

# Oklahoma Insurance Department (38500)

Lead Administrator: Glen Mulready

Lead Financial Officer: Sherry Marczewski

| FY'19 Projected Division/Program Funding By Source |                |                    |                     |            |            |                     |
|--|----------------|--------------------|---------------------|------------|------------|---------------------|
| Dept   | Appropriations | Federal            | Revolving           | Local      | Other*     | Total               |
| Administration                                     |                |                    | \$9,059,091         |            |            | \$9,059,091         |
| General Insurance                                  |                |                    | \$9,161,241         |            |            | \$9,161,241         |
| Medicare Assistance Program                        |                | \$1,233,092        |                     |            |            | \$1,233,092         |
| ISD Data Processing                                |                |                    | \$546,576           |            |            | \$546,576           |
| <b>Total</b>                                       | <b>\$0</b>     | <b>\$1,233,092</b> | <b>\$18,766,908</b> | <b>\$0</b> | <b>\$0</b> | <b>\$20,000,000</b> |

\*Source of "Other" and % of "Other" total for each.

| FY'18 Carryover and Refund by Funding Source |                |         |             |       |        |             |
|--|----------------|---------|-------------|-------|--------|-------------|
| FY'18 Carryover                              | Appropriations | Federal | Revolving   | Local | Other* | Total       |
|  |                |         | \$7,591,126 |       |        | \$7,591,126 |

\*Source of "Other" and % of "Other" total for each.

**What Changes did the Agency Make between FY'18 and FY'19?**

1.) Are there any services no longer provided because of budget cuts?  
None

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?  
None

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?  
In FY-2018 the Oklahoma Insurance Department provided a total of \$103,778 in raises to 52 employees. The raises were based on performance evaluations, promotions, certifications attained, and the assignment of additional job duties. FY-2018 salary expenses were \$889,740 under budget.

| FY'20 Requested Division/Program Funding By Source |                |                    |                     |            |                     |              |
|--|----------------|--------------------|---------------------|------------|---------------------|--------------|
| Dept   | Appropriations | Federal            | Revolving           | Other      | Total               | % Change     |
| Administration                                     |                |                    | \$9,059,091         |            | \$9,059,091         | 0.00%        |
| General Insurance                                  |                |                    | \$9,161,241         |            | \$9,161,241         | 0.00%        |
| Medicare Assistance Program                        |                | \$1,233,092        |                     |            | \$1,233,092         | 0.00%        |
| ISD Data Processing                                |                |                    | \$546,576           |            | \$546,576           | 0.00%        |
| <b>Total</b>                                       | <b>\$0</b>     | <b>\$1,233,092</b> | <b>\$18,766,908</b> | <b>\$0</b> | <b>\$20,000,000</b> | <b>0.00%</b> |

\*Source of "Other" and % of "Other" total for each.

| FY'20 Top Five Appropriation Funding Requests |             |
|---|-------------|
|   | \$ Amount   |
| None  |             |
| <b>Total Increase above FY-19 Request</b>     | <b>\$ -</b> |

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

(If so, please describe the costs and provide an estimate for FY '20, FY '21, and FY '22.)

No

**How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)**

The Oklahoma Insurance Department is a non-appropriated agency.



**How would the agency handle a 2% appropriation reduction in FY '20?**

The Oklahoma Insurance Department is a non-appropriated agency.

**Is the agency seeking any fee increases for FY '20?**

|    | \$ Amount |
|----|-----------|
| No | \$0       |
|    | \$0       |
|    | \$0       |

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

None

**Federal Funds**

|   | FY 19 projected | FY 18   | FY 17   | FY 16   | FY 15   |
|---|-----------------|---------|---------|---------|---------|
| <b>Senior Health Insurance Program</b><br>CFDA: 93.324. The SHIP program trains volunteers throughout the state in Medicare, Medigap, long term care and related issues so that they can help Medicare beneficiaries with questions regarding their benefits.   | 608,867         | 559,854 | 584,571 | 635,540 | 627,456 |
| <b>Medicare Improvements for Patients &amp; Providers Act</b><br>CFDA: 93.071. The MIPPA program provides outreach and assistance directed towards Medicare beneficiaries with limited income who may be eligible for Low Income Subsidies or programs.   | 337,258         | 157,115 | 116,410 | 160,639 | 371,274 |
| <b>Senior Medicare Patrol Program</b><br>CFDA: 93.048. The SMP program facilitates a collaboration of aging network agencies and other entities to recruit and train retired professionals to teach Medicare beneficiaries how to monitor what is paid on their behalf and what to do about identified discrepancies along with actual recruiting, training, and participation in regional meetings and record keeping. | 286,967         | 276,655 | 274,107 | 259,529 | 265,887 |

**Federal Government Impact**

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**

None

**2.) Are any of those funds inadequate to pay for the federal mandate?**

N/A

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**

The agency would have to end all services to the senior population and other medicare beneficiaries in the state.

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**

We do not anticipate any changes in our federal grant funding for the coming fiscal year.

**5.) Has the agency requested any additional federal earmarks or increases?**

No

**Division and Program Descriptions**

**Administrative Services**

This division includes the Executive, Communications, Comptroller and Administrative Services Divisions of the agency. Their purpose is to provide general administrative support and guidance to all functions of the agency. All agency operations are directed through the Executive Division. The Communications Division delivers current event information to the public through press releases, press conferences, seminars, industry meetings, direct mail to insurers and by updating the agency website. The Comptroller Division is responsible for handling revenue and expenditures and all other agency financial issues in compliance with all state and federal laws. The Administrative Services Division is responsible for coordinating staff recruitment and personnel actions including hiring, promotions, transfers, separations and terminations, as well as staff training and developing employment policies.

**General Insurance**

This division is comprised of the following divisions: Producer Licensing, Consumer Assistance and Claims, Financial, Legal, Anti-Fraud, Rate & Form Compliance, Utilization Review, Bail Bonds, Real Estate Appraiser Board, Government Relations and Public Policy, Field Operations, and ISO Advocacy. It is charged with the duty of regulating the insurance industry, bail bondsmen and real estate appraisers while ensuring compliance with the relevant statutes and rules and regulations from state and federal sources.

**Medicare Assistance Program**

The purpose of the State Health Insurance Assistance Program (SHIP) is to provide and support locally accessible counseling services to Medicare beneficiaries and their caregivers in coordination with staff and a network of local community partners and volunteers. Services provided by SHIP are intended for Medicare beneficiaries who need accurate and objective information, counseling and enrollment assistance to help them understand and utilize their Medicare and related benefits. The Senior

Medicare Patrol (SMP) program is aimed at facilitating the collaboration of aging network agencies and other entities in recruiting and training retired professionals to educate Medicare and Medicaid beneficiaries and their caregivers on how to better monitor what is paid on their behalf and what to do about identified discrepancies and possible fraud. The Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 provides for expansion or enhancement of the outreach efforts to Medicare beneficiaries on Medicare Part D and for those beneficiaries with limited incomes, in rural areas and for outreach activities aimed at Medicare prevention and wellness benefits.

**ISD Data Processing**

The purpose of this division is to manage all IT-related issues within the agency.

| FY'19 Budgeted FTE          |             |            |              |              |                 |                 |
|-----------------------------|-------------|------------|--------------|--------------|-----------------|-----------------|
|                             | Supervisors | Classified | Unclassified | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$\$\$ |
| Administration              | 9           |            | 24           | 0            | 18              | 6               |
| General Insurance           | 21          |            | 88           | 3            | 68              | 17              |
| Medicare Assistance Program | 1           |            | 5            | 0            | 4               | 1               |
| ISD Data Processing         | 0           |            | 2            | 0            | 0               | 2               |
| <b>Total</b>                | <b>31</b>   | <b>0</b>   | <b>119</b>   | <b>3</b>     | <b>90</b>       | <b>26</b>       |

| FTE History                 |               |            |            |            |            |
|-----------------------------|---------------|------------|------------|------------|------------|
|                             | 2019 Budgeted | 2018       | 2017       | 2015       | 2010       |
| Administration              | 24            | 24         | 23         | 23         | 22         |
| General Insurance           | 88            | 91         | 90         | 100        | 95         |
| Medicare Assistance Program | 5             | 5          | 6          | 6          | 5          |
| ISD Data Processing         | 2             | 4          | 3          | 3          | 4          |
| <b>Total</b>                | <b>119</b>    | <b>124</b> | <b>122</b> | <b>132</b> | <b>126</b> |

| Performance Measure Review  |        |        |        |         |        |
|---|--------|--------|--------|---------|--------|
|   | FY 18  | FY 17  | FY 16  | FY 15   | FY 14  |
| <b>Administration</b>   |        |        |        |         |        |
| Agency Wide Use of Recruitment and Retention of Diverse Workforce       | 100%   | 100%   | 100%   | 100%    | 100%   |
| Training to Develop Skills for Improved Efficiency                      | 100%   | 100%   | 100%   | 100%    | 100%   |
| Consumer Education Events   | 233    | 252    | 223    | 247     | 113    |
| Consumer Education Stories Published                                    | 305    | 508    | 447    | 391     | 163    |
| Number of Monthly Visits to the Website                                 | 18,000 | 22,000 | 71,709 | 108,375 | 72,621 |
| % of Users at Destination on Website in 3 Clicks                        | 88%    | 88%    | 87%    | 92%     | 84%    |
| <b>Regulatory/Enforcement</b>   |        |        |        |         |        |
| % of Annual Premium Tax Returns Audited by Independent Auditor W        | 100%   | 100%   | 100%   | 100%    | 100%   |
| % of Call Capture Rate  | 96%    | 96%    | 96%    | 96%     | 96%    |
| % of Reopened RFAs  | 1%     | 1%     | 1%     | 0%      | 0%     |
| Initial Producers Licensed Issued within 2 days of application          | 96%    | 96%    | 96%    | 96%     | 96%    |
| Renewal Producers Licenses Issued within 2 days of application          | 96%    | 96%    | 96%    | 96%     | 96%    |
| % of Call Abandonment Rate  | 4%     | 4%     | 4%     | 3%      | 5%     |
| Initial Review of Rate, Rule, Loss Cost and Form Filings within 60 days | 91%    | 91%    | 91%    | 91%     | 91%    |
| Initial Review of Self-Certification Form Filings Within 15 Days        | 93%    | 93%    | 93%    | 93%     | 93%    |
| Review 30 Day Deemer Filings Within 30 Days                             | 95%    | 95%    | 95%    | 95%     | 95%    |
| Review 60 Day Deemer Filings Within 60 Days                             | 95%    | 95%    | 95%    | 95%     | 95%    |
| Public Education Activities of Legal Staff                              | 15     | 16     | 14     | 17      | 31     |
| Bondsman Initial License Issued Within 10 Days                          | 100%   | 100%   | 100%   | 100%    | 100%   |
| Bondsman Renewal License Issued Within 15 Days                          | 100%   | 100%   | 100%   | 100%    | 100%   |
| Appraiser Credentials Processed Within 3 Days                           | 100%   | 100%   | 100%   | 100%    | 100%   |
| Appraiser Complaints to Final Disposition in 1 Year                     | 100%   | 100%   | 100%   | 100%    | 100%   |
| Investigations Opened by Fraud Division                                 | 129    | 164    | 220    | 222     | 250    |
| Fraud Cases Referred for Action   | 95     | 150    | 39     | 31      | 12     |
| <b>Medicare Grant Programs</b>  |        |        |        |         |        |
| Number of Public Events   | 1,028  | 1,131  | 1,036  | 845     | 1,551  |
| Total Attendees at Public Events  | 73,418 | 51,669 | 48,289 | 45,109  | 16,293 |
| Number of Client Contacts   | 23,027 | 24,691 | 27,202 | 24,965  | 24,183 |
| Number of Medicare Part D Rx Enrollments                                | 2,830  | 3,144  | 4,495  | 4,344   | 4,105  |

| Revolving Funds (200 Series Funds)     |                        |                            |                  |
|--|------------------------|----------------------------|------------------|
|  | FY'16-18 Avg. Revenues | FY'16-18 Avg. Expenditures | June '18 Balance |
| <b>Revolving Fund I</b>                |                        |                            |                  |
| Fund 200-Commissioner's Revolving Fund | \$16,299,016           | \$10,157,808               | \$5,985,233      |
| <b>Revolving Fund II</b>               |                        |                            |                  |
| Fund 225-Real Estate Appraisal Board   | \$568,391              | \$534,966                  | \$704,143        |
| <b>Revolving Fund II</b>               |                        |                            |                  |

|                          |           |          |           |
|--------------------------|-----------|----------|-----------|
| Fund 230-Anti Fraud Fund | \$125,086 | \$45,181 | \$901,750 |
|--------------------------|-----------|----------|-----------|