	246	-
Other Practitioners	13,175,577	12,907,242	111,591	126,956	-	29,789	-
Home Health Care	4,264,192	4,262,162	-	1,205	-	825	-
Lab & Radiology	7,195,124	6,936,812	-	198,134	-	60,178	-
Medical Supplies	12,340,307	11,564,675	677,883	91,476	-	6,272	-
Clinic Services	48,468,353	45,423,385	-	307,363	-	42,381	2,695,223
Ambulatory Surgery Centers	1,670,611	1,629,086	-	40,182	-	1,343	-
Personal Care Services	2,841,288	-	-	-	-	-	2,841,288
Nursing Facilities	136,698,064	82,965,823	53,724,625	-	-	7,616	-
Transportation	16,056,938	15,417,066	583,660	27,952	-	28,260	-
GME/IME/DME	88,591,999	-	-	-	-	-	88,591,999
ICF/IID Private	15,182,604	12,370,239	2,812,365	-	-	-	-
ICF/IID Public	5,577,613	-	-	-	-	-	5,577,613
CMS Payments	70,356,364	70,157,106	199,259	-	-	-	-
Prescription Drugs	145,238,942	141,529,437	-	3,060,663	-	648,842	-
Miscellaneous Medical Payments	25,495	23,980	-	-	-	1,515	-
Home and Community Based Waiver	49,914,993	-	-	-	-	-	49,914,993
Homeward Bound Waiver	19,629,151	-	-	-	-	-	19,629,151
Money Follows the Person	76,291	76,291	-	-	-	-	-
In-Home Support Waiver	6,173,766	-	-	-	-	-	6,173,766
ADvantage Waiver	43,080,877	-	-	-	-	-	43,080,877
Family Planning/Family Planning Waiver	1,324,113	-	-	-	-	-	1,324,113
Premium Assistance*	14,360,630	-	-	14,360,630	-	-	-
Telligen	3,440,470	3,440,470	-	-	-	-	-
Electronic Health Records Incentive Payments	3,310,174	3,310,174	-	-	-	-	-
<b>Total Medicaid Expenditures</b>	<b>\$ 1,439,746,280</b>	<b>\$ 780,061,304</b>	<b>\$ 58,255,981</b>	<b>\$ 21,358,664</b>	<b>\$ 132,311,447</b>	<b>\$ 2,956,778</b>	<b>\$ 444,818,789</b>

\* Includes \$14,256,037.87 paid out of Fund 245

**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures:**  
**Other State Agencies**  
**SFY 2018, For the Three Month Period Ending September 30, 2017**

<b>REVENUE</b>	<b>FY18 Actual YTD</b>
Revenues from Other State Agencies	\$ 179,635,997
Federal Funds	272,790,892
<b>TOTAL REVENUES</b>	<b>\$ 452,426,889</b>
<b>EXPENDITURES</b>	<b>Actual YTD</b>
<b>Department of Human Services</b>	
Home and Community Based Waiver	\$ 49,914,993
Money Follows the Person	-
Homeward Bound Waiver	19,629,151
In-Home Support Waivers	6,173,766
ADvantage Waiver	43,080,877
Intermediate Care Facilities for Individuals with Intellectual Disabilities Public	5,577,613
Personal Care	2,841,288
Residential Behavioral Management	2,202,986
Targeted Case Management	15,471,597
<b>Total Department of Human Services</b>	<b>144,892,271</b>
<b>State Employees Physician Payment</b>	
Physician Payments	15,333,317
<b>Total State Employees Physician Payment</b>	<b>15,333,317</b>
<b>Education Payments</b>	
Graduate Medical Education	50,325,348
Graduate Medical Education - Physicians Manpower Training Commission	2,678,173
Indirect Medical Education	34,013,202
Direct Medical Education	1,575,276
<b>Total Education Payments</b>	<b>88,591,999</b>
<b>Office of Juvenile Affairs</b>	
Targeted Case Management	568,936
Residential Behavioral Management	1,948,587
<b>Total Office of Juvenile Affairs</b>	<b>2,517,523</b>
<b>Department of Mental Health</b>	
Case Management	3,606,617
Inpatient Psychiatric Free-standing	2,977,024
Outpatient	3,770,357
Health Homes	12,584,730
Psychiatric Residential Treatment Facility	14,535,818
Certified Community Behavioral Health Clinics	14,660,325
Rehabilitation Centers	69,347,209
<b>Total Department of Mental Health</b>	<b>121,482,080</b>
<b>State Department of Health</b>	
Children's First	386,807
Sooner Start	1,553,698
Early Intervention	1,045,849
Early and Periodic Screening, Diagnosis, and Treatment Clinic	431,680
Family Planning	61,680
Family Planning Waiver	1,255,455
Maternity Clinic	1,375
<b>Total Department of Health</b>	<b>4,736,544</b>
<b>County Health Departments</b>	
EPSDT Clinic	192,467
Family Planning Waiver	6,978
<b>Total County Health Departments</b>	<b>199,445</b>
<b>State Department of Education</b>	-
<b>Public Schools</b>	<b>24,184</b>
<b>Medicare DRG Limit</b>	<b>65,000,000</b>
<b>Native American Tribal Agreements</b>	<b>516,003</b>
<b>Department of Corrections</b>	<b>320,177</b>
<b>JD McCarty</b>	<b>1,205,245</b>
<b>Total OSA Medicaid Programs</b>	<b>\$ 444,818,789</b>
<b>OSA Non-Medicaid Programs</b>	<b>\$ 23,937,955</b>
<b>Accounts Receivable from OSA</b>	<b>\$ 16,329,854</b>

**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
Fund 205: Supplemental Hospital Offset Payment Program Fund  
SFY 2018, For the Three Month Period Ending September 30, 2017

<b>REVENUES</b>	<b>FY 18 Revenue</b>
SHOPP Assessment Fee	\$ 60,362,767
Federal Draws	79,307,481
Interest	36,451
Penalties	8,643
State Appropriations	(7,550,000)
<b>TOTAL REVENUES</b>	<b>\$ 132,165,342</b>

<b>EXPENDITURES</b>	<b>Quarter</b>	<b>FY 18 Expenditures</b>
<b>Program Costs:</b>	<b>7/1/17 - 9/30/17</b>	
Hospital - Inpatient Care	98,870,820	\$ 98,870,820
Hospital -Outpatient Care	25,537,046	25,537,046
Psychiatric Facilities-Inpatient	7,574,695	7,574,695
Rehabilitation Facilities-Inpatient	328,886	328,886
<b>Total OHCA Program Costs</b>	<b>132,311,447</b>	<b>\$ 132,311,447</b>

<b>Total Expenditures</b>	<b>\$ 132,311,447</b>
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<b>CASH BALANCE</b>	<b>\$ (146,105)</b>
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**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
**Fund 230: Nursing Facility Quality of Care Fund**  
**SFY 2018, For the Three Month Period Ending September 30, 2017**

<b>REVENUES</b>	<b>Total Revenue</b>	<b>State Share</b>
Quality of Care Assessment	\$ 19,691,923	\$ 19,691,923
Interest Earned	9,055	9,055
<b>TOTAL REVENUES</b>	<b>\$ 19,700,977</b>	<b>\$ 19,700,977</b>

<b>EXPENDITURES</b>	<b>FY 18 Total \$ YTD</b>	<b>FY 18 State \$ YTD</b>	<b>Total State \$ Cost</b>
<b>Program Costs</b>			
Nursing Facility Rate Adjustment	\$ 52,805,501	\$ 21,153,884	
Eyeglasses and Dentures	67,524	27,050	
Personal Allowance Increase	851,600	341,151	
Coverage for Durable Medical Equipment and Supplies	677,883	271,560	
Coverage of Qualified Medicare Beneficiary	258,189	103,430	
Part D Phase-In	199,259	79,823	
ICF/IID Rate Adjustment	1,327,797	531,916	
Acute Services ICF/IID	1,484,568	594,718	
Non-emergency Transportation - Soonerride	583,660	233,814	
<b>Total Program Costs</b>	<b>\$ 58,255,981</b>	<b>\$ 23,337,346</b>	<b>\$ 23,337,346</b>
<b>Administration</b>			
OHCA Administration Costs	\$ 136,628	\$ 68,314	
DHS-Ombudsmen	-	-	
OSDH-Nursing Facility Inspectors	65,177	65,177	
Mike Fine, CPA	-	-	
<b>Total Administration Costs</b>	<b>\$ 201,805</b>	<b>\$ 133,491</b>	<b>\$ 133,491</b>
<b>Total Quality of Care Fee Costs</b>	<b>\$ 58,457,786</b>	<b>\$ 23,470,837</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 23,470,837</b>

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are transferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

**OKLAHOMA HEALTH CARE AUTHORITY**

**SUMMARY OF REVENUES & EXPENDITURES:**

**Fund 245: Health Employee and Economy Improvement Act Revolving Fund  
SFY 2018, For the Three Month Period Ending September 30, 2017**

<b>REVENUES</b>	<b>FY 17 Carryover</b>	<b>FY 18 Revenue</b>	<b>Total Revenue</b>
Prior Year Balance	\$ 7,673,082	\$ -	\$ 4,810,612
State Appropriations	(3,000,000)	-	-
Tobacco Tax Collections	-	11,499,252	11,499,252
Interest Income	-	37,870	37,870
Federal Draws	307,256	8,785,284	8,785,284
<b>TOTAL REVENUES</b>	<b>\$ 4,980,338</b>	<b>\$ 20,322,406</b>	<b>\$ 25,133,018</b>

<b>EXPENDITURES</b>	<b>FY 17 Expenditures</b>	<b>FY 18 Expenditures</b>	<b>Total \$ YTD</b>
<b>Program Costs:</b>			
Employer Sponsored Insurance		\$ 14,256,038	\$ 14,256,038
College Students/ESI Dental		104,592	41,900
<b>Individual Plan</b>			
SoonerCare Choice		\$ 31,029	\$ 12,430
Inpatient Hospital		754,743	302,350
Outpatient Hospital		1,044,529	418,438
BH - Inpatient Services-DRG		91,665	36,721
BH -Psychiatrist		-	-
Physicians		1,155,289	462,809
Dentists		10,414	4,172
Mid Level Practitioner		4,022	1,611
Other Practitioners		125,791	50,392
Home Health		1,205	483
Lab and Radiology		192,769	77,223
Medical Supplies		89,898	36,013
Clinic Services		298,533	119,592
Ambulatory Surgery Center		40,182	16,097
Prescription Drugs		3,028,247	1,213,116
Transportation		27,952	11,198
Premiums Collected		-	(151,000)
<b>Total Individual Plan</b>		<b>\$ 6,896,268</b>	<b>\$ 2,611,645</b>
<b>College Students-Service Costs</b>		<b>\$ 101,767</b>	<b>\$ 40,768</b>
<b>Total OHCA Program Costs</b>		<b>\$ 21,358,664</b>	<b>\$ 16,950,350</b>
<b>Administrative Costs</b>			
Salaries	\$ 40,359	\$ 540,737	\$ 581,096
Operating Costs	25,578	18,345	43,923
Health Dept-Postponing	-	-	-
Contract - HP	103,788	204,423	308,211
<b>Total Administrative Costs</b>	<b>\$ 169,725</b>	<b>\$ 763,505</b>	<b>\$ 933,230</b>
<b>Total Expenditures</b>			<b>\$ 17,883,581</b>
<b>NET CASH BALANCE</b>	<b>\$ 4,810,612</b>		<b>\$ 7,249,437</b>

**OKLAHOMA HEALTH CARE AUTHORITY  
SUMMARY OF REVENUES & EXPENDITURES:**

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund  
SFY 2018, For the Three Month Period Ending September 30, 2017**

REVENUES	FY 18 Revenue	State Share
Tobacco Tax Collections	\$ 229,471	\$ 229,471
<b>TOTAL REVENUES</b>	<b>\$ 229,471</b>	<b>\$ 229,471</b>

EXPENDITURES	FY 18 Total \$ YTD	FY 18 State \$ YTD	Total State \$ Cost
<b>Program Costs</b>			
SoonerCare Choice	\$ 3,178	\$ 891	
Inpatient Hospital	193,570	\$ 54,277	
Outpatient Hospital	779,332	\$ 218,525	
Inpatient Services-DRG	-	\$ -	
Psychiatrist	-	\$ -	
TFC-OHCA	-	\$ -	
Nursing Facility	7,616	\$ 2,136	
Physicians	1,134,650	\$ 318,156	
Dentists	2,098	\$ 588	
Mid-level Practitioner	246	\$ 69	
Other Practitioners	29,789	\$ 8,353	
Home Health	825	\$ 231	
Lab & Radiology	60,178	\$ 16,874	
Medical Supplies	6,272	\$ 1,759	
Clinic Services	42,381	\$ 11,884	
Ambulatory Surgery Center	1,343	\$ 377	
Prescription Drugs	648,842	\$ 181,935	
Transportation	28,260	\$ 7,924	
Miscellaneous Medical	1,515	\$ 425	
<b>Total OHCA Program Costs</b>	<b>\$ 2,940,095</b>	<b>\$ 824,403</b>	
<b>OSA DMHSAS Rehab</b>	<b>\$ 16,684</b>	<b>\$ 4,678</b>	
<b>Total Medicaid Program Costs</b>	<b>\$ 2,956,778</b>	<b>\$ 829,081</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 829,081</b>

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are transferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

## OHCA Board Meeting November 9, 2017 (September 2017 Data)

### SOONERCARE ENROLLMENT/EXPENDITURES

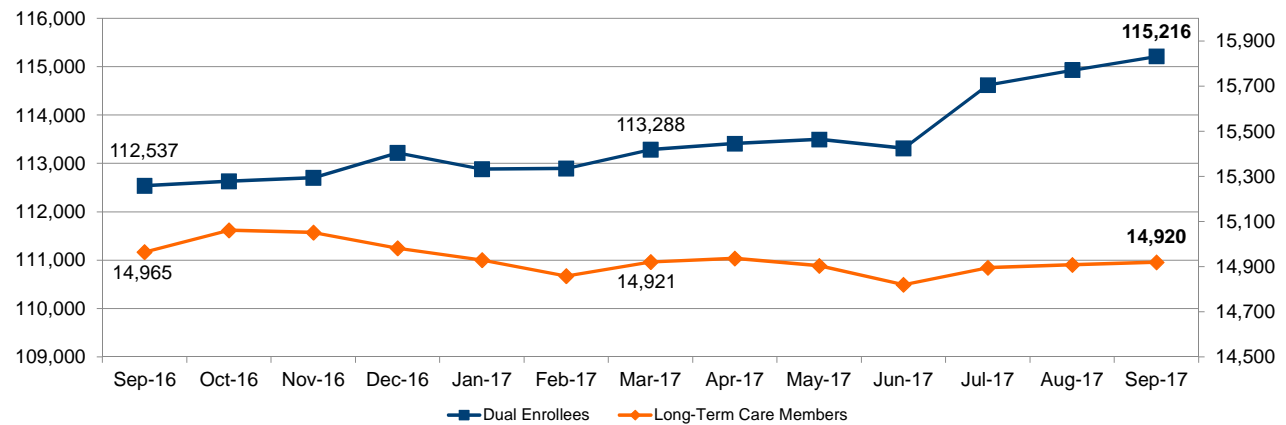
Delivery System		Enrollment September 2017	Children September 2017	Adults September 2017	Enrollment Change	Total Expenditures September	PMPM September 2017	Forecasted Sep 2017 Trend PMPM
<b>SoonerCare Choice Patient-Centered Medical Home</b>		<b>538,419</b>	<b>444,119</b>	<b>94,300</b>	<b>-3,448</b>	<b>\$146,649,994</b>		
Lower Cost	<i>(Children/Parents; Other)</i>	494,059	429,952	64,107	-3,633	\$104,586,206	\$212	\$212
Higher Cost	<i>(Aged, Blind or Disabled; TEFRA; BCC)</i>	44,360	14,167	30,193	185	\$42,063,788	\$948	\$1,015
<b>SoonerCare Traditional</b>		<b>234,075</b>	<b>86,910</b>	<b>147,165</b>	<b>-2,384</b>	<b>\$197,875,960</b>		
Lower Cost	<i>(Children/Parents; Other; Q1; SLMB)</i>	119,391	82,018	37,373	-2,686	\$68,569,844	\$574	\$499
Higher Cost	<i>(Aged, Blind or Disabled; LTC; TEFRA; BCC &amp; HCBS Waiver)</i>	114,684	4,892	109,792	302	\$129,306,115	\$1,127	\$1,237
<b>SoonerPlan</b>		<b>32,075</b>	<b>2,624</b>	<b>29,451</b>	<b>-1,685</b>	<b>\$252,127</b>	<b>\$8</b>	<b>\$10</b>
<b>Insure Oklahoma</b>		<b>19,263</b>	<b>468</b>	<b>18,795</b>	<b>-549</b>	<b>\$6,595,718</b>		
Employer-Sponsored Insurance		14,076	272	13,804	-527	\$4,414,690	\$314	\$338
Individual Plan		5,187	196	4,991	-22	\$2,181,028	\$420	\$452
<b>TOTAL</b>		<b>823,832</b>	<b>534,121</b>	<b>289,711</b>	<b>-8,066</b>	<b>\$351,373,799</b>		

Enrollment totals include all members enrolled during the report month. Members may not have expenditure data. Children are members aged 0 - 20 or for Insure Oklahoma enrolled as Students or Dependents. Dual Eligibles (Medicare & Medicaid) are in the Traditional delivery system in both the Low Cost (Q1 & SLMB) and High Cost (ABD) groups. OTHER includes DDSD, PKU, Q1, Refugee, SLMB, STBS and TB.

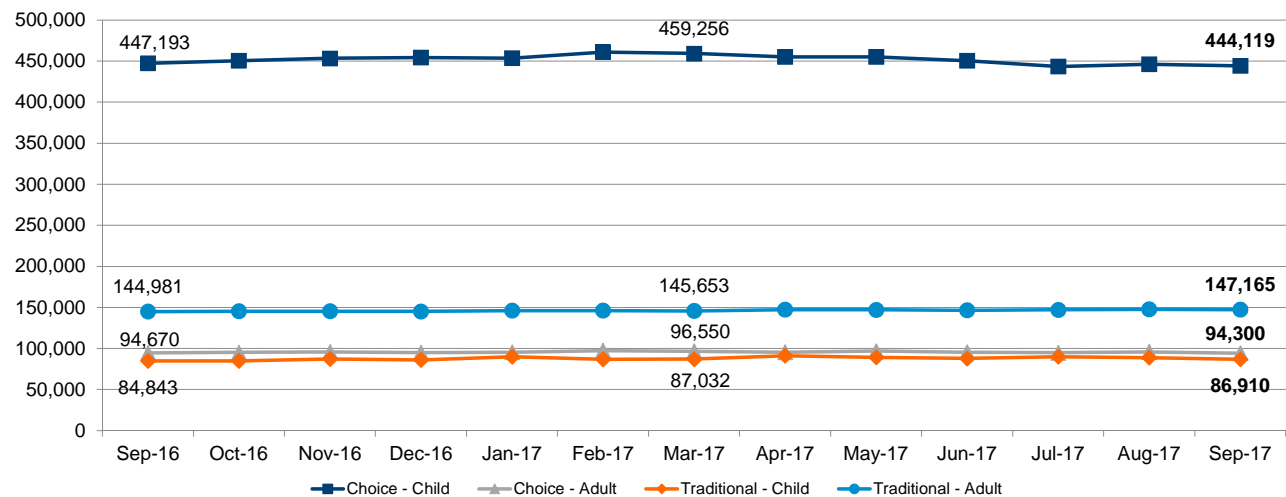
Total In-State Providers: 32,083 (+326) (In-State Providers counted multiple times due to multiple locations, programs, types, and specialties)								
Physician	Pharmacy	Dentist	Hospital	Mental Health	Optometrist	Extended Care	Total PCPs*	PCMH
9,589	981	1,350	186	3,455	587	391	6,847	2,686

\*PCPs consist of all providers contracted as a Certified Registered Nurse Practitioner, Family Practitioner, General Pediatrician, General Practitioner, Internist, General Internist, and Physician Assistant.

### DUAL ENROLLEES & LONG-TERM CARE MEMBERS

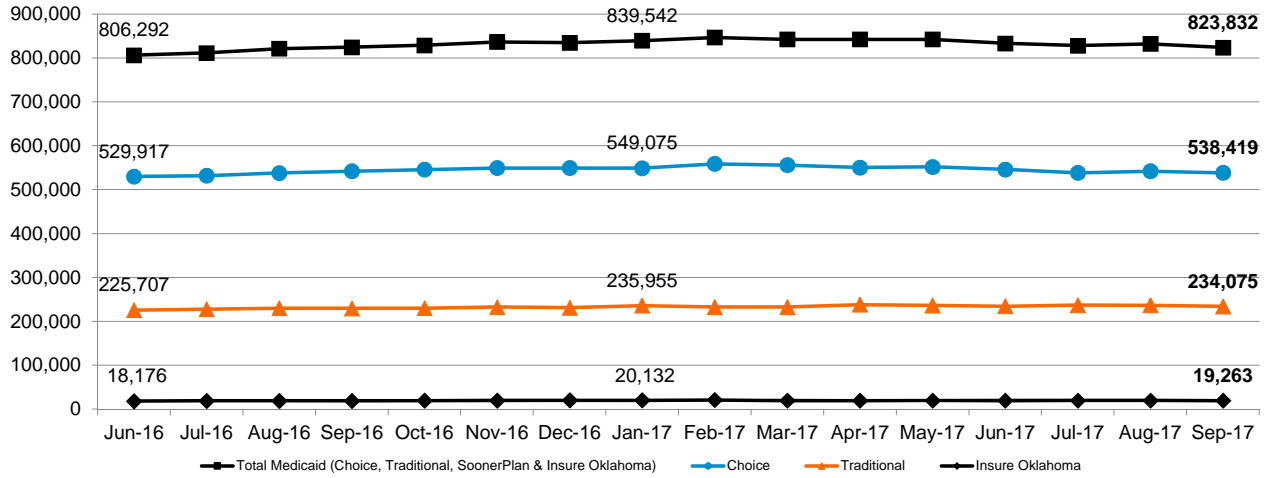


### CHILDREN & ADULTS ENROLLMENT

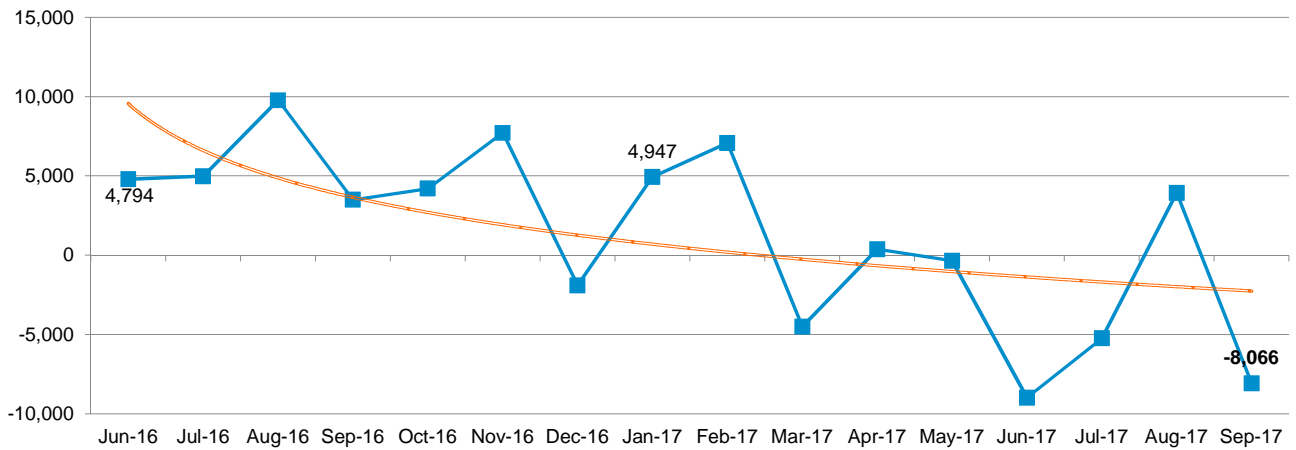




## ENROLLMENT BY MONTH

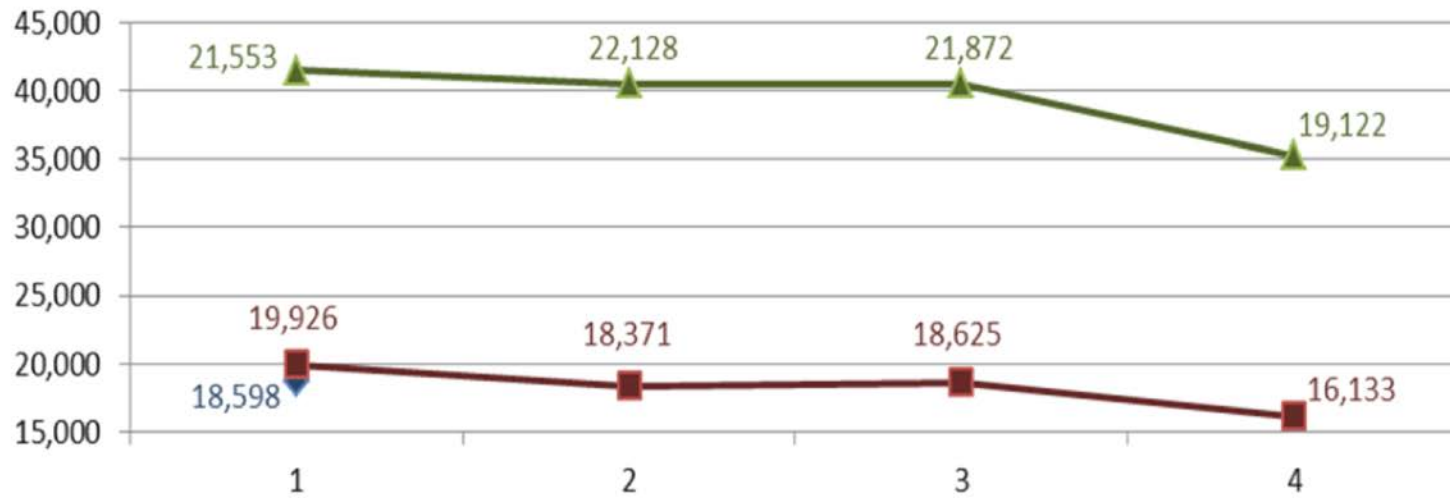


## MONTHLY CHANGE IN ENROLLMENT



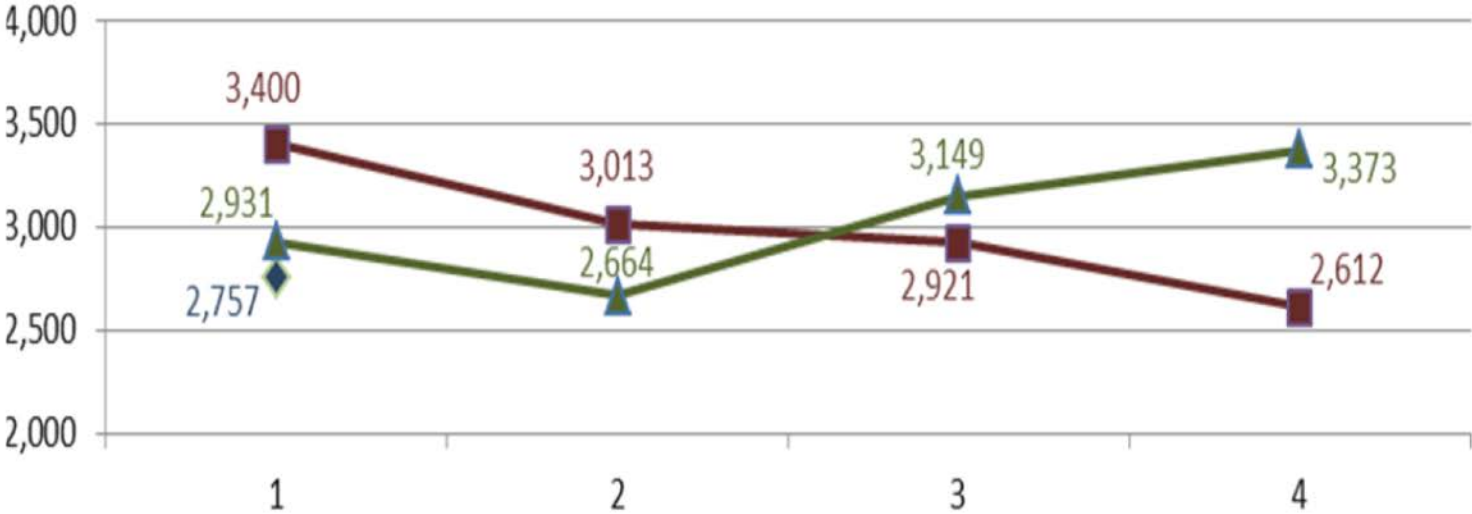
## MS Total Tier II Calls Comparison

◆ Total Tier II Calls SFY18    ■ Total Tier II Calls SFY17    ▲ Total Tier II Calls SFY16



# PS Phone Calls Comparison

◆ Phone Calls Handled SFY18   ■ Phone Calls Handled SFY17   ▲ Phone Calls Handled SFY16



## Report for Nov. 9, 2017

Oklahoma's special session continues as lawmakers work to find revenue solutions. Over the past few weeks, several proposals have been introduced:

### Senate "Plan B" bills

On Oct. 26, the Senate Joint Committee on Appropriations & Budget (JCAB) introduced and passed five bills they said would be heard in the event a revenue bill that included a gross production tax (GPT) increase failed in the House. The bills immediately went to the House JCAB, where they also passed.

- SB 18X – Appropriates \$23.3 million from the Constitutional Reserve (Rainy Day) Fund to the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS).
- SB 23X – Removes the sales tax exemption from gasoline, diesel and compressed natural gas.
- **SB 30X – Appropriates \$24.94 million from general revenue carryover to OHCA.**
- SB 32X – Appropriates \$29.94 million from general revenue carryover to ODMHSAS.
- SB 34X – Appropriates \$29 million from general revenue carryover to the Department of Human Services (DHS).

### House "Plan B" bills

On Oct. 30, the House heard its own set of "Plan B" bills. HB 1081X was later heard and passed by the Senate and signed by the governor.

- HB 1081X – Appropriates \$23.3 million from the Constitutional Reserve (Rainy Day) Fund to ODMHSAS. The bill and its emergency passed 92 to 3.
- **HB 1082X – Appropriates \$24.94 million from the FY2017 General Revenue Fund to OHCA. The bill and its emergency passed 92 to 3.**
- HB 1083X – Appropriates \$24.94 million from the FY2017 General Revenue Fund to ODMHSAS. The bill and its emergency passed 92 to 3.
- HB 1084X – Appropriates \$29.0 million from the FY2017 General Revenue Fund to DHS. The bill and its emergency passed 92 to 3.

### House Bill 1054X

On Nov. 8, the House heard House Bill 1054X, a revenue-raising measure that was estimated to generate \$132.9 million for SFY17 and \$426.5 million for SFY18. The bill included:

- A \$1.50 cigarette tax, modifications to tax stamp rules on cigarettes, tax rate modification on little cigars and a tax on chewing tobacco, smokeless tobacco and snuff,
- A six-cent tax increase on gas and diesel,
- A low-point beer tax, and;
- An increase to the GPT tax incentive rate from 2 percent to 4 percent.

The bill failed to receive the three-quarters majority needed. The final vote was 71-27, with one member absent. Forty-eight out of 70 Republicans (69%) and 23 out of 28 Democrats (82%) voted in favor of the measure.

## ACROSS THE BOARD PROVIDER RATE REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of a 9.00% reduction, to the current rates and reimbursement structure in the SoonerCare program. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

OHCA currently reimburses providers under a variety of different rate structures; diagnostic-related group (DRG), per diem, max fee, percent of Medicare, and a percent of costs are some examples. Our current rates reflect a 3.25% reduction, a 7.75% reduction, and a 3.00% reduction from the applicable rate structures, implemented in April of 2010, July 2014, and January 2016.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

Effective December 1, 2017, OHCA seeks to decrease the current rates by 9.00% of the applicable rate structure. The proposed reduction excludes services financed through appropriations to other state agencies, services provided under a waiver, and services where a reduction could severely limit access or not cover costs (in the aggregate). While this list is fairly comprehensive it is not exhaustive.

Exclusions:

- Complex Rehabilitation Technology Provider Services
- Long term care facilities
- Child abuse exams
- Non-emergency transportation
- Insure Oklahoma
- Payments for drug ingredients / physician supplied drugs
- Services provided under a waiver
- Services paid for by other state agencies
- Services provided to Native Americans through Indian Health Services / Indian/Tribal/Urban Clinics
- Private Duty Nursing
- Emergency Transportation
- FQHCs/RHCs
- Choice Care Coordination
- Programs of All-inclusive Care for the Elderly (PACE)

**6. BUDGET ESTIMATE.**

The estimated budget impact for the remainder of SFY 2018 will be a decrease in the total amount of \$68,409,743; \$28,342,157 state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the 9.00% rate reduction for all providers excluding those providers/services that have an exception provision.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017

## NURSING FACILITIES MEDICARE PART A AND B CROSS- OVER CLAIMS REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Method Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision to the current methodology for payment of Medicare crossover claims to Nursing Facilities. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

OHCA current rate methodology pays 20% of Medicare Part A coinsurance and deductible, and 75% of Medicare Part B coinsurance and deductible on crossover claims to nursing facilities.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

The proposed rate methodology is to pay 0% of Medicare Part A and B coinsurance and deductible on crossover claims to nursing facilities.

**6. BUDGET ESTIMATE.**

Savings for the remainder of SFY2018 will be a decrease in the total amount of \$3,523,232; with \$1,459,675 state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the method change to pay 0% of Coinsurance and Deductible of Medicare Part A and B Crossover claims to nursing facilities.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017



## REGULAR NURSING FACILITIES RATE REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of approximately 4.00% reduction to Regular Nursing Facilities provider rates. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements:

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Regular Nursing facilities calls for the establishment of a prospective rate which consists of four components. The current components are as follows:

- A. Base Rate Component is \$107.79 per patient day.
- B. A Focus on Excellence (FOE) Component defined by the points earned under this performance program ranging from \$1.00 to \$5.00 per patient day.
- C. An "Other Cost" Component which is defined as the per day amount derived from dividing 30% of the pool of funds available after meeting the needs of the Base and FOE Component by the total estimated Medicaid days for the rate period.  
This component once calculated is the same for each facility.
- D. A "Direct Care" Component which is defined as the per day amount derived from allocating 70% of the pool of funds available after meeting the needs of the Base and FOE Components to the facilities. This component is determined separately and is different for each facility.

**STATE PLAN AMENDMENT RATE COMMITTEE**

The method (as approved in the State Plan) allocates the 70% pool of funds to each facility (on a per day basis) based on their relative expenditures for direct care costs.

The current combined pool amount for “Direct Care” and “Other Cost” Components is \$160,636,876.

The current Quality of Care (QOC) fee is \$11.29 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however there is a proposed rate change for Regular Nursing Facilities as a result of the proposed approximately 4% decrease to Regular Nursing Facility provider rates by the Oklahoma Health Care Authority.

The new Base Rate Component will be \$107.55 per patient day, a decrease of \$0.24 per patient day.

The new median “Direct Care” Component is \$21.20 per patient day, a decrease of \$3.12 per patient day.

The new “Other Cost” Component is \$9.08 per patient, a decrease of \$1.34 per patient day.

The new combined pool amount for “Direct Care” and “Other Cost” Components will be \$150,326,168.

The new Quality of Care (QOC) fee will be \$11.05 per patient day.

**6. BUDGET ESTIMATE.**

Savings for the remainder of SFY2018 will be a decrease in the total amount of \$10,669,304; with \$4,384,017 in state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Regular Nursing facilities:

- A decrease in the base rate component from \$107.79 per patient day to \$107.55 per patient day.
- A decrease in the combined pool amount for the “Other Cost” and “Direct Care” Components from \$160,636,876 to \$150,326,168 to account for the approximately 4% reduction in rates for Regular Nursing facilities.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017

## REGULAR INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF/IID) RATE REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of approximately 4.00% reduction to Regular ICF/IID Facilities provider rates. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements:

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Regular ICF/IID facilities requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$122.77 per patient day.

The Quality of Care (QOC) fee is \$7.54 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however there is a proposed rate change for Regular (ICF/IID) facilities as a result of the proposed decrease of approximately 4% to the rates of this provider type by the Oklahoma Health Care Authority.

The proposed rate for this provider type will be \$118.50 per patient day.

The new Quality of Care (QOC) fee will be \$7.31 per patient.

**6. BUDGET ESTIMATE.**

Savings for the remainder of SFY2018 will be a decrease in the total amount of \$444,759; with \$182,752 in state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Regular ICF/IID facilities:

- A decrease in the rate from \$122.77 per patient day to \$118.50 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017

## ACUTE (16 BED-OR-LESS) INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF/IID) RATE REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of approximately 4.00% reduction to Acute ICF/IID Facilities provider rates. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements:

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for Acute ICF/IID facilities requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$157.03 per patient day.

The Quality of Care (QOC) fee is \$9.50 per patient day.

**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however, there is a proposed rate change for Acute ICF/IID facilities as a result of the proposed approximately 4% decrease to the rates of this provider type by the Oklahoma Health Care Authority.

The proposed rate for this provider type will be \$151.44 per patient day.

The new Quality of Care (QOC) fee will be \$9.17 per patient day.

**6. BUDGET ESTIMATE.**

Savings for the remainder of SFY2018 will be a decrease in the total amount of \$789,944; with \$324,588 in state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for Acute ICF/IID facilities:

- A decrease in the rate from \$157.03 per patient day to \$151.44 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017

## ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) NURSING FACILITIES RATE REDUCTION

**1. IS THIS A RATE CHANGE OR A METHOD CHANGE?**

Rate Change

**2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?**

Decrease

**3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of approximately 4.00% reduction to nursing facilities serving residents with AIDS provider rates. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

Federal Requirements

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate methodology for nursing facilities serving residents with AIDS requires the establishment of a prospective rate which is based on the reported allowable cost per day.

The current rate for this provider type is \$200.01 per patient day.

The Quality of Care (QOC) fee is \$11.29 per patient day.



**5. NEW METHODOLOGY OR RATE STRUCTURE.**

There is no change in methodology; however there is a rate change for nursing facilities serving residents with AIDS as a result of the proposed approximately 4% decrease to the rate of this provider type by the Oklahoma Health Care Authority.

The proposed rate for this provider type will be \$193.53 per patient day.

The new Quality of Care (QOC) fee will be \$11.05 per patient day.

**6. BUDGET ESTIMATE.**

Savings for the remainder of SFY2018 will be a decrease in the total amount of \$31,557; with \$12,967 in state share.

**7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care, in accordance with requirements at 42 CFR 447.203(b)(6). In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the following for nursing facilities serving residents with AIDS:

- A decrease in the AIDS rate from \$200.01 per patient day to \$193.53 per patient day.

**9. EFFECTIVE DATE OF CHANGE.**

December 1, 2017

## **November Board Proposed Rule Change**

A face-to-face tribal consultation regarding the following proposed rule change was held Tuesday, September 5, 2017 in the Board Room of the Oklahoma Health Care Authority (OHCA). The proposed rule change was presented to the Medical Advisory Committee on Thursday, September 21, 2017.

APA work folder 17-03 was posted on the OHCA public website for a comment period from August 14, 2017 through September 13, 2017.

- A.** AMENDING agency rules at OAC 317:30-5-1096 will allow Indian Health Services, Tribal Program and Urban Indian Clinics, who are designated as Federally Qualified Health Centers, to be reimbursed at the Office of Management and Budget rate for services provided outside of the four walls of their facilities. These changes are necessary to comply with federal regulations.

**Budget Impact: Services provided to the Native American population are 100% federally funded therefore, no impact on state revenue is expected.**

**(Reference APA WF # 17-03)**

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY  
CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE

SUBCHAPTER 5. INDIVIDUAL PROVIDERS AND SPECIALTIES

PART 110. INDIAN HEALTH SERVICES, TRIBAL PROGRAMS, AND  
URBAN INDIAN CLINICS (I/T/Us)

**317:30-5-1096. ~~I/T/U off-site services~~ Off-site services**

~~I/T/U covered services provided off-site or outside of the I/T/U setting, including mobile clinics or places of residence, are compensable when billed by the I/T/U. I/T/U covered services provided off-site or outside of the I/T/U setting, including mobile clinics or places of residence, are compensable at the OMB rate when billed by an I/T/U that has been designated as a Federally Qualified Health Center. The I/T/U must meet provider participation requirements listed in 317:30-5-1088. I/T/U off-site services may be covered if the services rendered were within the provider's scope of practice and are of the same integrity of services rendered at the I/T/U facility.~~