

FY 2025 Budget Performance Review
80700 - Oklahoma Health Care Authority

Version Revision 02
 Lead Administrator: Ellen Buettner

Date submitted 10/9/2023
 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 low-income individuals. 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 other qualifying children and pregnant women. State Medicaid programs are funded with both federal and state dollars and in accordance with a federally approved State Plan. To receive federal dollars, the state must agree to cover "mandatory groups" and offer a minimum set of services referred to as "mandatory benefits." States can also receive federal funds for "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 currently contracts with approximately 74,000 medical and dental providers to provide Medical services to more than 1.2 million SoonerCare members.

Division 40 - Insure Oklahoma (Premium Assistance Program)

Employee Sponsored Insurance (ESI) is a program operated under Insure Oklahoma that provides premium assistance to eligible employees of qualifying Oklahoma small businesses who offer insurance coverage. Eligibility criteria for employees includes: household income that does not exceed 226 percent of the FPL; Oklahoma residency; US citizenship or legal resident status.

Divisions 10,30,50,88 - 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'24 Budgeted Department Funding By Source

| Dept. # | Department Name | Appropriations | Federal | Revolving | Local ¹ | Other ² | Total |
|--------------|---------------------------------|----------------------|------------------------|------------------------|--------------------|--------------------|-------------------------|
| 10 | Administration/Operations | \$27,472,393 | \$34,711,946 | \$1,334,992 | | | \$63,519,331 |
| 20 | Medicaid Payments | \$643,188,151 | \$6,962,024,158 | \$2,461,851,675 | | | \$10,067,063,984 |
| 21 thru 25 | Non-Title XIX Medical Services | \$0 | | \$119,065,000 | | | \$119,065,000 |
| 30 | Medicaid Contracts | \$12,070,794 | \$33,592,563 | \$15,772,314 | | | \$61,435,671 |
| 40 | Premium Assistance Program (IO) | | \$33,045,635 | \$15,580,057 | | | \$48,625,692 |
| 50 | Grants Management | \$56,805 | \$7,515,332 | \$566,412 | | \$192,480 | \$8,331,029 |
| 88 | ISD Information Services | \$45,815,442 | \$80,350,712 | \$16,002,173 | | | \$142,168,327 |
| | *Rate Preservation Fund 236 | \$164,138,056 | | -\$164,138,056 | | | \$0 |
| Total | | \$892,741,641 | \$7,151,240,346 | \$2,466,034,567 | \$0 | \$192,480 | \$10,510,209,034 |

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:

Tulsa Community Foundation

FY'23 Carryover by Funding Source

| Class Fund # | Carryover Class Fund Name | Appropriations | Federal | Revolving | Local ¹ | Other ² | Total |
|--------------|----------------------------------|----------------|---------|---------------|--------------------|--------------------|---------------|
| 20000 | Administrative Disbursing Fund | | | \$28,824,176 | | | \$28,824,176 |
| 34000 | Medicaid Program Disbursing Fund | | | \$708,496,666 | | | \$708,496,666 |
| | | | | | | | \$0 |

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'23 and FY'24?

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?

Call center response times have increased due to increased call volume resulting from the public health emergency (PHE) unwind.

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

Yes

FY'25 Requested Funding By Department and Source

| Dept. # | Department Name | Appropriations | Federal | Revolving | Other ¹ | Total | % Change |
|--------------|---------------------------------|------------------------|------------------------|------------------------|--------------------|-------------------------|--------------|
| 10 | Administration/Operations | \$27,472,393 | \$34,711,946 | \$1,334,992 | \$0 | \$63,519,331 | 0.00% |
| 20 | Medicaid Payments | \$1,226,860,238 | \$7,150,881,445 | \$1,761,243,032 | \$0 | \$10,138,984,715 | 0.71% |
| 21 thru 25 | Non-Title XIX Medical Services | \$0 | \$0 | \$119,065,000 | \$0 | \$119,065,000 | 0.00% |
| 30 | Medicaid Contracts | \$12,070,794 | \$33,592,563 | \$15,772,314 | \$0 | \$61,435,671 | 0.00% |
| 40 | Premium Assistance Program (IO) | \$0 | \$33,045,635 | \$15,580,057 | \$0 | \$48,625,692 | 0.00% |
| 50 | Grants Management | \$56,805 | \$7,515,332 | \$566,412 | \$192,480 | \$8,331,029 | 0.00% |
| 88 | ISD Information Services | \$47,015,442 | \$81,550,712 | \$16,002,173 | \$0 | \$144,568,327 | 1.69% |
| | *Rate Preservation Fund 236 | \$164,138,056 | \$0 | -\$164,138,056 | \$0 | \$0 | #DIV/0! |
| Total | | \$1,477,613,728 | \$7,341,297,633 | \$1,765,425,924 | \$192,480 | \$10,584,529,765 | 0.71% |

1. Please describe source(s) and % of total of "Other" funding for each department:

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FY'25 Top Five Operational Appropriation Funding Requests

| Request by Priority | Request Description | Appropriation Request Amount (\$) |
|---|--|-----------------------------------|
| Request 1: | Annualizations (Impact of Federal Medical Assistance Percentage changes) | \$11,354,122 |
| Request 2: | Maintenance (Cost to Continue Program Changes) | \$760,493,037 |
| Request 3: | One-Time Funding | -\$192,830,171 |
| Request 4: | Program Enhancements | \$5,855,099 |
| Request 5: | | |
| Top Five Request Subtotal: | | \$584,872,087 |
| Total Increase above FY-24 Budget (including all requests) | | \$ 584,872,087 |
| Difference between Top Five requests and total requests: | | \$0 |

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

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

How would the agency be affected by receiving the same appropriation for FY '25 as was received in FY '24? (Flat/ 0% change)

The agency received a significant appropriation reduction in FY 24 and offset the deficit with carryover from prior years. If the agency receives the same FY 24 appropriation, a reduction of provider reimbursement rates would be necessary to maintain operations which would trigger the use of the rate preservation fund. Full utilization of the rate preservation funds would still likely result in the need to reduce provider reimbursement rates.

How would the agency handle a 2% appropriation reduction in FY '25?

The agency received a significant appropriation reduction in FY 24 and offset the deficit with carryover from prior years. If the agency receives the same FY 24 appropriation, a reduction of provider reimbursement rates would be necessary to maintain operations which would trigger the use of the rate preservation fund. Full utilization of the rate preservation funds would still likely result in the need to reduce provider reimbursement rates.

Is the agency seeking any fee increases for FY '25?

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

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

| Description of request in order of priority | Appropriated Amount (\$) | Submitted to LRCPC? (Yes/No) |
|--|--------------------------|------------------------------|
| Additional funds were not requested for FY 25, however, the agency has begun the planning process to replace the Medicaid Enterprise System which will span multiple years. The agency anticipates a large one-time request for FY 26 and potential requests in subsequent years. The projected state cost is between \$20 million and \$30 million. | | |
| Priority 1 | | |
| Priority 2 | | |
| Priority 3 | | |

Federal Funds

| CFDA | Federal Program Name | Agency Dept. # | FY 24 budgeted | FY 23 | FY 22 | FY 21 | FY 20 |
|--------|---|-------------------|----------------|---------------|---------------|---------------|---------------|
| 93.778 | Title XIX Medical Assistance Program | 10/20/30/40/50/88 | 6,895,058,776 | 7,203,953,520 | 5,890,416,118 | 4,021,232,331 | 3,508,333,070 |
| 93.767 | Title XXI Children's Health Insurance Program | 20/50 | 241,610,388 | 258,636,982 | 225,886,192 | 221,978,648 | 247,651,647 |
| 93.796 | HQSB-Medicaid Survey & Certification | 30 | 5,505,750 | 689,753 | 2,452,905 | 3,681,059 | 4,834,076 |
| 93.791 | Money Follows the Person (MFP) grant | 20/50 | 9,065,431 | 3,359,265 | 1,857,869 | 982,043 | 908,673 |
| 93.639 | Mobile Crisis Grant | | | 39,635 | 86,274 | | |

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?
 In FY 2023, federal funds account for 75% of the total estimated resources needed to provide health care to nearly 1.4 million Oklahomans. Ending the federally funded program would require significant state investment or elimination of the Medicaid and CHIP program; negatively impacting 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

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| FY 2024 Budgeted FTE | | | | | | | |
|----------------------|--------------------------|-------------|-----------------|--------------|-----------------|-----------------|-----------|
| Division # | Division Name | Supervisors | Non-Supervisors | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$100K | \$100K+ |
| 10 | Operations | 120 | 443 | 4 | 403 | 107 | 49 |
| 20 | Medicaid Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 | Medicaid Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | Premium Assistance | 3 | 13 | 0 | 14 | 2 | 0 |
| 50 | Grants Management | 4 | 17 | 0 | 20 | 1 | 0 |
| 88 | ISD Information Services | 3 | 3 | 1 | 3 | 0 | 2 |
| Total | | 130 | 476 | 5 | 440 | 110 | 51 |

| FTE History by Fiscal Year | | | | | | | |
|----------------------------|--------------------------|------------------|--------------|--------------|--------------|--------------|--------------|
| Division # | Division Name | FY 2024 Budgeted | FY 2024 YTD | FY 2023 | FY 2022 | FY 2021 | FY 2016 |
| 10 | Operations | 562.8 | 518.7 | 570.0 | 562.5 | 492.2 | 492.0 |
| 20 | Medicaid Payments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 30 | Medicaid Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 40 | Premium Assistance | 16.0 | 14.9 | 16.0 | 18.0 | 32.0 | 37.0 |
| 50 | Grants Management | 21.3 | 18.8 | 18.0 | 12.0 | 12.0 | 20.0 |
| 88 | ISD Information Services | 6.0 | 4.1 | 5.0 | 7.0 | 51.3 | 57.0 |
| Total | | 606.0 | 556.6 | 609.0 | 599.5 | 587.5 | 606.0 |

| Performance Measure Review | | | | | |
|--|-------------------|-----------|-----------|-----------|---------|
| Program Name | FY 2023 | FY 2022 | FY 2021 | FY 2020 | FY 2019 |
| Fiscal Responsibility: | | | | | |
| 1. Total # of Unduplicated SoonerCare Members Enrolled | 1,470,692 | 1,323,301 | 1,075,881 | 1,005,671 | 998,209 |
| 2. Avg SoonerCare Program Expenditure per Member Enrolled | Pending | \$5,118 | \$4,812 | \$4,831 | \$4,756 |
| 3. Physician reimbursement as a Percentage of Medicare Rates | Pending | 93.63% | 93.63% | 93.63% | 89.17% |
| Health Outcomes: | | | | | |
| 4. Engagement of Alcohol and other Drug Dependency Treatment | Pending | Pending | 7.0% | 4.0% | 11.0% |
| 5. EPSDT Participation Ratio (Under age 21) | Pending | Pending | 35.2% | 30.0% | 37.0% |
| 6. Adult Preventive Care 20 to 65+ years | Pending | 78.9% | 81.0% | 85.7% | 86.0% |
| Operational Excellence: | | | | | |
| 7. Employee Turnover Rate | 8% | 14% | 10% | 10% | 12% |
| 8. Call Center wait times | Pending | n/a | n/a | n/a | n/a |
| 9. Prior Authorization turnaround time by type | See attachment #6 | n/a | n/a | n/a | n/a |

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| Revolving Funds (200 Series Funds) | | | |
|--|------------------------|----------------------------|------------------|
| Please provide fund number, fund name, description, and revenue source | FY'21-23 Avg. Revenues | FY'21-23 Avg. Expenditures | June '23 Balance |
| 200 - Administrative Disbursing Fund | | | |
| 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. | \$150,543,786 | \$151,562,103 | \$37,606,485 |
| 205 - Supplemental Hospital Offset Payment Program (SHOPP) | | | |
| 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. | \$210,725,241 | \$213,158,516 | \$65,837 |
| 230 - Quality of Care Fee (QOC) | | | |
| 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. | \$85,817,323 | \$85,487,668 | \$991,429 |
| 236 - Rate Preservation Fund | | | |
| 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. | \$108,860,230 | \$10,062,850 | \$331,540,779 |
| 240 - Federal Deferral Fund | | | |
| Fund 240 is utilized to reserve and track monies received for anticipated repayment of a federal deferral or disallowance and interest. 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. | \$16,172,116 | \$0 | \$62,110,169 |
| 245 - Health Employee and Economy Improvement Act (HEEIA) | | | |
| Apportioned tobacco tax collections. 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. | \$76,067,345 | \$77,295,749 | \$4,153,089 |
| 250 - Belle Maxine Hilliard Breast & Cervical Cancer Treatment Fund | | | |
| 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. | \$747,308 | \$747,308 | \$0 |
| 255 - Medicaid Program Fund | | | |
| 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. | \$44,781,457 | \$44,781,457 | \$0 |
| 270 - Ambulance Service Provider Access Payment Program (ASPAPP) assessment fees | | | |
| Fund 270 is utilized to track the revenues for Ambulance Service Provider Access Payment Program (ASPAPP) assessment fees, penalties and interest. Transfers from this account were stipulated initially in House Bill 2950 to be codified in Section 3242.5 of Title 63. ASPAPP expenditures are processed through Fund 340. | \$4,969,967 | \$4,920,778 | \$49,189 |
| 340 - Medicaid Program Fund - Continuing Fund | | | |
| 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. | \$7,821,753,483 | \$7,883,007,281 | \$1,028,111,364 |

| FY 2024 Current Employee Telework Summary | | | | | | |
|---|---------------|----------|---|---------------------------------------|---|-----------------|
| Agency Location / Address | City | County | Full-time and Part-time Employees (#) | | | |
| | | | Onsite (5 days onsite, rarely remote) | Hybrid (2-4 days onsite weekly) | Remote (1 day or less weekly onsite) | Total Employees |
| 4345 N. Lincoln Blvd. | Oklahoma City | Oklahoma | 55 | 94 | 398 | 547 |
| Total Agency Employees | | | | | | 547 |