



OKLAHOMA
Health Care Authority

Oklahoma Health Care Authority

FY 2025 Budget Hearing Presentation

Submitted by: Ellen Buettner, Chief Executive Officer

Ellen Buettner

Chief Executive Officer



The Oklahoma Health Care Authority (OHCA) administers Oklahoma's Medicaid program, commonly known as SoonerCare. SoonerCare works to improve the health of qualified Oklahomans by ensuring medically necessary benefits and services are available. Qualifying Oklahomans include certain low-income children, adults, families, those with disabilities, those being treated for breast or cervical cancer, and those seeking family planning services.

Founded in 1993, the agency structures its organization around four key pillars: Improving Health Outcomes, Fiscal Responsibility, Operational Excellence and High-Performing Teams. The agency is currently working to transform the Medicaid delivery in Oklahoma through the SoonerSelect program, which is a value-based payment model that will improve the health outcomes of SoonerCare members. OHCA also oversees the Oklahoma State Health Information Exchange and Insure Oklahoma, which supports small businesses' efforts to provide health insurance for their employees.

The agency partners with the Oklahoma Department of Mental Health and Substance Abuse Services, Oklahoma State Department of Health, Oklahoma Human Services and OU College of Pharmacy, along with several other state agencies, to serve Oklahomans through the Medicaid program. OHCA contracts with approximately 74,000 medical and dental providers to serve its more than 1.2 million SoonerCare members.

Agency Vision, Mission and Core Values

Vision:

Our vision is for Oklahomans to be healthy and to have access to quality health care services regardless of their ability to pay.

Mission:

Our mission 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.

Core Values:

Passion for Purpose | Empowerment and Accountability | Trust and Transparency | Best in Class and Outcome-driven | Servant Leadership



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- 1) Delivery system reform – completed procurement process and awarded 2 dental contracts and 3 medical contracts to begin SoonerSelect implementation.
- 2) Increased eligibility threshold for pregnancy coverage to 205% FPL and extended postpartum coverage from 60 days to one year.
- 3) Collected \$678 million in drug rebates, \$28 million more than expected.
- 4) Ranked among best in the nation for Medicaid eligibility and claims payment accuracy.
- 5) Ranked top in the nation for SoonerCare application processing times.
- 6) Named by The Oklahoman as a 2020, 2021, 2022, and 2023 Top Place to Work.
- 7) Living Choice program exceeded annual CMS benchmarks allowing 70 members to receive home and community-based care, 106% of benchmark.
- 8) Approved 25% rate increase for private duty nurses.
- 9) Submitted final SoonerSelect Comprehensive Quality Strategy.
- 10) Implemented new care management system.



Challenges

Top Challenges (current & upcoming years)

- 1) Decrease in FMAP and future trends.
- 2) Sustainable funding for enrollment level due to federal and state mandates, and changes in acuity post-PHE.
- 3) Replacement of one-time funding and unfunded mandates, e.g. Long-Term Care reimbursement increases.
- 4) Operational and financial obligations associated with PHE unwind.
- 5) Restructure of delivery system and provider reimbursement methodology (e.g. directed payments) in compliance with 2022 SB 1337 and 1396.
- 6) Logistical and funding challenges associated with collaboration efforts where shared responsibility exists between state agencies to improve health outcomes (e.g. capitated payment design).



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
Medication Therapy Management	OHCA expanded the Medication Therapy Management virtual pharmacist program statewide to improve customer experience and access to prescription information by implementing the delayed capitation payment until member has initial visit with primary care provider.	Dollars	\$6.9 million	\$7.1 million	\$7.3 million
Family Planning FMAP	Re-evaluated the covered 90% FMAP Family Planning program	Dollars	\$12 million	\$3 million	\$3.1 million
Fleet vehicles	The agency reduced its need for fleet vehicles resulting in a savings of approximately \$50,000.	Dollars	\$50,000	\$50,000	\$50,000
Health Management Program (HMP) health coaching	Through nurse care management for members who have chronic and acute conditions, the OHCA HMP generated nearly \$3 in medical savings for every \$1 spent in FY 2018 and FY 2019 (utilizing cost project comparison methodology).	Dollars	\$8.9 million	\$9.2 million	\$9.5 million
Third Party Liability	Recoupment of third-party liability claims.	Dollars	\$10 million	\$10.3 million	\$10.6 million
Medication Management	3,300 members engaged in comprehensive medication management. Saw a 23% reduction in spend and a 42% decrease in inpatient hospital utilization in the intervened population.	Percent Reduction of Inpatient Utilization	42%	42%	42%
Program Integrity	New program integrity pharmacist helped identify \$2.8 million eligible for recoupment on present-day claims.	Dollars	\$2.8 million	\$2.9 million	\$3 million
Out of State claims	PCM developed a new process to review out-of-state claims	Dollars	\$4.6 million	\$4.7 million	\$4.9 million



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals <small>(as of 6/30/22)</small>	FY 24 Target	FY 29 Target
1	Fiscal Responsibility: Maintain administrative cost at or below 5% of total annual costs	Administrative cost as a percent of total annual costs	1.81%	1.28%	1.25%	1.20% CY 2026
2	Fiscal Responsibility: Maintain program growth below national Medicaid trend (NHE Projections Table 17)	NHE Health Insurance Expenditure Growth Rate	5.0% (excludes Medicaid Expansion)	11% (excludes Medicaid Expansion)	-2.1%	<5.6%
3a	Health Outcomes: Increase primary care services (adults)	Adult Health Care Use – Preventive Care (Age 20-65+)	78.9%	Data Available January 2024	82.5%	84.5% CY 2026
3b	Health Outcomes: Increase primary care services (children)	Well-child visits in the first 30 months of life Age: First 15 months Age: 15-30 months Child and adolescent well-care visits	59.4% 63.0%	60.96% 56.56%	62.2% 66.7%	64.0% 68.9% CY 2026
4a	Health Outcomes: Decrease emergency department visits (adults)	Ambulatory care: Emergency department (ED) visits per 1,000 beneficiary months, adults	53.87	Data Not Yet Available	49.38	40.40
4b	Health Outcomes: Decrease emergency department visits (children)	Ambulatory care: Emergency department (ED) visits per 1,000 beneficiary months, children	68.03	Data Not Yet Available	54.70	56.70 CY 2026
5	High-Performing Teams: Continuously attract and retain high-performing teams through performance management, competency development, and a culture of collaboration and communication	Turnover Rate	14%	8%	10%	10%
6	Operational Excellence: Increase operational excellence by instituting monthly management processes for key operational metrics to drive improvement	Number of operational key performance metrics with identified targets	10	10	12	16 CY 2026

Projects for FY 2024 - 2025

Projects

- 1) Complete disenrollment of ineligible members previously protected under the Public Health Emergency
- 2) Successfully implement SoonerSelect Dental program 2/1/24 and Medical / Children's Specialty programs 4/1/24
- 3) Meaningfully incorporate Statewide Health Information Exchange and other newly sourced analytics into quality reporting, care management, and agency decision making
- 4) Develop strategies to evaluate and address health equity across the Title 19 population while improving health outcomes
- 5) Develop Technology Strategic Plan, e.g Medicaid Enterprise System roadmap and mobile application design
- 6) Implementation of Enterprise Resource Planning system (PeopleSoft) and member experience tool (Qualtrics)
- 7) Nursing Facility reimbursement methodology redesign
- 8) Alternative supports for families in need of private duty nursing services



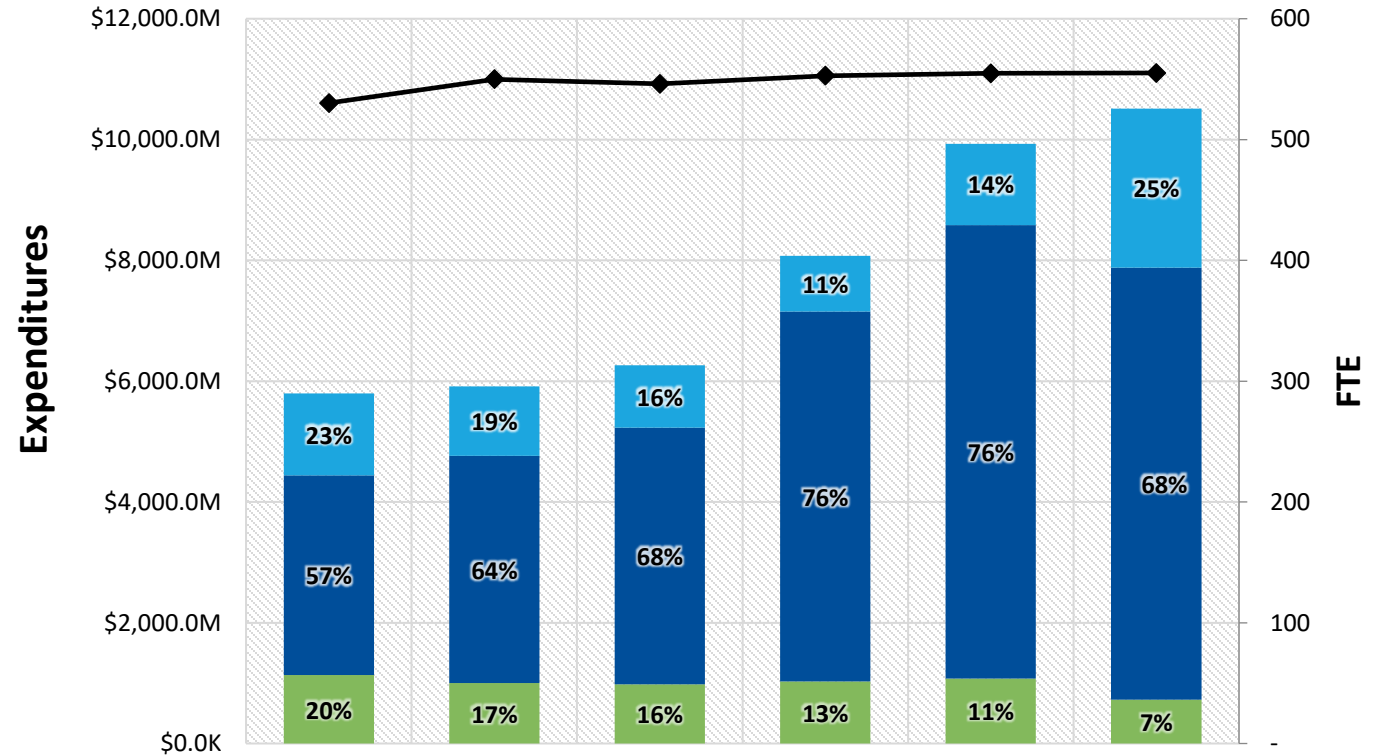
Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

Enrollment related to SQ 802 mandated Medicaid Expansion and the federal Public Health Emergency (PHE) continuous coverage mandate are the primary factors driving a significant increase in agency budget within the last 3 fiscal years.

Other non-recurring factors for FY 2024 include the claims bubble for the SoonerSelect Transition (\$368M), the Oklahoma SB 32X Mandated Hospital Payment (\$200M) and the SB 32X Mandated funds for provider HIE connections (\$30M).

Historic Actual Expenditures and Current Year Budget



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Budget
Appropriated	\$1,132.5M	\$1,000.0M	\$983.2M	\$1,030.2M	\$1,076.9M	\$728.6M
Revolving	\$1,354.0M	\$1,153.1M	\$1,032.3M	\$924.5M	\$1,348.0M	\$2,630.4M
Federal	\$3,309.1M	\$3,761.7M	\$4,247.9M	\$6,120.7M	\$7,505.8M	\$7,151.2M
Total	\$5,795.6M	\$5,914.9M	\$6,263.4M	\$8,075.4M	\$9,930.7M	\$10,510.2M
FTE	530	550	546	553	555	555



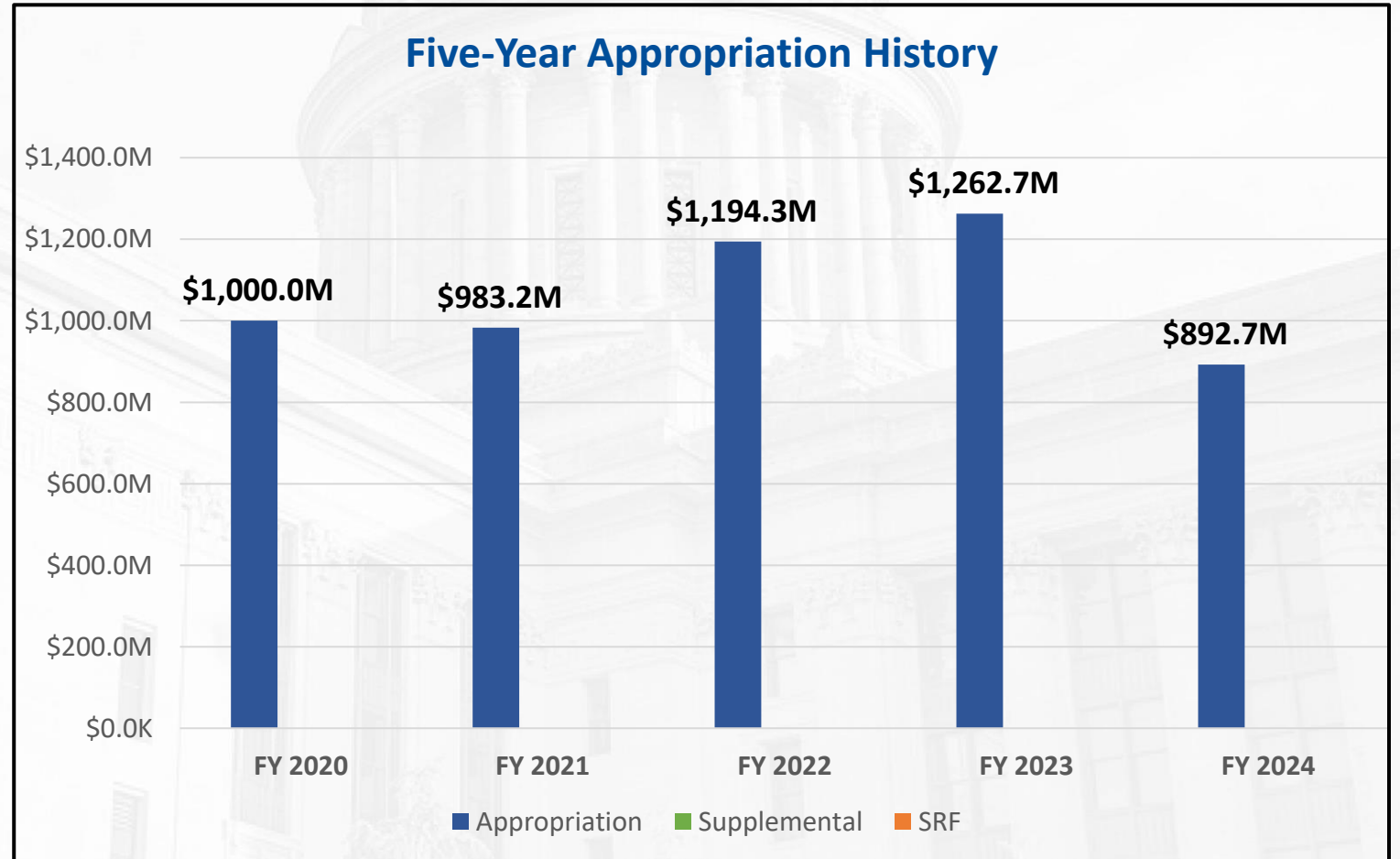


FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	606
Supervisor FTE	130
Supervisors to Total FTE Ratio (%)	21.5%

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$1,000,039,368
FY 2021	\$983,239,368
FY 2022	\$1,194,337,303
FY 2023	\$1,262,741,642
FY 2024	\$892,741,642



*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$20,158,770	\$14,505,079	\$25,562,647	\$17,498,130

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$222,985,064	\$454,014,425	\$1,032,204,135	\$1,464,628,341

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
20000	Administrative Disbursing Fund	\$37,606,485
34000	Medicaid Program Disbursing Fund	\$1,028,111,364
	Total Current Unrestricted Fund Cash balance: June 30, 2023	\$1,065,717,849

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	In FY 2024, OHCA will utilize \$737 million for obligations including \$600 million state appropriation reduction, \$47 million for SB 32X unfunded LTC rate increase, and the claims bubble associated with the SoonerSelect transition.
FY 2025	OHCA requires significant cash on hand to pay providers on average \$180 million weekly.
FY 2026	OHCA requires significant cash on hand to pay providers on average \$180 million weekly.



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2022				
Annualizations - Impact of Federal Medical Assistance Percentage changes	(\$20,593,154)	Yes	Yes	
Maintenance - Maintain the Oklahoma Medicaid Program at the current level	\$42,441,763	Yes	Yes	
Mandates - Expand Medicaid coverage in Oklahoma under ACA	\$164,138,054	Yes	Yes	
Program Enhancements / Operational Excellence	\$24,288,969	Yes	Yes	
Additional Claim Week	(\$15,977,697)	No		
Total adjustment	\$194,297,935			



**Do not include SRF / ARPA appropriation increases.*

FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2023				
Annualizations - Impact of Federal Medical Assistance Percentage changes	\$24,400,658	Yes	Yes	
Maintenance - Maintain the Oklahoma Medicaid Program at the current level	\$53,079,162	Yes	Yes	
Program Enhancements / Operational Excellence	\$3,027,977	Yes	Yes	
Remove MCO Premium Tax	(\$12,103,458)	No		
Total adjustment	\$68,404,339			



**Do not include SRF / ARPA appropriation increases.*

FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2024				
Mandated Hospital Payment SB32X	\$200,000,000	No		
Health Information Exchange SB32X	\$30,000,000	No		
FY24 Appropriation Reductions	(\$600,000,000)	No		
Total adjustment	(\$370,000,000)			



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	Annualizations (Impact of Federal Medical Assistance Percentage changes)	\$11,354,122	Operating
2	Maintenance (Cost to Continue Program Changes)	\$760,493,037	Operating
3	One-Time Funding (SHOPP deficit / Mandated FY24 payments SB32X)	(\$192,830,171)	One-time
4	Program Enhancements (Increase CRNA Rates to 100% / Add-on rate for trach residents / ABA expansion to IDD diagnosis)	\$5,855,099	Operating

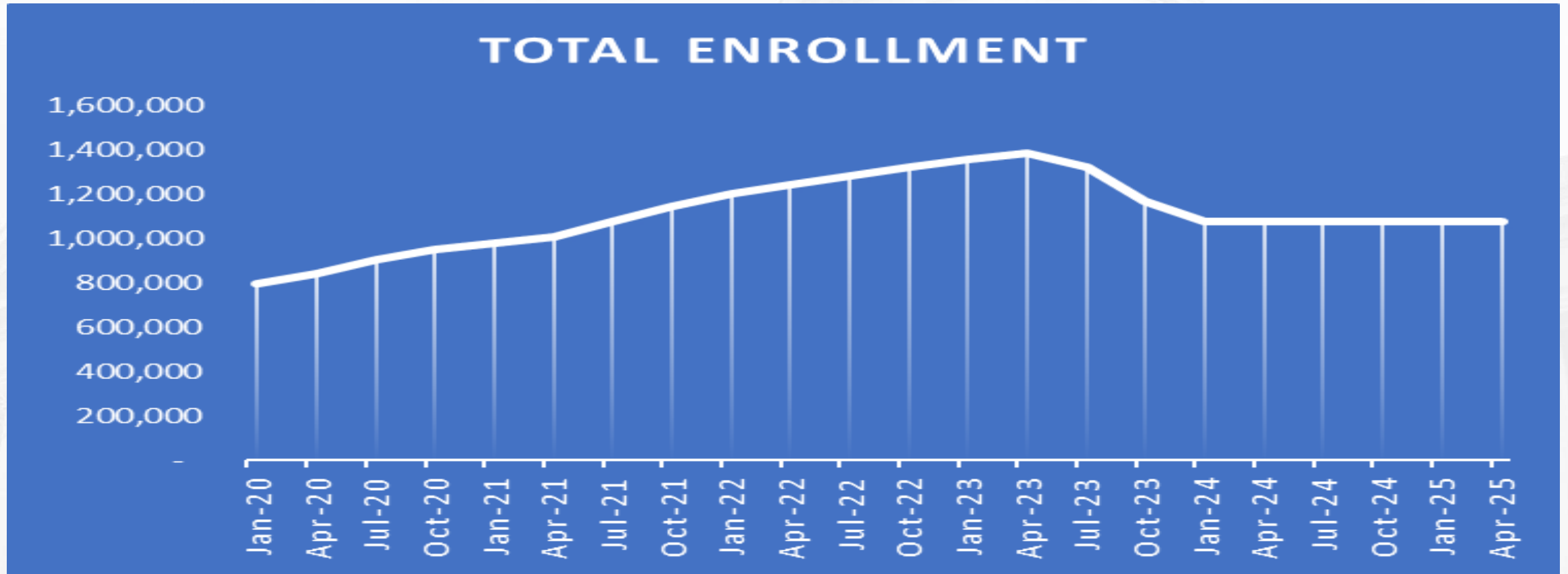




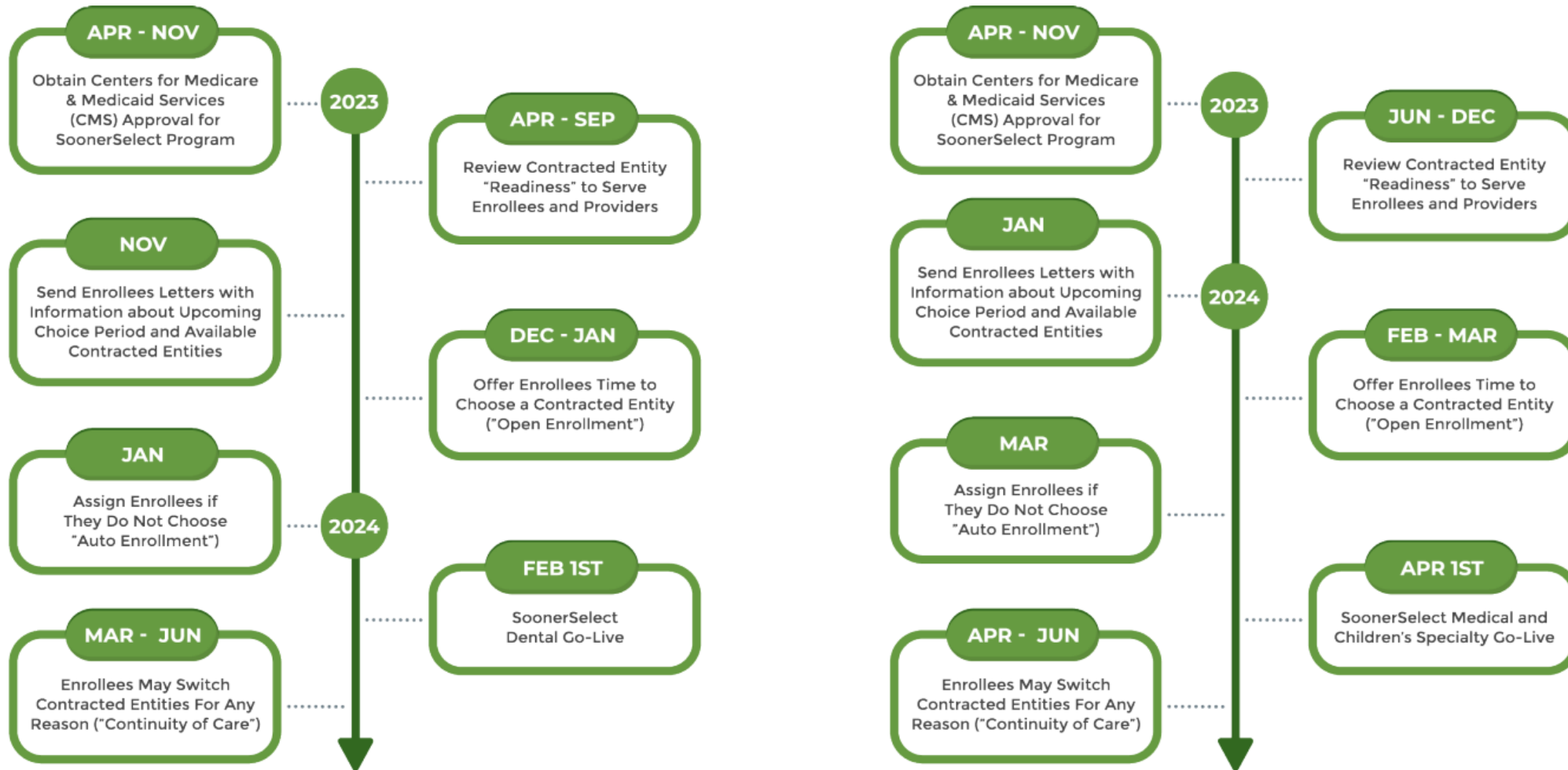
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Appendix

Enrollment



SoonerSelect Timeline



ONGOING COMMUNICATIONS TO ALL INTERESTED STAKEHOLDERS

(e.g., Enrollees, Providers, Tribal Partners, Legislators, Community Partners)

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(e.g., Enrollees, Providers, Tribal Partners, Legislators, Community Partners)



Directed Payments

- To comply with 2022 SB 1337, The Authority shall develop a plan, utilizing waivers or Medicaid state plan amendments as necessary, to preserve or increase supplemental payments:
 - Supplemental Hospital Offset Payment Program (SHOPP) – Approved by CMS, net benefit to hospitals over \$500 million annually
 - Level 1 Trauma Hospitals – Approved by CMS, net benefit to hospitals over \$100 million annually
 - Academic Medical Center Affiliated Physicians - Pending approval by CMS, maintain level of funding
 - Ground Emergency Transportation – Pending approval by CMS, maintain level of funding
 - Enhanced Tier Payment System (ETPS) – Pending approval by CMS, maintain level of funding
 - Provider Incentive Program – Pending approval by CMS, new program mandated in 2022 SB 1396 to support health care quality assurance and access improvement initiatives that will increase reimbursement to eligible providers by over \$100 million annually

