

Oklahoma Senate Committee on Appropriations

2013-14 Performance Report

Oklahoma Health Care Authority

AGENCY MISSION STATEMENT:

Below is the adopted mission of the OHCA, along with the entity who adopted the mission statement and when it was adopted.

The agency's mission statement is taken from the original legislation enacted in 1993 which can be found at 63 O.S. § 5003. The mission statement is as follows:

To purchase state and federally funded health care in the most efficient and comprehensive manner possible and to study and recommend strategies for optimizing the accessibility and quality of health care.

LEAD ADMINISTRATOR:

Here is the name, title and contact information for the lead administrative person:

Mike Fogarty, Chief Executive Officer

Address: 2401 NW 23rd Street, Suite 1-A, Oklahoma City, OK 73107

Email: mike.fogarty@okhca.org Phone: 405-522-7417 Fax: 405-530-3202

GOVERNANCE:

Here is a brief description of the agency's governance structure.

The OHCA is governed by a board comprised of seven appointed members who serve terms of four years and are appointed as follows:

- 3 members are appointed by the Governor
- 2 members are appointed by the President Pro Tempore of the Senate
- 2 members are appointed by the Speaker of the House of Representatives

OHCA's current board members are:

- Governor appointees: Ann Bryant; Marc Nuttle; and Carol Robison
- Senate Pro Tempore appointees: Anthony Armstrong, vice chairman; and Melvin McVay
- Speaker of House appointees: Ed McFall, chairman; and George Miller

The board has five committees-each comprised of three board members:

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The Audit/Finance Committee consists of George Miller, committee chair; Anthony Armstrong and Marc Nuttle. This committee is tasked with reviewing the OHCA's financials and audit activities, and providing an update to the full board.

The Rules Committee consists of Carol Robison, committee chair; Ann Bryant and Marc Nuttle. This committee is tasked with reviewing proposed rules and rates and proposed changes to existing rules and rates, and providing an update to the full board.

The Strategic Planning Committee consists of Anthony Armstrong, committee chair; Ed McFall; and Carol Robison. This committee is tasked with reviewing innovations/issues that impact the agency's programs and future operations, and providing an update to the full board.

The Legislative Committee consists of Ann Bryant, committee chair; Ed McFall; and Melvin McVay. This committee is tasked with reviewing legislation that impacts the agency's programs and future operations, and providing an update to the full board.

The Personnel Committee consists of Melvin McVay, committee chair; Ed McFall; and George Miller. This committee is tasked with reviewing personnel actions that relate to the Agency Administrator, and providing an update to the full board.

GOVERNANCE ACCOUNTABILITY:

See attached for Board minutes. There is not an attendance policy for board members.

MODERNIZATION EFFORTS:

Below is a list of all government modernization efforts undertaken by the agency and authorizing statutory changes that prompted the modernization efforts and whether those efforts led to cost savings or additional cost burden since July 1, 2010.

SoonerCare Online Enrollment

In September 2010, OHCA launched online enrollment. This implementation included transferring responsibility to qualify and enroll more than 500,000 members of the state's SoonerCare population. Oklahoma's system has been acclaimed nationally for its innovative approach, making the state the first in the nation to offer real-time enrollment and reduced application processing time from weeks to minutes. OHCA processes between 30,000 and 40,000 applications per month. The online application is consistently the most

utilized- with about 50 percent choosing this method to apply. Paper applications have dropped to only 8 percent of all the applications received. The system uses a rules engine to determine qualification for SoonerCare. This process insures that policy is applied uniformly and utilizes data exchanges with other agencies to verify information. Eligibility is established real time and the member is immediately aligned with a medical home.

Telecommuting Pilot program

Under the authority of Title 62 § 34.11.2, as of November 1, 2011, OHCA went live with its telecommuting pilot project. There are currently 20 employees participating. As of November 1, 2012, participation information became available. At this time, the OHCA auditing staff is in the process of conducting a full scale audit of the area to determine the success of the pilot and whether or not to extend it to other parts of the agency. Preliminary findings show an overall steady or increase in productivity and a substantial decrease in leave usage. Employees have reported that they are happier, and that each feels they have the ability to complete assignments without many of the distractions faced in OHCA's current work environment. Originally, OHCA did not anticipate any cost savings but due to the acquisition of new employees without the necessity of additional space, the agency has seen some small cost savings. All of this information will be available upon the completion of the audit, which is due soon.

SoonerEnroll

In an effort to reach the approximately 60,000 uninsured Oklahoma children who are qualified for SoonerCare but not enrolled, OHCA coordinated an outreach effort called *SoonerEnroll*. This program has two primary goals: 1) enroll children who are qualified for SoonerCare but are not currently enrolled; and 2) improve the rate of successful and timely recertification of children currently in SoonerCare. This program is an innovative partnership that has created a statewide infrastructure and resources for outreach and enrollment, as well as promotion of preventive and early intervention services. With more than 700 community partners and SoonerCare enrollment of children exceeding pre-*SoonerEnroll* projections by 24,604 (December 2011), *SoonerEnroll* is a successful model of a state agency and local communities working together for a healthier Oklahoma.

DME Reuse Project

Since April 2012, OHCA and Oklahoma ABLE Tech have partnered in the Durable Medical Equipment Reuse Program (OKDMERP). This program is designed to refurbish valuable Durable Medical Equipment (DME) products that are no longer being utilized, and offer them to Oklahomans in need, regardless of income, age, or disability. Priority is given to SoonerCare members but any Oklahoman is eligible with a completed application packet. As of July 2012, 60 DME products have been redistributed through this program.

Text4Baby

OHCA, and several community and agency partners received national recognition for the “text4baby” campaign. This program is designed to get pregnant women and new mothers to enroll in a program designed to improve infant care. It provides timely tips and expert advice sent directly to cell phones of pregnant women and new moms. In the first two years, “text4baby” has already reached 335,000 users.

Oklahoma Electronic Health Records Incentives Program

The Centers for Medicare & Medicaid Services (CMS) implemented, through the American Recovery and Reinvestment Act of 2009 (ARRA), incentive payments to eligible professionals and eligible hospitals that adopt, implement, or upgrade and/or meaningfully use certified electronic health records (EHR) technology. EHR’s will enable the exchange of clinical information with other care providers to provide crucial health information in a timely manner. This should assist providers to improve quality, safety, efficiency, and reduce health disparities. Oklahoma was the first state in the nation to approve and issue an incentive payment. This program has paid more than \$70 million to 1,295 eligible professionals and 75 hospitals.

Public-Private Partnership

OHCA has saved \$1.15 million by partnering with MedSolutions to administer the SoonerCare radiology management program. MedSolutions manages the approval process of prior authorizations (PA) for all radiology scans such as CT, PET and MRIs. The goal is to improve access for SoonerCare members while ensuring they receive appropriate care with less duplication and lower exposure to radiation. MedSolutions uses state of the art computer software to make most PA decisions, however a denial requires physician review. More than 58,000 requests have been processed with an 84 percent approval rate and a two day response time.

Letter Generator Enhancement

OHCA upgraded a rigid collection of processes and systems for generating letters to a new integrated flexible solution. The new generator allows OHCA to quickly create and send correspondence to members and providers while saving the state hundreds to thousands of dollars a year in related mail costs. This technology allows OHCA to print by ZIP code eliminating the need for third party handling, resulting in an initial savings of more than \$175,000 a year.

SHOPP

House Bill 1381 established the Supplemental Hospital Offset Payment Program, or SHOPP, which allows for a 2.5 percent fee to be charged to certain Oklahoma hospitals. The revenue from the measure is then matched by the federal government and used primarily to maintain hospital reimbursement from the SoonerCare program. OHCA received federal approval in December 2011. It is estimated that SHOPP will raise an additional \$340 million for hospital providers. The program will terminate on Dec. 31, 2014.

Call Center Project

OHCA gained new and enhanced features through a call center enhancement project. A new Hewlett Packard telephone platform replaced a 10-year-old system that was no longer able to support OHCA with customer service operations. The new system has new robust hardware and updated software. It includes 100 recording of all calls, an automated outbound dialer, online archival of call center reports and access to a disaster recovery site. A phone carrier change has saved the agency an estimated \$40,000 per month.

CORE MISSION:

OHCA is not providing any services outside of its core mission. The agency's mission statement is taken from the original enacting legislation in 1993 which can be found at 63 O.S. § 5003. The mission statement is as follows:

To purchase state and federally funded health care in the most efficient and comprehensive manner possible and to study and recommend strategies for optimizing the accessibility and quality of health care.

The Employees Group Insurance Division (EGID) in the Office of Management and Enterprise Services (OMES) is also a purchaser of health care in the State of Oklahoma. Their client base is different from OHCA's; EGID is responsible for health benefits for state, education and local government employees, retirees and their dependents.

There are no services which are core to our mission which OHCA is unable to perform because of requirements to perform non-core services elsewhere.

PRIVATE ALTERNATIVES:

None of OHCA's services are also performed in the private sector.

Approximately 94 percent of the SoonerCare program represents reimbursements to providers for the delivery of health care goods and services. The remaining 6 percent accounts for the program's administrative costs that are split between the five participating state agencies (OHCA, OKDHS, OJA, DMHSAS, and OSDH). OHCA incurs 2.9 of the 6 percent administrative expenses, with about 70 percent paid toward private vendor contracts.

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OHCA is constantly evaluating opportunities to outsource work in the most effective and efficient manner. For example, the agency is currently advertising for Requests for Proposals (RFPs) to obtain the services of private vendors to develop and function as the Medicaid Recovery Audit Contractor and to operate the revised SoonerCare Health Management Program.

Oklahoma was one of the first states to experiment with fully-capitated HMO vendors to manage the care of the SoonerCare population in the mid-1990s. Although it was unsustainable, it provided a wealth of information that has made today's program better and more responsive. The independent evaluation by Mathematica Policy Research, Inc. can be found on our website at <http://www.okhca.org/research.aspx?id=10087&parts=7447> - listed under the Evaluation of SoonerCare Choice.