



OKLAHOMA
State Department
of Health

Oklahoma State Department of Health

FY 2026 Budget Hearing Presentation

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Commissioner, Oklahoma
State Health Department



The Oklahoma State Department of Health (OSDH) is established per 63 OK Stat § 63-1-105 serves as the state public health agency. The agency resides within the purview of the Secretary of Health and Mental Health Services cabinet of state government in Oklahoma. The Oklahoma State Department of Health, through its system of local health services delivery, is ultimately responsible for protecting and improving public health with strategies that focus on preventing disease.

Founded in 1907 this agency now encompasses the following divisions as direct report to the Commissioner of Health: Chief Medical Officer; Community Health Services, Quality Assurance & Regulatory, Health Preparedness, Chief Administrative Officer, Chief Financial Officer, Chief Strategy & Business Performance Officer, and Chief of Staff. Multiple program areas are overseen by the agency's leadership.

The OSDH also oversees a network of 68 county health department locations, among 10 public health districts. The OSDH collaborates with the two metro public health entities, Oklahoma City-County Health Department and Tulsa Health Department, which are autonomous offices managed outside of state government.

Agency Vision, Mission and Core Values

Vision: Leading Oklahoma to prosperity through health

Mission: To protect and promote health, to prevent disease and injury and to cultivate conditions by which Oklahomans can thrive

Core Values: Service, Collaboration, Respect & Accountability



Accomplishments

Top accomplishments for FY 2024 – FY 2025

- 1) Significant milestones completed for the Electronic Health Record (EHR) project including work alongside the awarded vendor, Patagonia Health, to approve requirements, develop and initiate the training, testing and roll out plan. Implementation of EHR will improve patient care, streamline administrative processes, and enhance overall healthcare delivery to Oklahomans.
- 2) Delivered over 1.2 million core medical services through the network of rural county health departments across Oklahoma in SFY24. OSDH continues to find creative ways to better serve Oklahoma's most vulnerable citizens.
- 3) Significant reductions in rates of syphilis, chlamydia and gonorrhea among Oklahomans due to multi year intervention efforts of public health staff and community partners.
- 4) Rolled out a successful notice of funding opportunity to execute agreements with community organizations to pass through 18 million state appropriated dollars for the Choosing Childbirth legislative initiative.
- 5) Implementation of Human Resources (HR) Centers of Excellence by redesigning workflows, streamlining and standardizing the intake process and building tangible accountabilities for productivity and turn around times.
- 6) Completed a multi-year project to automate and modernize the Hospital Discharge Data system eliminating numerous hours of staff intervention and reducing the turnaround time for results from 8 months to less than 30 days.
- 7) Launched the legislatively transitioned programs under the OSDH oversight (e.g. Office of Client Advocacy, Rx for Oklahoma, etc.).
- 8) Successfully integrated and implemented a PeopleSoft solution to modernize agency financial management systems, utilizing alternative vendor support via AlloCap.



Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	Dependence upon aged and aging technology platforms, systems, vendors	Partner with OMES to actively migrate and sunset aged and unsupported tech, e.g. Access databases, servers; evaluate options to discontinue use of low performing vendors	Continue partnership with OMES; maintain agency-level tech stack inventory; evaluate effectiveness and age of tech, vendors, etc.
2	Retention of the public health workforce	Focused retention strategies to strike a correct balance of service delivery, leadership and staff supports, evaluate salary levels for market comparison	Continue right-sized approach to meeting mission essential functions; address salary gaps as appropriate, implement employee experience improvements
3	Maintain resources focused on ongoing agency transformation to optimize agency infrastructure	Continue planning and implementation of high priority projects aimed at improving administrative infrastructure for the agency, e.g. Hyperion, AlloCap, ePro, WASP, etc.	Full implementation and evaluation of impacts stemming from implementation of high priority projects aimed at improving administrative infrastructure for the agency
4	Effective and timely coordination of program transitions from other agencies to OSDH	Actively working on transition plans for OCA, Rx for Okla, Vision Screening Grant Program, Choosing Childbirth, PRN, etc.	Actively working on transition plans for OCA, Rx for Okla, Vision Screening Grant Program, Choosing Childbirth, PRN, etc.



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement	FY 2024 (Actual \$ Savings)	FY 2025 (Projected \$ Savings)	FY 2026 (Projected \$ Savings)
<i>Standardize time codes</i>	<i>Reduce the # of time code combinations from 1.5 million to under 500</i>	<i>4,300 hours to agency (average hourly spend for entire agency * hours saved)</i>	\$202,229	\$202,229	\$202,229
<i>Retired '03 servers; migrated '08 servers; multiple physical servers moved to virtual</i>	<i>Significantly reduced risk and cost to the agency</i>	<i>Savings are known to OMES</i>	Unknown to Agency	Unknown to Agency	Unknown to Agency
Fleet Reduction	<i>Released 2 leased vehicles to Fleet; Relocated units from areas of low use to areas of full utilization significantly increasing the % usage</i>	Dollars (\$)	\$14,520	tbd	tbd
Communications	<i>Centralized functions across the agency into the Office of Communications</i>	Dollars (\$)	\$1,000,000	na	na
Real Estate Reduction	Eliminated 16,367 sq ft of state property in Delaware County	Dollars (\$)	\$300,000	na	na
Technology Hardware Reduction	Eliminated 135 pieces of unused machine hardware (Laptops)	Dollars (\$)	\$158,035	na	na
Consolidated Locations	Combined 2 Canadian County offices into one; reduced FTE needs by 6	FTE (#) / Dollars (\$)	6 / \$186,000	na	na



Agency Goals and Key Performance Metrics

Goal		Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
1	Health: Identify the top 5 measures and pursue actions to improve Oklahoma's health rankings from 46th to 43rd to regain the highest position held 10 years ago. By doing so gain Oklahomans buy-in they can be healthy.	AHR data specific to Oklahoma's rankings: 1. Food insecurity 2. Health behaviors 3. Premature death 4. Adverse Childhood Experiences (ACEs) 5. Multiple chronic conditions	1. 46 th 2. 43 rd 3. 41 st 4. 37 th 5. 42 nd	1. 45 th 2. 47 th 3. 42 nd 4. 41 st 5. 41 st	1. 45 th 2. 46 th 3. 41 st 4. 40 th 5. 41 st	1. 43 rd 2. 37 th 3. 40 th 4. 37 th 5. 40 th
2	Ecosystem: Continually facilitate and maintain effective collaborations in active pursuit of improving health. Maintain the agency's reputation as a trusted partner and source for public health information and guidance.	<ul style="list-style-type: none"> Number of key relationships identified Agency media coverage over time Number of OSDH site hits/SM shares 	<ul style="list-style-type: none"> 40 48 350,000 	<ul style="list-style-type: none"> 65 1,492 4,101,942 	<ul style="list-style-type: none"> 66 1,000 4,200,000 	<ul style="list-style-type: none"> 60 84 4,200,000
3	Community: Successfully deploy and maintain service delivery to the public through use of the network of county health department and mobile clinic locations across the state. Grow and evaluate the community health worker infrastructure as a key contributor to improved individual health, self-sufficiency and productivity. Stabilize and monitor the operation and management of the public health lab as it demonstrates continuous improvement to resourcefulness, efficiency and service to the public.	<ul style="list-style-type: none"> Volume of CHD encounters maintained year to year Percentage of community health districts with CHWs using the PRAPARE tool with clients Test and output quality 	<ul style="list-style-type: none"> 272,000 100% 100% 	<ul style="list-style-type: none"> 271,877 100% tbd 	<ul style="list-style-type: none"> 280,000 100% 100% 	<ul style="list-style-type: none"> Increase by 30% 100% 100%



Agency Goals and Key Performance Metrics

Goal		Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
4	People: 100% of staff are trained in organized, public health curriculum appropriate to their role and level within the agency. Decrease turnover rate to mirror industry average by enhancing recruitment, onboarding, retention and development of staff. Effectively manage the agency workforce in order to right size staffing levels alongside state priorities, funder obligations, compliance parameters and public demand.	<ul style="list-style-type: none"> Annual voluntary turnover Percent of exit surveys responded to Number of trainings conducted Percent of supervisory staff attending trainings Job satisfaction OKSEES pulse survey favorable responses 	<ul style="list-style-type: none"> 16% 40% 28 100% 75% 	<ul style="list-style-type: none"> 15.73% tbd 57 88% 75% 	<ul style="list-style-type: none"> 15% 50% 55 93% 76% 	<ul style="list-style-type: none"> 14% 50% 50 100% 78%
5	Operations: Agency business processes are documented, evaluated and streamlined for maximum efficiency, resulting in reduced time, effort and ultimately cost. Agency business processes are reviewed annually.	<ul style="list-style-type: none"> Number of processes mapped Number of SOPs created Number of new processes currently in use 	<ul style="list-style-type: none"> 10 30 8 	<ul style="list-style-type: none"> 29 95 47 	<ul style="list-style-type: none"> 20 35 30 	<ul style="list-style-type: none"> 20 45 15
6	Technology: Systematically identify, evaluate and modernize agency platforms and systems, ensuring interoperability where appropriate. Successfully deploy and maintain the agency's Electronic Health Record system.	<ul style="list-style-type: none"> Percent of agency systems assessed for use, age and risk Number of technology upgrades identified on a roadmap Percent of technology upgrades scheduled for replacement Percent of technology upgrades deployed Percent of county health department districts trained in utilizing the Electronic Health Record system 	<ul style="list-style-type: none"> 100% 12% 30% 30% 50% 	<ul style="list-style-type: none"> 100% 100% 100% 66% 0% 	<ul style="list-style-type: none"> 100% 100% 100% 70% 50% 	<ul style="list-style-type: none"> 100% 100% 100% 100% 100%



Agency Goals and Key Performance Metrics

Goal		Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
7	Regulatory: Review, revise and implement business friendly policies that are free of unnecessary bureaucracy and properly balanced with public health and safety. Ensure care provided in our state is quality care and ensure the protection of patients/residents. Implement modern technology tools among state-controlled, public facing licensure and certification programs.	<ul style="list-style-type: none"> Number of regulatory agency rule chapters that are reviewed and revised Number of license or certificate types that are migrated to new technology 	<ul style="list-style-type: none"> 23 chapters 1 	<ul style="list-style-type: none"> 11 chapters 5 	<ul style="list-style-type: none"> 10 chapters tbd 	<ul style="list-style-type: none"> 30 chapters tbd
8	Finance: Improve utilization of federal grant funds thereby decreasing year over year lapse rate by 20%. Improve fiscal transparency by automating reporting features of current, statewide financial systems enabling information to be gathered and disseminated to agency leadership monthly. 100% of billable services rendered by the agency are filed among insurance payers resulting in maximized reimbursements to support agency initiatives and operations.	<ul style="list-style-type: none"> Percent of months that financial reports are given to executive leadership team Percent of programs receiving budget status reports monthly Year over year federal grant fund lapse rate Percent of billable services filed with insurance payers 	<ul style="list-style-type: none"> 75% 75% 13.6% 75% 	<ul style="list-style-type: none"> 100% 90% tbd 82.78% 	<ul style="list-style-type: none"> 100% 100% 12% 90% 	<ul style="list-style-type: none"> 100% 100% 10.9% 100%
9	Portfolio: Continually ensure the agency's programs and initiatives demonstrate a continuous, positive impact on Oklahomans' well-being. Annually review and evaluate the portfolio against benchmarks to drive progress and maintain accountability.	<ul style="list-style-type: none"> Percent of PMO and TMO projects aligned to an OSDH strategic objective Average stakeholder satisfaction score out of 5 points from post project survey Percent of service areas and county health departments with a developed and utilized pipeline 	<ul style="list-style-type: none"> 100% 3.5 50% 	<ul style="list-style-type: none"> 100% 5.0 57% 	<ul style="list-style-type: none"> 100% 5.0 70% 	<ul style="list-style-type: none"> 100% 4 100%



Projects for FY 2025

- 1) Electronic Health Record (EHR) implementation – Migrate from paper processes to electronic processes and record keeping utilizing Patagonia Health EHR across the state of Oklahoma.
- 2) Finalize procurement of and launch a modernized disease surveillance system, replacing aged, legacy technology and reducing agency risk.
- 3) Expand the geographic service area and maintain the currently operational Pregnancy Resource Navigator infrastructure and enhance specialized training of Community Health Workers targeting improvements among maternal and child health outcomes.
- 4) Revenue Optimization – Implementation of a Revenue Optimization function in OSDH, focusing on maximizing revenue for services rendered and billable to 3rd party payers, improving financial performance, and ensuring compliance with billing and coding regulations.
- 5) Data Modernization – Execute the planning roadmap projects using dedicated resources available to ensure OSDH takes an agile, enterprise-wide approach in assessment, planning, and incremental implementation of data modernization activities across the enterprise.
- 6) Explore and determine feasibility of use cases for AI technology.



Projects for FY 2026

- 1) Complete the implementation of the statewide public health Electronic Health Record system
- 2) Complete the implementation of a modernized disease surveillance system
- 3) Continue to deploy modern technological / data infrastructure thereby reducing dependence on legacy systems through available dedicated resources, competitive bid and vendor awards
- 4) Grants Management Office centralization and streamlining processes
- 5) Agency wide contract simplification and streamlining between agency partners and vendors
- 6) WIC management information system needs assessment and plan for modernized replacement



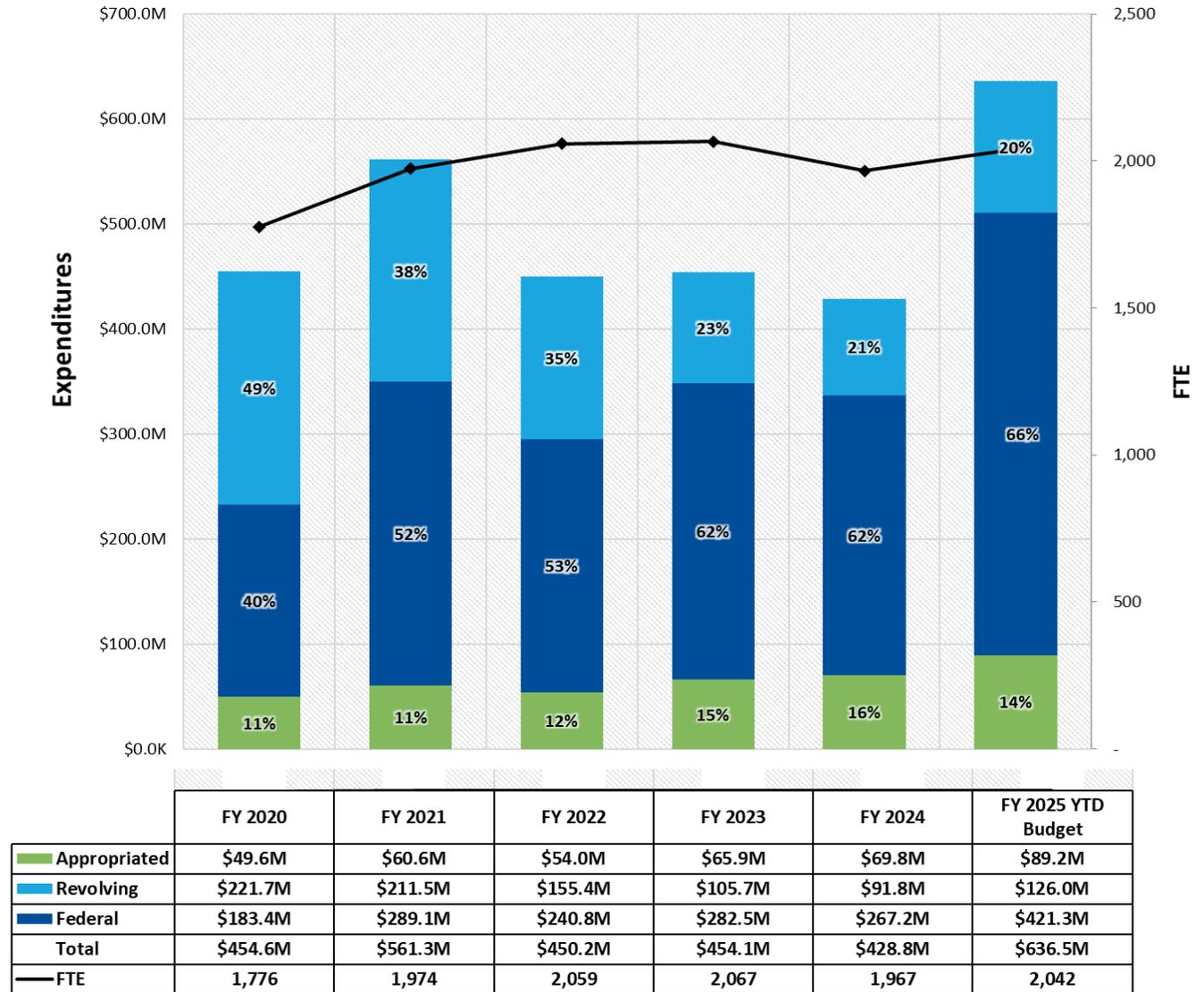
Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

Explanation of Changes and Trends

The increase in FTE's in the 2025 budget is primarily due to budgeting to Grant award levels. Current FTE levels are approximately 1,840 and are expected to decrease over the year.

2020 and 2021 overall spending was high due to covid expenditures. 2025 expenditures are expected to increase due to ARPA expenditures.

Historic Total Actual Expenditures and Current Year Budget



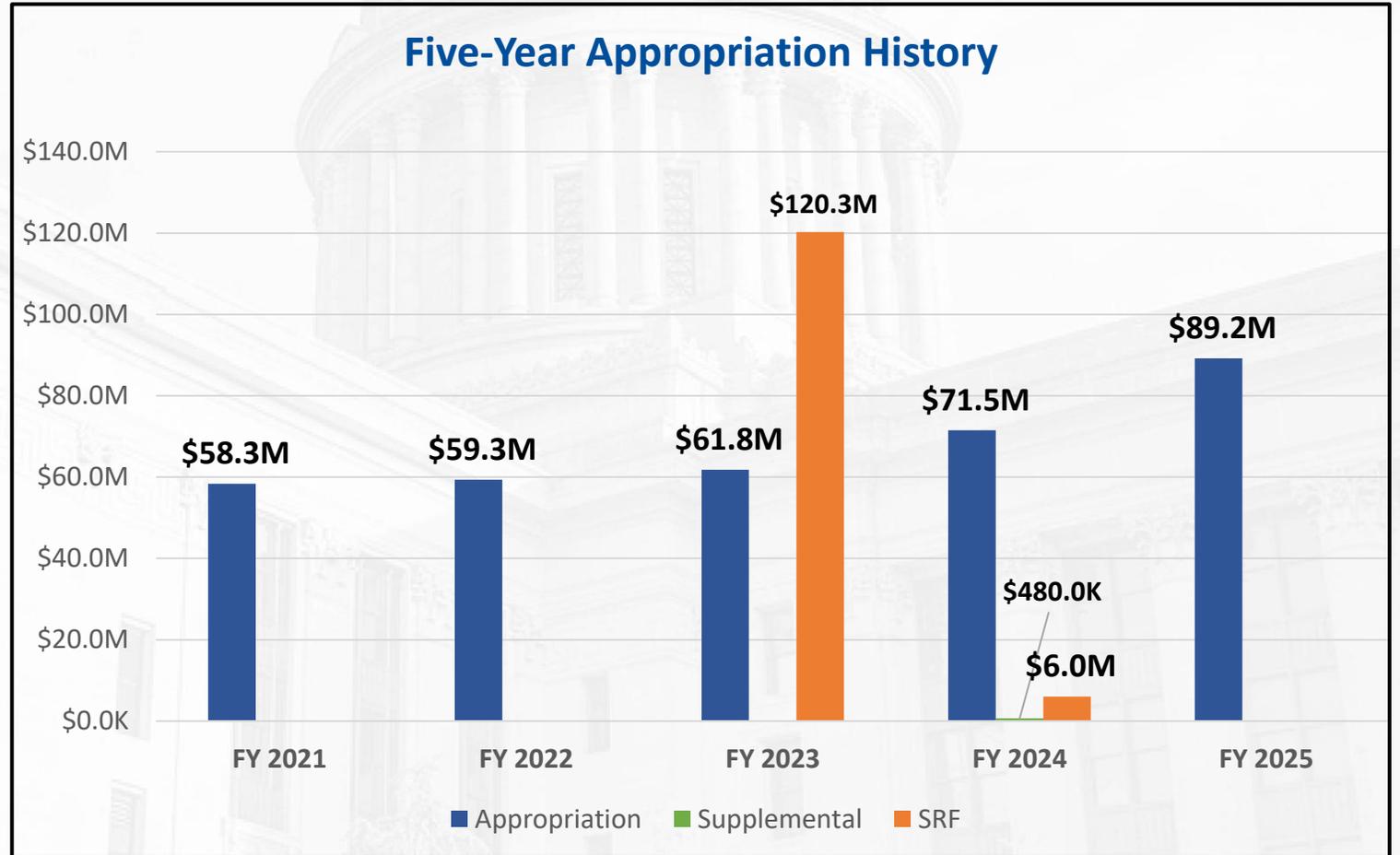


FY 2025 Budgeted Full Time Equivalents (FTE)

	FY 2025 Budgeted FTE
Total FTE	2,042
Supervisor FTE	357
Supervisors to Total FTE Ratio (%)	17.5%
Current Budgeted but Unfilled FTE	202

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2021	\$58,337,965
FY 2022	\$59,337,964
FY 2023	\$182,096,964
FY 2024	\$77,967,964
FY 2025	\$89,202,352



Note: Includes Statewide Recovery Fund (ARPA) appropriations. Includes \$480,000 supplemental in FY24 for parental assistance programs.



Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended (\$)	\$41,726,729	\$10,611,235	\$10,458,036	\$6,392,573

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$88,472,042	\$110,211,310	\$51,587,199	\$41,672,740

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2025 year-end cash balance (\$)
21000	Public Health Special Fund	\$5,842,035	\$7,000,000
	Total Unrestricted Revolving Fund Cash balance:	\$5,842,035	\$7,000,000



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

FY 2023 – 2024 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
Nurses, Epis, PH Specialists recruitment and retention	\$2,500,000	\$2,500,000	\$5,000,000	\$5,000,000	yes	
Pregnancy Resource Navigators		\$2,900,000	\$2,900,000	\$1,461,348	yes	New Program; startup mode
Parent Promise		\$750,000	\$750,000	\$750,000	yes	
Operations (Title 10)		\$4,500,000	\$4,500,000	\$4,500,000	yes	
SB 225 Nurse School Pilot Program		\$1,500,000	\$1,500,000	\$158,876	yes	New Program; startup mode
Totals	\$2,500,000	\$12,150,000	\$14,650,000	\$11,870,224		



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

FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 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>
Transfer Office of Client Advocacy from DHS (SB#1709)	\$1,614,388	yes	yes	
Choosing Childbirth	\$15,000,000	Yes	yes	
Community Health Centers	\$1,100,000	Yes	yes	
Total adjustment	\$17,714,388			



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

Budget & Supplemental Incremental Request Summary

	Request Name	FY 2026 Incremental Appropriation Request Amount (\$) <i>{or FY 2025 for Supplementals}</i>	Type of Request: Recurring, One-time, or Supplemental
1	Rx For Oklahoma (transfer of Appropriation funds from Department of Commerce HB# 3252)	\$706,383	Recurring
2	Office of Client Advocacy (OCA) – moved to OSDH for 8 months in 2025; Transfer of Appropriation funds from DHS.	\$1,247,620	Recurring
3			
4			
5			



(1) Incremental Budget Request

Name of Request Rx For Oklahoma (transfer of Appropriation funds from Department of Commerce HB# 3252)	
Type: Recurring	\$706,383
HB 3252 moved “Rx for Oklahoma” to OSDH from the Commerce Department. The Appropriations remained with Commerce for fiscal year 2025. These monies should be moved to OSDH beginning in 2026.	



(2) Incremental Budget Request

Name of Request Office of Client Advocacy (OCA) – moved to OSDH partially for 2025; Transfer of Appropriation funds from DHS (SB# 1709).	
Type: Recurring	\$1,247,620
<p>The Office of Client Advocacy (OCA) was moved to OSDH for 8 months in 2025. This request is for the remaining Appropriation monies required for a full year of operations plus an adjustment to the original estimates. This is a transfer of Appropriation monies from DHS.</p>	
Original full year estimate	\$2,421,582
8 months appropriated to OSDH	<u>1,614,388</u>
Original incremental Budget request	807,194
Full year estimate increase	<u>440,426</u> (full year will be \$2,862,008)
Current incremental budget increase	1,247,620

