

FY22 Budget Performance Review

Insurance Department - 38500

Lead Administrator: Glen Mulready, Commissioner

Lead Financial Officer: Sherry Marczewski

Agency Mission

The Oklahoma Insurance Department will provide competent and trustworthy employees that will work to protect Oklahoma consumers by: providing assistance and information, efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Administration (01)

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.

Regulatory (10)

This division is comprised of the following departments: 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, Anti-Fraud, Field Operations, PBM Compliance, 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 (20)

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 (88)

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

FY'21 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
01	Administration			5,594,803			\$5,594,803
10	Regulatory			8,953,771			\$8,953,771
20	Medicare Assistance Program		1,173,511				\$1,173,511
88	ISD Data Processing			705,451			\$705,451
Total		\$0	\$1,173,511	\$15,254,025	\$0	\$0	\$16,427,536

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

FY'20 Carryover by Funding Source

	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
Carryover	\$0	\$0	\$4,028,000	\$0	\$0	\$4,028,000
	\$0					\$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'20 and FY'21?

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?

The agency limited salary adjustments only for personnel restructuring, changes in job classification, and programs funded with grant funds. These adjustments resulted in 26 pay raises totaling \$100

FY'22 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
01	Administration	\$0	\$0	\$5,594,803	\$0	\$5,594,803	0.00%
10	Regulatory	\$0	\$0	\$8,953,771	\$0	\$8,953,771	0.00%
20	Medicare Assistance Program	\$0	\$1,173,511	\$0	\$0	\$1,173,511	0.00%
88	ISD Data Processing	\$0	\$0	\$705,451	\$0	\$705,451	0.00%
Total		\$0	\$1,173,511	\$15,254,025	\$0	\$16,427,536	0.00%

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

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FY'22 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	OID is non-appropriated	
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$0
Total Increase above FY-21 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		\$0

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

Approximately \$4,320/year for Medicare Assistance Program staff

How would the agency be affected by receiving the same appropriation for FY '22 as was received in FY '21? (Flat/ 0% change)

N/A as OID is non-appropriated

How would the agency handle a 2% appropriation reduction in FY '22?

N/A as OID is non-appropriated

Is the agency seeking any fee increases for FY '22?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 The MAC fee for REAB will increase from \$1,000 to \$1,500. This would be an increase in our OAC code.	\$500	No
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)
Priority 1 None		
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 21 budgeted	FY 20	FY 19	FY 18	FY 17
93.324	Senior Health Insurance Counseling Program	20-01	705,249	662,581	551,629	559,854	584,571
93.048	Senior Medicare Patrol Program	20-02	274,467	229,254	254,883	277,021	274,107
93.071	Medicare Improvements for Patients & Providers Act	20-03	193,795	189,386	236,320	157,115	116,410

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 detrimental changes in our federal grant funding for the coming fiscal year.

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

No

FY'21 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
01	Administration	5		22	0	16	6
10	Regulatory	28		94	10	68	16
20	Medicare Assistance Program	1		6	1	4	1
88	ISD Data Processing	1		4	0	2	2
Total		35	0	126	11	90	25

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FTE History						
Division #	Division Name	2021 Budgeted	2020	2019	2017	2016
01	Administration	22	16.0	24.0	24.0	25.0
10	Regulatory	94	98.0	88.0	91.0	84.0
20	Medicare Assistance Program	6	5.0	5.0	5.0	5.0
88	ISD Data Processing	4	3.0	2.0	4.0	2.0
Total		126.0	122.0	119.0	124.0	116.0
Performance Measure Review						
Program Name	FY 20	FY 19	FY 18	FY 17	FY 16	
Financial Examinations Conducted	76	62	119	52	78	
Financial examinations adopted on domestic insurers, captives and funeral home/special purpose entities						
Consumer premium dollars recovered	\$ 3,117,171	\$ 9,749,517	\$ 3,565,523	\$ 2,925,850	\$ 2,911,629	
Note: Consumer Assistance money recovered by calendar year						
Number of Domestic Insurance Companies	76	77	77	76	77	
Producer Licenses Issued	252,678	215,309				
Resident	33,820	32,135				
Non-Resident	218,858	183,174				
Number of Client Contacts for the Medicare Assistance Program	24,164	21,257	23,027	24,691	27,202	
Revolving Funds (200 Series Funds)						
Please provide fund number, fund name, description, and revenue source	FY'18-20 Avg. Revenues	FY'18-20 Avg. Expenditures	June '20 Balance			
200 - Commissioner's Revolving Fund						
Operating fund for the agency	\$18,947,583	\$13,675,096	\$3,243,227			
225 - Real Estate Appraisal Board						
Operating fund for the Real Estate Appraisal Board	\$577,162	\$584,711	\$655,273			
230 - Anti-Fraud Fund						
Funds used for anti-fraud related expenses by the agency's Anti-Fraud unit.	\$58,019	\$248,098	\$173,079			