INDEPENDENT EVALUATION OF THE INSURE OKLAHOMA PROGRAM

FINAL REPORT

DECEMBER 11, 2008

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Introduction

The most recent finding from the Census Bureau's Current Population Survey estimates that the uninsured rate for the nonelderly in Oklahoma is 18 percent, which places the State eighth highest in the country.[1] Numerous stakeholders in Oklahoma identified this as an ongoing challenge that needed attention. In October 2003, the Oklahoma Health Care Authority (OHCA) received a Health Resources and Services Administration (HRSA) State Planning Grant to develop a plan to expand health care coverage for Oklahomans.

The OHCA utilized a large portion of the HRSA grant funding to collect and analyze data from multiple sources to understand the number of uninsured, the demographics of the uninsured, and reasons for the lack of coverage. These data not only informed the program design but also served as a baseline to measure the impact of any new state coverage initiatives.

In late 2003, the OHCA established a governance structure for overseeing and developing a plan to expand insurance coverage in Oklahoma with the OHCA serving as the lead agency. A Large Workgroup, composed of various stakeholders throughout the state, provided input in the policy and program design to ensure that the final design was widely supported. A Small Workgroup was responsible for implementing the direction of the Large Workgroup, which included developing policy positions and addressing the nuts and bolts of the program design.

In 2004, the Oklahoma Legislature passed SB 1546 which called for increased health care coverage for Oklahomans. The legislation also authorized the OHCA to apply for a waiver from the Centers for Medicare and Medicaid Services (CMS) to reform the Medicaid system to achieve the OHCA Board of Directors' philosophy of "It's Health Care Not Welfare." Specifically, the legislation authorized the OHCA to develop a program for premium assistance for private health care coverage or allow a buy-in to a state-sponsored benefit plan. In November of 2004, Oklahoma voters passed a ballot initiative to increase tobacco taxes. The majority of the tax revenues generated are appropriated for the program.

The OHCA submitted an amendment to the State's 1115 SoonerCare waiver to leverage federal funds for the new program in January 2005. The waiver demonstration was ultimately approved September 30, 2005 for a period of five years. The new program, named "O-EPIC" (Oklahoma Employer/Employee Partnership for Insurance Coverage) began accepting applications in December. Enrollment in the Employer Sponsored Insurance (ESI) portion of the program began January 1, 2006. The Individual Plan (IP) portion of the program was introduced in January 2007 with initial enrollment beginning in March.

The State forecasted that the program would be able to cover 50,000 residents over the course of the demonstration. In the original phase-in, the OHCA implemented an upper income qualification threshold of 185 percent of the Federal Poverty Level (FPL) for individuals and an employer size qualification threshold of 25 or fewer employees. The employer size was increased to 50 employees in October 2006; the qualifying income level was increased to 200 percent of the FPL in November 2007.

[1] DeNavas-Walt, C., Proctor, B., & Smith, J. (2008). Income, Poverty and Health Insurance Coverage in the United States: 2007. Washington, DC: US Census Bureau. The ranking represents a three-year average (2005-2007).

Implementation

The OHCA contracted with Electronic Data Systems (EDS) to administer the ESI and IP programs. Specifically, they determine qualification for both the employers and employees in the ESI program and the individuals in the IP program, remit the premium assistance payments to the employers, and pay medical claims for the IP population. EDS also staffs a call center to provide customer service.

The short implementation timeframe put strains on the modification and development of the systems infrastructure required to implement the new program. Initial design processes were curtailed since programming needed to begin. As a result, many processes were developed utilizing the minimum requirements necessary or were designed without testing all potential outcomes. The consequences of this resulted in some operational issues for EDS and contributed to the frustration of insurance brokers in the early period after implementation. Many changes were made in the day-to-day operations of the program as would be expected of any new program.

The OHCA also engaged in an intensive educational and outreach effort with small businesses and insurance brokers to promote the program. However, there were fears from both the Executive and Legislative branches that the program could be too successful and would grow too quickly. Therefore, the OHCA opted for more of a grassroots outreach effort rather than a large-scale media campaign. Recognizing that enrollment was lower than expected, in June 2007 the OHCA hired a local marketing firm to launch a broad-based media campaign to expand awareness of the program. The firm recommended rebranding the program from its original name O-EPIC to Insure Oklahoma. A new logo was also developed.

Agent Partner positions were created in early 2007 to educate insurance brokers on the mechanics of the Insure Oklahoma program and how to enroll their clients. There is no charge to the brokers for these services. In their first year, the Agent Partners outreached to 4,375 brokers in the state.

Insure Oklahoma Today

Enrollment

Though enrollment grew modestly through 2006 and 2007, there has been a rapid increase in enrollment in both the ESI and IP components of Insure Oklahoma in 2008. As of November 2008, over 22,000 have been enrolled in Insure Oklahoma at some point since its inception and over 15,500 members are currently enrolled. The monthly enrollment growth rate exceeded ten percent per month in the first half of 2008 but has decreased slightly in the second half of this year. Nonetheless, the program has seen continual month-to-month increases since it was introduced. Currently, there are 10,688 ESI members (16,462 ever enrolled) and 4,817 IP members (6,366 ever enrolled).

Urban areas of Oklahoma (Oklahoma City and Tulsa) comprise half of both the ESI and IP enrollment, while rural areas comprise the other half of members. The IP program skews to higher age groups (over age 40) and lower-income individuals (under 125 percent of the FPL). The program allows spousal coverage but not family coverage. In the ESI program, 16 percent of total members are spouses; in the IP program, they account for 24 percent of total members.

As of November 2008, there were over 3,500 small employers enrolled in the program. New employers are continuing to enroll at a rapid pace.

Service Utilization

Insure Oklahoma ESI members were surveyed to ask which services they have used under their employer's health plan in the last year. Fifty-six percent cited obtaining a pharmacy script, while half cited making a doctor's appointment for a general wellness check. Half of respondents also stated they made an appointment for an illness. Forty percent of women reported visiting their OB/GYN. Although these statistics imply a strong use of primary care, 21 percent of respondents also cited visiting the emergency room in the last year.

Service utilization of IP members was tracked by analyzing the claims paid to providers. On a month-by-month basis, between 20 and 30 percent of IP members make a doctor's visit and half of the members obtain a pharmacy script. Only three percent of IP members utilize the ER on a monthly basis.

Expenditures

So far, expenditures for Insure Oklahoma are far below what was expected in the waiver demonstration application to CMS. This is due to the slower growth in enrollment. Additionally, the per member per month (PMPM) cost that was projected is below projections for both the ESI and the IP programs, although the PMPM amounts differ between the two portions of the program.

The PMPM for the ESI program has held steady throughout 2007 and 2008 at $233. Although the IP portion of Insure Oklahoma is still relatively new with little historical trend experience, the data suggests that thus far the IP PMPM (on an incurred basis) is 25 to 35 percent higher than the ESI PMPM.

As of September 2008, expenditures towards premium assistance in the ESI program are $2 million per month. Expenditures for the IP program are $1 million per month. Out-of-pocket reimbursements to members are insignificant (less than $100,000 since inception of the program).

Within the IP program, inpatient hospital services are one-third of total medical expenditures while pharmacy scripts account for 20 percent of total medical expenses. Despite the higher PMPM on average for IP than for ESI, a profile of 401 members who have been enrolled at least 12 months in the IP program showed that 58 percent of the members incurred costs of less than $2,500 during their enrollment, which is a lower PMPM than the ESI program's premium assistance. Alternatively, three members incurred 14 percent of the total program costs.

Stakeholder Feedback

Feedback on the Insure Oklahoma program was obtained from a variety of stakeholders, including those that participated in the initial design, individuals involved in the day-to-day operations of the program, members in the ESI program, and insurance brokers. The evaluation team conducted 18 in-person interviews with 29 stakeholders as well as phone interviews with other stakeholders. A mail survey was administered to all active ESI enrollees as of June 2008. An email survey was administered to 125 brokers deemed "qualified agents" on the Insure Oklahoma website.

Overall, the feedback was very positive. Oklahomans are passionate about the success of the Insure Oklahoma program and universally would like to see it expanded to cover more of Oklahoma's uninsured. Each person interviewed felt proud to be connected to the program.

Awareness of the new brand name has been positive and exposure to the television and radio advertising is high.

Specifically, it is the Insure Oklahoma ESI program that stakeholders see as a foundation for expansion because future efforts appear to continue to leverage the private sector for solutions. There were mixed reviews on the IP program. Whereas some offered that the IP program could be an effective vehicle for expanding health care coverage to all Oklahomans through Medicaid expansions and other means, there was more skepticism regarding the IP program from health care industry and business stakeholders. Their concern stemmed from the view that the IP program is an avenue to a single payer system.

Negative views of the program were principally regarding the initial application process and especially the renewal process. The respondents to a broker survey cited the volume of paperwork required, the auto-renewal process for employers, and the timing of premium assistance payments to employers as roadblocks to selling the Insure Oklahoma model to more small businesses.

Among the respondents to a member survey, more than half indicated that they had been uninsured for more than two years prior to enrolling in Insure Oklahoma. Nearly half (45%) said that they would forego purchasing health insurance in the absence of Insure Oklahoma. Forty percent indicated that the application process was “pretty easy” or “very easy”.

Early Successes and Lessons Learned for Oklahoma and for Other States

Feedback from multiple stakeholders as well as observations from the evaluators identified early successes for Oklahoma that other states could use in their own development process. These include transparency in the initial design process, strong consensus gained across state stakeholders early in the process, a dedicated funding source, little to no burden on carriers in the ESI program, and the use of the Agent Partners to complement existing marketing and operational activities.

There were many operational challenges in the beginning of the program. These experiences can offer lessons learned to Oklahoma going forward as well as to other states. Highest among these lessons are allowing for sufficient planning rather than rushing to implement, developing adequate contingency plans, allocating substantial resources to program education (to potential members and insurance brokers), and creating a robust and continuous monitoring program to oversee outsourced operations.

Conclusion

The OHCA set out to have a transparent policy and design-making process to secure the support of stakeholders. Based upon interviews conducted with over a dozen non-State employee stakeholders who were involved in the design process, this process was successful and in fact transparent. This is evidenced by the continued support of the stakeholders for the program. However, because of a short implementation timeframe, the process to design the operations did not flow as smoothly. As a result, some program operations related to enrollment and renewals have been problematic. Since implementation, several workarounds have been required by EDS and the OHCA to alleviate these issues. Despite this, there continues to be high enthusiasm across all stakeholders in Oklahoma to expand and improve upon what has already been built in the Insure Oklahoma program. The program serves as a model that deserves consideration from other states that are researching insurance expansion alternatives.

CHAPTER I
EVOLUTION OF THE DESIGN OF INSURE OKLAHOMA/O-EPIC

Introduction

The genesis for the Insure Oklahoma/O-EPIC (Oklahoma Employer/Employee Partnership for Insurance Coverage) program has long roots in health reform efforts in Oklahoma from the early 1990's with the development of the Oklahoma Health Care Authority (the OHCA). The OHCA was formed in 1994 as a means to change the culture of the Medicaid program and to serve as a catalyst for other health care reform efforts in the state. The OHCA began administration of day-to-day operations of the Medicaid program in 1995 and was instrumental in developing the SoonerCare 1115 waiver which became effective in April 1996 and is still in place today. The Insure Oklahoma/O-EPIC program is subsumed under the SoonerCare waiver. The current waiver amendment expires December 31, 2009.

In 2002, the Insure Oklahoma/O-EPIC initiative received its primary start when the OHCA Board of Directors addressed Medicaid reform at its annual strategic planning retreat. The OHCA's CEO Mike Fogarty articulated these sentiments in the OHCA's 2003 Annual Report: "The major issue for our time is Medicaid's structural weaknesses stemming from its roots in the welfare system[1]."

The OHCA Board believed that the future coverage needs for Oklahomans should not be based in a public system which they believed had its roots in an antiquated premise and model. Therefore, the Board developed the overarching mission statement for Medicaid and health reform for Oklahoma: "It's Health Care Not Welfare". The key objectives of the It's Health Care Not Welfare initiative were the following:

1. To promote healthier Oklahomans;
2. To increase patient responsibility;
3. To purchase health care more effectively;
4. To reimburse providers more responsibly;
5. To develop flexible benefit packages;
6. To redefine eligibility; and
7. To establish a more predictable budget.

To help achieve these objectives, the OHCA applied for and received a Health Resources and Services Administration (HRSA) State Planning Grant in October 2003. The initial amount of the award was $875,000. The OHCA received an additional $400,000 upon the one year extension of the grant. The purpose of the grant was to develop a plan to expand health care coverage for Oklahomans.

The remainder of this chapter provides a framework of trends in health insurance coverage in Oklahoma, the development of the blueprint for what was to become Insure Oklahoma/O-EPIC, the process for obtaining stakeholder feedback in the final design, and the process for seeking approval of federal matching dollars to support the program.

[1] Message from the CEO, Oklahoma Health Care Authority Annual Report, State Fiscal Year 2003

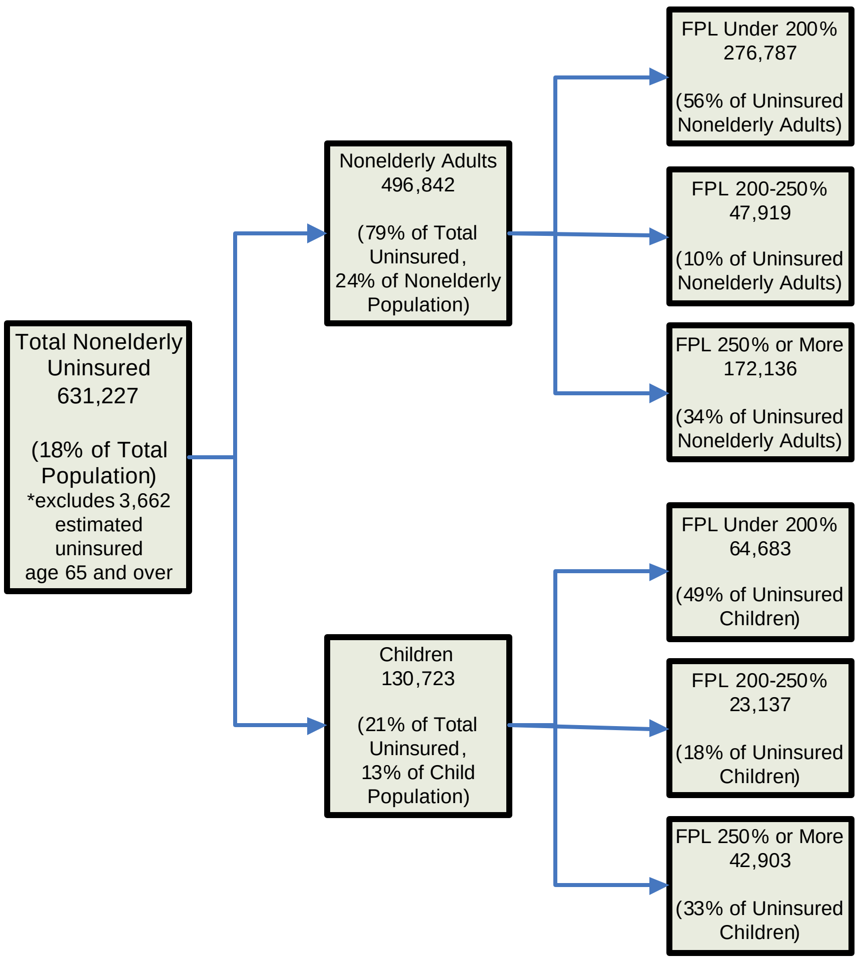
Health Insurance Coverage in Oklahoma

Recent Information on Insurance Status in Oklahoma

The United States Census Bureau conducts a monthly survey of households (the Current Population Survey, or CPS) to ascertain information on the labor force, employment status and unemployment status of citizens. Once a year as part of its March survey, the Census Bureau asks supplemental questions related to health insurance status.

The most recent finding from the March 2008 supplement of the CPS reveals that Oklahoma ranks eighth highest among states for the percentage of citizens without health insurance.[2] The CPS estimates that there are 631,227 nonelderly uninsured residents, or 18 percent of the total nonelderly population.[3] Of these, two-thirds are in families with incomes below 200 percent of the Federal Poverty Level (FPL), as illustrated in Exhibit I.1 below.

Exhibit I.1
Profile of Nonelderly Uninsured in Oklahoma Using Results from the March 2008 CPS



[2] DeNavas-Walt, C., Proctor, B., & Smith, J. (2008). Income, Poverty and Health Insurance Coverage in the United States: 2007. Washington, DC: US Census Bureau. The ranking represents a three-year average (2005-2007).
[3] Source: U.S. Census, Current Population Survey, Annual Social and Economic Supplement, 2008 Table Creator http://www.census.gov/hhes/www/cpstc/cps_table_creator.html

Oklahoma's uninsured rates are higher than the national average when controlled for age.

Exhibit I.2
Oklahoma's Uninsured Rates Compared to U.S. Averages[4]

	Oklahoma	US
Overall	18%	15%
By Age		
Children 18 and Under	13%	11%
Adults	19%	17%

Oklahoma's Assessment of the Uninsured

The OHCA utilized a large portion of the HRSA grant funding to collect and analyze data to understand the number of uninsured, the demographics of the uninsured, and reasons for the lack of coverage. These data would not only inform the program design but also serve as a baseline to measure the impact of any coverage initiatives that resulted from the HRSA grant. The sources of data included the following:

- 2004 Oklahoma Health Care Insurance and Access Survey conducted by the University of Minnesota's State Health Access Data Assistance Center (SHADAC)

- *It's Health Care Not Welfare* Final Report which summarized four separate studies to determine stakeholder attitudes towards health care reform conducted by the University of Oklahoma (OU) Department of Family & Preventative Medic ine. OU conducted the following four studies:

  – Programmatic elements necessary to ensure provider participation
  – Appropriate rate structure and copayment amounts
  – Beneficiary attitudes towards cost sharing
  – Small business owner attitudes towards reforms to Medicaid

The OHCA also included data obtained from the following national data sources:

- Medical Expenditure Panel Survey Insurance Component (MEPS-IC)
- Behavioral Risk Factor Surveillance Survey (BRFSS)
- Kaiser Family Foundation information based upon the CPS

Baseline Data to Measure the Uninsured in Oklahoma

The SHADAC and other data sources for the number of uninsured built a compelling case for health care reform in Oklahoma. The following table outlines the baseline data for the uninsured that the OHCA submitted at the time of their application for the HRSA State Planning Grant[5] as well as the overall results from the SHADAC survey[6]:

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[4] http://www.census.gov/hhes/www/cpstc/cps_table_creator.html.
[5] Oklahoma State Planning Grant Interim Report, September 2004
[6] 2004 Oklahoma Health Care Insurance Access Survey: Select Results, Report to the Oklahoma Health Care Authority prepared by State Health Access Data Assistance Center, April 2005

Exhibit I.3
Baseline Data for the Uninsured

Source of Information	Data Collection Period	Oklahoma Uninsured Rate
Kaiser Studies	2002	18% (statewide, all ages)
US Census Bureau (CPS)	2001-2003 average	19.7% (statewide, all ages)
BRFSS	2002	23.5% (adults 19-64)
University of Minnesota (SHADAC)	May-June 2004	23.1% (adults 19-64) 17.3% (statewide, all ages)

SHADAC Survey

The baseline uninsured rates ranked Oklahoma ninth highest in the nation in the rate of uninsured. The SHADAC study was of particular importance because it was based on information obtained from Oklahoma residents. SHADAC was able to identify uninsurance rates for key demographic cohorts in Oklahoma including:

- Gender
- Age
- Race/ethnicity
- Household Income (FPL)
- Level of education
- Marital status
- Health status
- Disability status
- Geographic location

Exhibit I.4 beginning on the next page presents the uninsured rates for many of the demographic cohorts listed above.[7] The results of the 2004 SHADAC study indicated the following to the OHCA:

- The percentage of uninsured males and females is almost identical (17 to 18 percent).

- People aged 19-34 had the highest uninsured rate of any age group. The low uninsured rate for children is attributable to availability of coverage through SoonerCare. For individuals over 65, it is attributable to Medicare coverage.

- Hispanics, Asians, and Native Americans all have high uninsured rates relative to Whites and African Americans. However, the rate shown for Asians may be overstated as indicated by a 10.14 percent standard of error on the sampling.

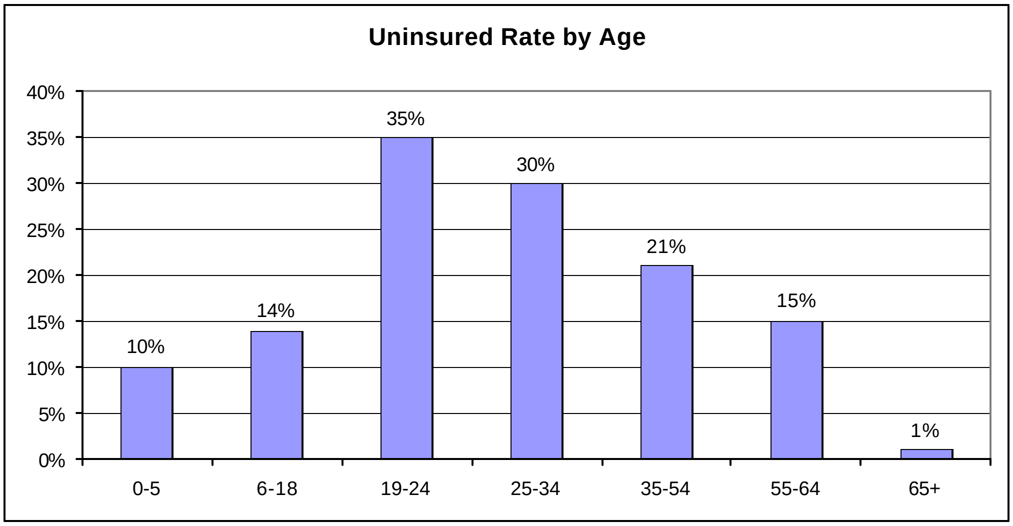
- Not surprisingly, the uninsured rates grew higher as family income levels decreased.

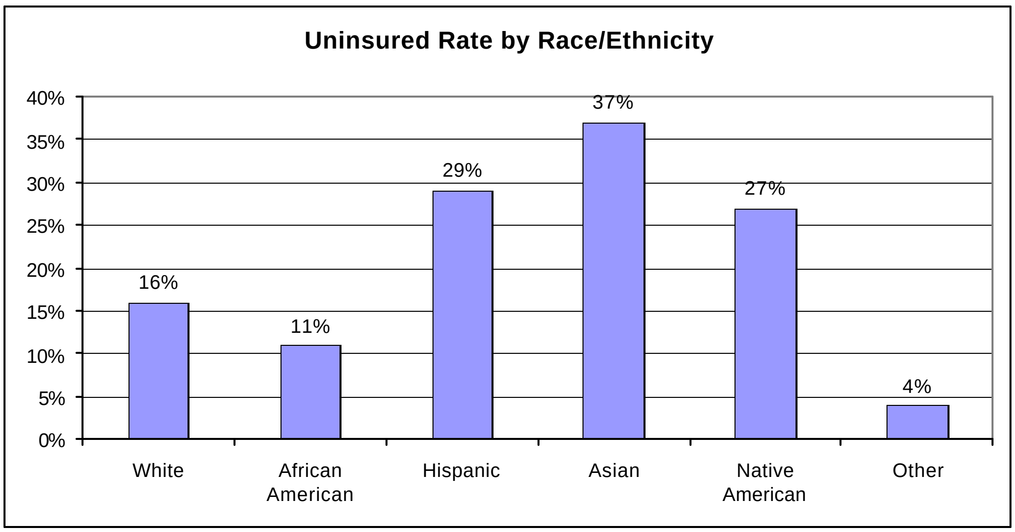
- There were significant differences in the uninsured rates between citizens who cited their health status as “fair” or “poor” versus those who cited that is was “excellent” or “very good”.

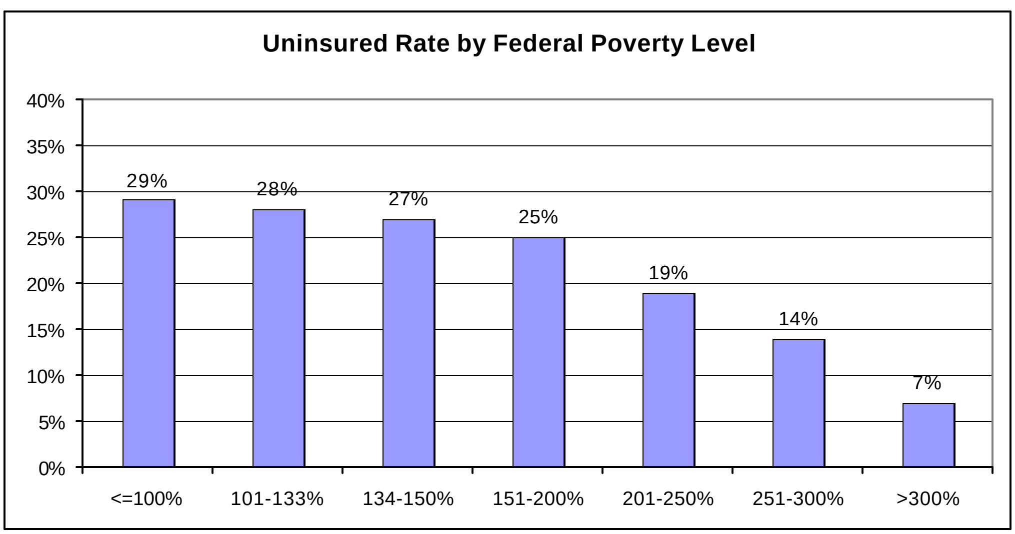
- The eastern region of the state had the highest uninsured rates among all state residents. Rural areas of the state had a significantly higher uninsured rate than urban areas.

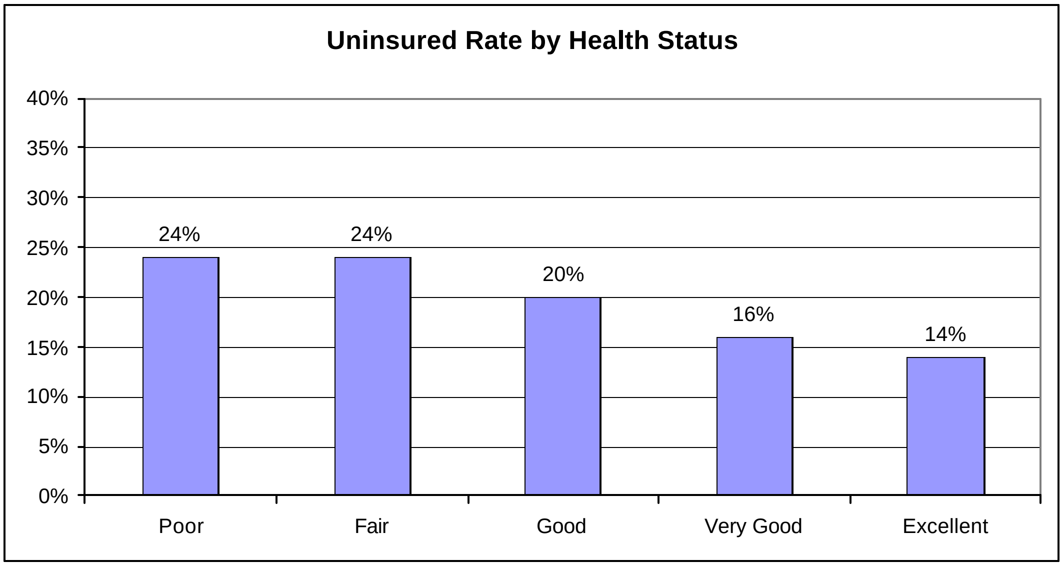
[7] 2004 Oklahoma Health Care Insurance Access Survey: Select Results

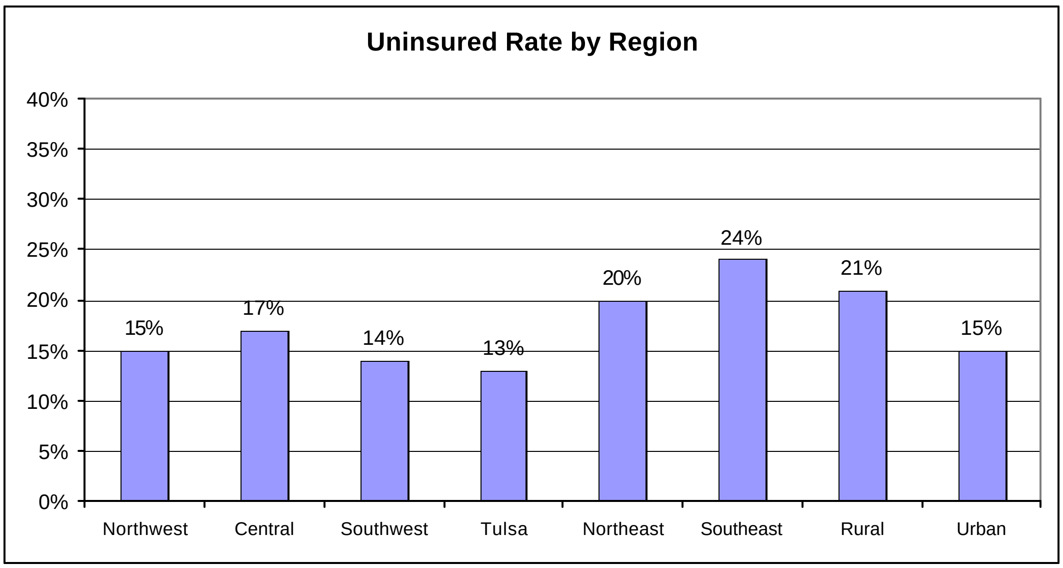
Exhibit I.4
Results from the 2004 SHADAC Survey for Oklahoma











In addition to the demographic composition of the uninsured, the SHADAC survey also solicited information on why there was a high rate of uninsurance in Oklahoma and what types of initiatives might decrease the number of uninsured. The feedback from the survey helped the OHCA develop policy positions and program design features to evaluate for the Insure Oklahoma/O-EPIC initiative. The following were the groups that the SHADAC report identified for targeting in the initiative:

- Adults (ages 19-24)
- Families with incomes below 250 percent of the FPL
- Unemployed individuals
- Self-employed workers
- Temporary and seasonal workers
- Employees of firms with 50 or fewer employees

Employer-sponsored Insurance

The OHCA also collected national data that showed that only 37 percent of businesses in Oklahoma with 50 or fewer employees offered insurance.[8] OU also did a survey of 150 Oklahoma small businesses. Only 50 percent of those surveyed offered health insurance to their employees.[9] Additionally, the highest rates of uninsurance were for employees in small businesses.

Even when insurance is offered to them, employees do not always take up. The most frequently cited reasons for employees who opt out of health care coverage were "too expensive" (46 percent) and "don't qualify" (26 percent).[10]

Feedback from Uninsured Individuals

Both the SHADAC and OU surveys included questions on attitudes of uninsured individuals with respect to contributing to the cost of health care coverage.

The majority of uninsured individuals responding to the SHADAC survey stated that they were willing to pay something for their health insurance, as seen in Exhibit I.5.

Exhibit I.5
The Uninsured's Willingness to Pay for Health Coverage ($ Per Month)[11]

Monthly Expenditure for Health Care Coverage	Percentage of Respondents
$100	37.0%
$50	24.3%
$25	13.8%
$10	4.2%
$0	20.7%

Although the authors of the SHADAC study admit that this question may not be reliable to determine the exact amount that an individual would be willing to pay, they do believe that these data provide some basis to determining the amount that a subsidy should be.

The OU study "It's Health Care Not Welfare: *Beneficiary Attitudes Towards Paying Enrollment Fees, Co-Payments, and Premiums to Obtain Health Insurance Coverage Under an Expanded Medicaid Program*" had more specific questions on what an individual would be willing to pay.[12]

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[8] Oklahoma State Planning Grant Interim Report, September 2004
[9] Ibid.
[10] 2004 Oklahoma Health Care Insurance Access Survey: Select Results
[11] Ibid.
[12] Unlike the SHADAC study, the OU study only surveyed individuals below 200 percent FPL. Therefore, the results directly represented the attitudes of potential Insure Oklahoma members. On the other hand, the OU only surveyed 122 individuals versus the 5,500 that were surveyed by SHADAC.

The researchers report that respondents were very willing to pay something for their health care. The following table represents the average reasonable amount of cost sharing for each area they surveyed.

Exhibit I.6
Average Reasonable Cost Sharing (n=122)

Cost Sharing Category	Average Amount of Cost Sharing	Number of Respondents
Enrollment Fee Per Year	$25	111 (91%)
Monthly Premium	$50	105 (86%)
Annual Deductible	$50	108 (89%)
Co-payment Per Visit	$5	82 (67%)
Coinsurance	90/10%	67 (55%)
Annual Out of Pocket	1%-2%	65 (53%)

These data are consistent with a monthly out of pocket cost of $50 to $100 that the majority of the respondents in the SHADAC study said that they would be willing to pay.

Research of Other State Programs

One of the research areas specifically explored was health coverage initiatives in other states. The nine states whose programs were researched included the following:

- Arizona
- California
- Colorado
- Illinois
- Maine
- Minnesota
- New Jersey
- New Mexico
- Oregon

The OHCA staff met with people from these states and flowcharted the processes for each state's program. They also studied program design, premium and cost sharing affordability, and cost effectiveness in order to help ensure that the Insure Oklahoma/O-EPIC design was based upon previous known best practices and to help avoid pitfalls that other states experienced.

Each of the nine states had unique designs. General similarities allow for grouping of state models. Arizona and New Mexico used their Medicaid HMO networks to expand coverage to small business employees. Both states developed programs with slimmer benefits in order to keep the cost of the premiums down. While New Mexico's program is a premium assistance program and is operated under a HIFA Waiver, Arizona's program is intended to be self sufficient and does not offer premium assistance.[13] Because of the OHCA's experience with Medicaid HMOs in their SoonerCare program, the OHCA opted not to pursue these models. Additionally, the philosophy that any new program should reflect It's Health Care Not Welfare also meant that utilizing the Medicaid infrastructure was not the optimal avenue for expansion.[14]

[13] It should be noted that even though the program is intended to be self sufficient, the Arizona State Legislature has had to appropriate funding to the Arizona program to keep it solvent.
[14] Note that it was decided ultimately that the Individual Plan in Insure Oklahoma would utilize the Medicaid program infrastructure.

From the beginning, there was more desire to develop a model that leveraged the private sector insurance market, which reflects the models in California, Illinois, Maine, and Oregon. In each of these states, the state provides premium assistance to low income individuals rather than have them enroll into expanded Medicaid/SCHIP programs. California created PacAdvantage, a nonprofit organization that pooled health insurance plans and marketed them to small businesses.[15] The Illinois program reimburses eligible parents of Medicaid/SCHIP eligible children $75 per month to help offset their health insurance premium. Similarly, Oregon programs provide direct premium assistance to the eligible parents on a sliding scale. Maine's Dirigo program contracted with a private insurance carrier to provide coverage to low-income persons who choose to buy into the program.

The programs in Minnesota and New Jersey are Medicaid/SCHIP expansions to parents of eligible children in their current programs. While expanding current populations can be an administratively efficient way to expand health care coverage, these approaches did not meet the OHCA's goals of leveraging the private sector.

Broadly, Oklahoma took a hybrid approach and uses a little of each of these models. The ESI program provides sliding scale premium assistance for low-income workers in small businesses (California, New Mexico). However, unlike any of the states studied, the premium assistance goes directly to the employer. For the Individual Plan program, Oklahoma looks most like Minnesota or New Jersey (Medicaid/SCHIP expansions) with the income and business size limitations. Additional features of Insure Oklahoma/O-EPIC that further distinguishes it from other states are discussed in Chapter II.

Development of the Blue print for Insure Oklahoma/O-EPIC

In order to develop the Insure Oklahoma/O-EPIC program, the OHCA established a rational and methodical process that resulted in a program design that was supported by all but a few advocates[16]. To achieve this end, the OHCA successfully created the design process to be as transparent as feasibly possible. Major elements of the process will be addressed in turn.

<u>Governance</u>

As a starting point, the OHCA established a governance structure for overseeing and developing the Insure Oklahoma/O-EPIC program, with the OHCA serving as the lead agency. To support the effort, the OHCA formed two primary workgroups: the Large and Small Workgroups. The Large Workgroup was composed of various stakeholders including state agencies, legislators and their staff, hospitals, other medical providers, private insurers, university staff and other researchers, advocates (including tribal organizations), and the business community. Because of its broad stakeholder representation, the Large Workgroup was to provide input in the policy and program design to the Small Workgroup. The intent of this function was to ensure that the final design was widely supported by members of the legislature, the Governor's Office, and other community partners. The Large and Small Workgroups interacted at least quarterly during the early design phase. After the initial design phase, the Small Workgroup continued to meet

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[15] California's PacAdvantage premium program was suspended on December 31, 2006 due to lack of health insurer participation.
[16] From an interview with Matt Lucas, Director of Insure Oklahoma, some advocates wanted a Medicaid expansion without the flexibility in benefit design and cost sharing, which reduced covered services and increased members' out of pocket costs.

informally and met with outside stakeholders periodically to review decisions with them as the waiver with CMS was in development.

The Small Workgroup was headed by the Oklahoma Secretary of Health and staffed by the OHCA personnel and functioned as the project management team. In addition to state staff, the Small Workgroup included three non-government stakeholders[17]. The Small Workgroup members were responsible for supporting the work of the Project Manager and implementing the direction of the Large Workgroup. The Small Workgroup also coordinated the work of project teams and consultants, developed policy positions, and assisted with staffing various meetings. The nuts and bolts of the program design were formulated through the research of the Small Workgroup in conjunction with subgroups.

<u>HRSA State Planning Grant Activities</u>

The stated goal of the OHCA's HRSA State Planning Grant was:

> To design and plan for a pilot project to expand affordable health insurance coverage to un- or under-insured populations within Oklahoma including continuing to expand upon activities commenced through the initial State Planning Grant award gaining valuable insight into Oklahoma's specific uninsured and insurance market conditions and concerns.[18]

The State Planning Grant allocation was used to fund several studies to establish baseline data on the rates of uninsurance of individuals and employees of businesses and program design features such as cost sharing and benefits.

The results of these studies fed into the development of the policy rationale for Insure Oklahoma/O-EPIC and the design of the program. The OHCA utilized its Small Workgroup to draft position papers and to conduct straw polls to share with the Large Workgroup. The Large Workgroup did not have a formally designated Chair nor was there a formal voting process. Decisions were based upon the consensus of the attending members by voice voting. These approaches were to help ensure that the process remained transparent and secured the buy-in of the primary stakeholders. The studies that were conducted or researched prior to discussion with the Workgroups were valuable to the process because they were both current and Oklahoma-specific. Therefore, the evolution of the Insure Oklahoma/O-EPIC program design had its roots in data that were meaningful to the stakeholders and promised a product that would be successful in Oklahoma.

Other State Planning Grant activities included developing cost and caseload estimates for the program. The OHCA staff researched all opportunities to leverage federal funds and find appropriate opportunities to hold down cost. Some of the cost saving measures included a cost sharing responsibility for the individuals. This added an element of personal responsibility which several stakeholder groups believed was important in such a program in the spirit of It's Health Care Not Welfare. The SHADAC and OU survey results were important findings to support a cost sharing responsibility on Insure Oklahoma/O-EPIC enrollees. The OHCA believed that a capped percent contribution to an individual's premium would encourage employers to choose

[17] Insurance Commissioner Kim Holland (who was the Director of Team Insurance Group at that time), Patti Davis with the Oklahoma Hospital Association, and Ed McFall, an the OHCA Board Member.
[18] HRSA State Planning Grant Application

plans that were more affordable in order to help their employees with purchasing health care coverage.

Finally, the OHCA believed that a phased-in approach to implementation would control costs in the first year during which there would then be actual cost and caseload information to use in budgeting for future years. The following approach was taken:

- Start with the smaller employer groups of 2-11 employees
- Have the flexibility to adjust the amount of premium assistance on an as needed basis

Limiting participation to persons at or below 185 percent of the FPL was not considered during the planning phase, but came later during the waiver development process.

During the State Planning Grant activities in 2004, the Oklahoma Legislature passed SB 1546 which called for increased health care coverage for Oklahomans. The legislation also authorized the OHCA to apply for a waiver from CMS to reform the Medicaid system to achieve the goals in It's Health Care Not Welfare. Specifically, it authorized the OHCA to develop a program for premium assistance for private health care coverage or allow a buy-in to a state-sponsored benefit plan. This legislation was augmented by the passage of HB 2006 in 2004 that was the originating legislation for a ballot initiative that increased taxes on tobacco and other tobacco-related products. The majority of the tax revenues generated are appropriated for the Insure Oklahoma/O-EPIC program.

In November of 2004, Oklahoma voters passed the ballot initiative to increase tobacco taxes. Stakeholders who were involved with the process at this stage all attribute the passage of the ballot initiative as the event which got everyone to the table to work through the program details.

<u>Stakeholder Feedback</u>

Gathering stakeholder input was institutionalized through the governance structure that the OHCA created for the Insure Oklahoma/O-EPIC initiative. As noted earlier, the Large Workgroup had broad stakeholder representation and functioned in an advisory role with consensus voting on major program elements. The Small Workgroup first met in October 2003 after the OHCA was given the State Planning Grant award and met for a total of five times. In subsequent meetings during the period October 2003 through August 2004, the Small Workgroup met to discuss results of the It's Health Care Not Welfare studies, research on other states' premium assistance programs, potential models for Insure Oklahoma/O-EPIC and related funding options. The Small Workgroup presented this information to the Large Workgroup and other stakeholders informally for feedback. The Small Workgroup was then responsible for implementing the recommendation from the Large Workgroup. The Large Workgroup recommended that two models be further developed—1) a Premium Model, and 2) a Voucher Model.

The two models are further described below in the Early Versions and Changes section. After the Small Workgroup developed the two models in conjunction with their consultants, they recommended that the Voucher/Premium Assistance model be presented to the Large Workgroup as the most viable.

One example of stakeholder involvement in the program design involved seeking Blue Cross Blue Shield (BCBS) of Oklahoma's input into the preferred model design early in the process.[19] Prior to that meeting, the Small Workgroup met with BCBS of Oklahoma to get their feedback. BCBS of Oklahoma agreed that the Voucher Model was the preferred model because it promoted private sector businesses. While the Premium Model had an element of premium assistance where a qualified benefit plan existed, it promoted a Medicaid Buy-In approach.

There were additional efforts to gather stakeholder input in addition to the two Workgroups. Other efforts included[20]:

- Governor presentations to stakeholders
- Meetings with health policy experts
- Meetings with key constituents that were not part of either the Large or Small Workgroups
- Notice of events surrounding State Planning Grant activities
- Brainstorming sessions led by OU which augmented the surveys conducted by the University
- Participation and multiple conferences and community events by the Project Director

All of these efforts to involve stakeholders resulted in a transparent process. Interviews with stakeholders for this evaluation were all complimentary of the efforts that the OHCA undertook to make Insure Oklahoma/O-EPIC a program that would engender broad support. The transparency appears to have been a successful component in achieving that goal.

Early Versions and Changes

As previously mentioned, stakeholder feedback, surveys, focus groups, and analyses of other states' programs were the basis of developing two primary models for Insure Oklahoma/O-EPIC: a Premium Model and a Voucher/Premium Assistance model. Elements of both models are described below.

Voucher Model

The voucher model is ultimately what the OHCA adopted for the Employer Sponsored Insurance (ESI) portion of Insure Oklahoma/O-EPIC. In this model, the OHCA would contract with a fiscal agent to determine employer and employee qualification. Once employers and employees are determined qualified, the fiscal agent would determine the amount of the voucher or premium assistance for each qualified individual and, if applicable, their family members. That amount would be paid directly to the employer who would remit the entire amount of the premium to the health insurer. Under this model, the voucher is applied toward the commercial health insurance premium that the employer is enrolled with. There were several advantages identified with the voucher model:

- *Easy to administer*. The goal of this model is to make the voucher process invisible to the health insurer so there would be no disruption of their standard business

[19] BCBS of Oklahoma was an early supporter of Insure Oklahoma and collaborated with the OHCA throughout the process, which contributed to their prominent role in the program development. By choice, other insurers were not as actively engaged in program design.
[20] Oklahoma State Planning Grant Interim Report, September 2004

practices. In theory, the process for employers and employees to become qualified initially and to renew their qualification should be administratively simple.

- *Budget flexibility for the state*. Because this model singularly leverages the private insurance market and as a result the OHCA does not pay claims, there are no uncertainties regarding reserving funds. Additionally, because the amount of the voucher can be averaged, budget development for the program is more predictable than if the OHCA were paying for services on a fee for service basis.

- *No private market crowd-out*. Because the Voucher Model leverages the private health insurance market, there is no crowd out which is a concern because of the cost shifting of health care coverage from the private to public sector. Private market crowd out was a primary concern for BCBS of Oklahoma, which is why they supported the Voucher Model.

- *Greater employer freedom-of-choice*. There were no restrictions on businesses in their choice of insurance product other than the requirement that qualified plans meet a certain benefit level. However, as discussed in later chapters, brokers often market a limited choice of health plans to keep the enrollment process simple.

- *No SoonerCare Plus "Issues"*. The OHCA terminated its Medicaid managed care program SoonerCare Plus in 2004. Because the Voucher Model leverages the private sector and did not propose procuring the services of managed care organizations, it was an attractive option for the OHCA. This was an important decision point in the program design.

- *Reduced opportunities for fraud*. The private insurance companies would be primarily responsible for monitoring fraud and abuse.

Two drawbacks for this model were also identified:

- *Less consistency of benefits*. Because employers could choose their health insurance plan, and because health plans had multiple offerings, some employees could be offered a richer benefit than others.

- *Less control over affordability*. Again, because employers can choose from a number of benefit packages, there is no guarantee on premium cost over time.

In developing the Voucher Model, the stakeholders rejected that the voucher be remitted directly to the employee because there was not a good way to monitor if the individual actually spent the money on health care insurance. Therefore, they opted to provide the voucher to the employer instead.

Premium Model

Like the Voucher Model, the Premium Model includes a fiscal agent. However, the Premium Model offered a choice of Medicaid buy-in or private sector health insurance coverage. An individual could buy into Medicaid under two conditions: (1) the individual did not live in an area that had any health plan at all or (2) an area with health plans that were not equal to or less than a prescribed Actuarial Threshold Value (ATV), which would be determined by the OHCA.

Under a Medicaid buy-in model, individuals would receive their services from providers who bill the OHCA for the cost. To participate in this program, the individual would pay the OHCA a small premium.

In the case when an individual lives in an area that does have health plans that are equal to or less than the ATV, then they qualify for premium assistance for their share of the private health insurer's premium. In this circumstance, the fiscal agent collects the employer, employee and the OHCA (state/federal portions) shares of the insurance premium. The funds would be deposited into an Oklahoma Health Account that would have some attributes of a health savings account (HSA). Premiums would be remitted directly to the insurer.

The Large Workgroup chose the Voucher Model over the Premium Model because it was felt that the HSA program design would be too complex to administer, as well as difficult to educate those experiencing health care coverage for the first time. CMS approved the final Voucher Model design for the Insure Oklahoma/O-EPIC ESI program. However, as part of the waiver approval, CMS insisted that individuals who either worked for a small business that did not offer health insurance, were self-employed, or were recently unemployed had an option for health care coverage through Insure Oklahoma/O-EPIC.

This requirement became known as the Individual Plan (IP) program. The OHCA debated whether to include individuals in the ESI program. However, there was little support from the insurers to accept the IP population because of the unknown health risk of potential enrollees. Therefore, the OHCA decided to essentially treat the IP program as a Medicaid expansion and utilize their SoonerCare networks to provide services. The contract with Electronic Data Systems (EDS), the OHCA's fiscal agent for SoonerCare, was amended to include the IP program for claims payment purposes. While the Voucher Model was preferred and implemented for the ESI program, the OHCA used the Premium Model—minus the HSA design—for the IP program.

Obtaining CMS Approval

Early on, it was decided that any state initiative to cover uninsured Oklahomans should leverage federal dollars wherever possible. As the agency that managed the Medicaid program, the OHCA took the lead in the design of an amendment to the State's 1115 SoonerCare waiver to include the populations identified for the coverage expansion. The OHCA opted to use the HIFA waiver template as a model for two reasons:

- CMS was supporting "fast track" status for HIFA waiver applications.
- The principles of Oklahoma's insurance coverage blueprint fit in well with the principles of HIFA waivers already approved, namely, leveraging the private sector to increase coverage among uninsured residents and/or offering a benefit package through the Medicaid program that was slimmed-down from the traditional Medicaid package and promoted personal financial responsibility.

The initial waiver application for the Insure Oklahoma/O-EPIC program was submitted in January 2005 with the intent to begin operations July 1, 2005. The State negotiated terms and conditions throughout the Spring of 2005 which resulted in a revised waiver application which was submitted in July 2005. The waiver amendment was approved September 30, 2005. Insure Oklahoma/O-EPIC began accepting applications in December with coverage beginning January 1, 2006.

Although there were many areas to negotiate with CMS, the primary area was around the implementation of the IP program, known as the "safety net" population in the waiver's terms and conditions. Oklahoma negotiated with CMS in the development of the IP product using the Premium Model previously discussed. Because this decision was made later in the process, the OHCA opted to take control of administering this aspect of the program rather than privatizing it like the ESI portion of the program. Additionally, the State negotiated a delayed implementation date to begin the IP portion of the program. It ultimately was introduced in January 2007 with its first members receiving services in March 2007.

Other primary negotiation areas were the income threshold for which individual member's qualification was determined as well as the small business size for which a business's qualification was determined. The State negotiated an upper income threshold of 185 percent of the FPL for individuals with the option after the program was introduced to increase this threshold to 200 percent of the FPL. The State had forecasted that the program would be able to cover 50,000 residents over the course of the demonstration. Because enrollment started at a slow pace, Oklahoma took advantage of this option and increased individual income qualification to 200 percent of the FPL effective November 2007.

Similarly, the State originally negotiated that small businesses with 25 or fewer employees would be qualified to have their employees participate in Insure Oklahoma/O-EPIC. Subject to the availability of funds, the State was authorized to increase this limit to 50 or fewer employees. This option was exercised effective October 2006.

There is also an option in the waiver for the working disabled population with a Ticket to Work to qualify for the program if their income is below 200 percent of the FPL. The OHCA anticipated that 225 individuals in the state would meet these criteria over the course of the waiver demonstration.

It should be noted that the OHCA submitted an amendment to CMS in August 2007 formally requesting that the individual income limit be increased from 200 percent FPL to 250 percent FPL (up to 300 percent FPL for college students ages 19-22) and to increase the small group size from 50 employees to 250 employees. It also included provisions to offer premium assistance to children in families up to 300 percent FPL who are not already qualified for the State's SoonerCare program. As of this writing, the OHCA is still in negotiations with CMS over this amendment. The Oklahoma Legislature already approved these measures and directed the OHCA to seek federal approval.

Planning for Implementation

In 2004, the OHCA applied for a continuation of the State Planning Grant and received an additional $400,000. This funding was used to support operational implementation of Insure Oklahoma/O-EPIC. Once the Oklahoma voters approved the tobacco tax increase in November 2004, planning intensified. The goal was to have the program fully operational on October 1, 2005, eleven months after the passage of the ballot initiative. While the OHCA was awaiting CMS approval, staff continued to meet with stakeholders, especially health insurers, to develop the operational elements of the program. Because of the short implementation timeline, development of program operations for the Insure Oklahoma/O-EPIC program coincided with the waiver approval.

The OHCA decided to contract with Electronic Data Systems (EDS) to administer the ESI and IP programs. EDS is the Fiscal Agent for the Medicaid program. This simplified the implementation because the OHCA would not have to conduct a new procurement which would potentially delay the implementation. Additionally, the Large Workgroup wanted an independent third party to process the transactions as evidenced by the presence of a Fiscal Agent in the Voucher Model.

As the Fiscal Agent, EDS was contracted to determine qualification for both the employers and employees in the ESI program as well as the individuals in the IP program, remit the premium assistance payments to the employers, and pay medical claims for the IP population. EDS was also given responsibility to staff a call center to provide customer service. The Oklahoma Department of Human Services (OKDHS) is required to do a final check to see if the employee is qualified for other public programs, a disqualifier for enrollment in Insure Oklahoma/O-EPIC.

The short implementation timeframe put strains on the modification and development of the systems required to implement the program's infrastructure. After the waiver application was submitted to CMS in January 2005, the OHCA engaged with the OKDHS on system design beginning in March. System requirements were completed in July. The OHCA provided additional programmers to the OKDHS to assist in systems modifications, which began in August for an October 1st implementation. Because of the short timeframe, the minimum amount of programming necessary was completed. This resulted in operational issues for EDS later and ultimately contributed to some frustration from insurance brokers.

The OHCA also engaged in an intensive educational and outreach effort with small businesses and insurance brokers to promote the program. However, there were fears from both the Executive and Legislative branches that the program could be too successful and would grow too quickly. There was little appetite for waiting lists early in the program. Therefore, the following means to limit enrollment were implemented in the first two years:

- Qualified persons could only have incomes at or below 185 percent of the FPL rather than 200 percent of the FPL as originally proposed.

- Qualified businesses could only have 25 or fewer employees rather than 50 or fewer as originally proposed.

Post Implementation

Since Insure Oklahoma/O-EPIC began, there have been many changes in the day-to-day operations of the program as would be expected of any new program. These are described in more detail in Chapters II and III.

The key design changes since implementation, however, are the expansion of potential members and the rebranding of the product itself. Recognizing that enrollment was not meeting the potential that was expected, the OHCA made two significant changes. Effective in October 2006, small businesses with up to 50 employees would now qualify (an increase from the original 25 limit). In November 2007, persons with incomes between 186 percent FPL and 200 percent FPL would now qualify.

In June 2007, the OHCA hired a local marketing firm to launch a broad-based campaign to expand awareness of the program. The firm recommended rebranding the program from its original name “O-EPIC” to Insure Oklahoma.[21] A new logo was also developed and has been used in all marketing materials since then. Additionally, the focus of the media campaign was the launching of television and radio advertising. As will be seen in the feedback from stakeholders interviewed by Burns & Associates as well as feedback from members, the awareness of the new brand name has been positive and exposure to the television and radio advertising is high.

In summary, the OHCA set out to have a transparent policy and design-making process to secure the support of the Insure Oklahoma stakeholders. Based upon multiple stakeholder interviews conducted by our firm, this process was successful and in fact transparent. This is evidenced by the continued support of the stakeholders for the program. However, because of a short implementation timeframe, the process to design the operations did not flow as smoothly. As a result, some program operations related to enrollment and renewals have been problematic. Since implementation, several workarounds have been required by EDS, the OHCA and the OKDHS in order to correct issues that developed. The timeline of key events in the design of Insure Oklahoma appear in Exhibit I.7 on the next page.

[21] For the remainder of this report, the program will be referred to as Insure Oklahoma, although it should be mentioned that many program materials still show the Insure Oklahoma/O-EPIC reference.

Exhibit I.7
Timeline of Key Events

2002		Aug 2002: OHCA Board of Directors develop Medicaid Reform Plan
2003		Oct 2003: Large and Small Working Groups begin to convene (through Aug 2004)
2004	1st Qtr	Mar 2004: Insure Oklahoma enabling legislation developed
	2nd Qtr	
	3rd Qtr	
	4th Qtr	Nov 2004: Tobacco Tax Ballot Initiative passed
2005	1st Qtr	Jan 2005: 1115 waiver application submitted to CMS
	2nd Qtr	
	3rd Qtr	Sept 2005: 1115 waiver approved by CMS
	4th Qtr	
2006	1st Qtr	Jan 2006: First members served in ESI program
	2nd Qtr	
	3rd Qtr	
	4th Qtr	Oct 2006: OHCA expands qualified business size to 50 employees
2007	1st Qtr	Feb 2007: First of three Agent Partners hired to facilitate brokers
		Mar 2007: First members served in IP program
	2nd Qtr	June 2007: Insure Oklahoma enrollment surpasses 2,500
	3rd Qtr	Aug 2007: OHCA submits waiver request to increase eligibility to 250% FPL
	4th Qtr	Oct 2007: O-EPIC rebranded as Insure Oklahoma Oct 2007: Mass media campaign begins
		Nov 2007: OHCA expands qualified members to 200% FPL
		Dec 2007: Insure Oklahoma enrollment surpasses 5,000
2008	1st Qtr	Mar 2008: Insure Oklahoma enrollment surpasses 8,000
	2nd Qtr	May 2008: Insure Oklahoma enrollment surpasses 10,000
	3rd Qtr	July 2008: Insure Oklahoma enrollment surpasses 12,500
	4th Qtr	Nov 2008: Insure Oklahoma enrollment surpasses 15,000

CHAPTER II
INSURE OKLAHOMA AT A GLANCE

Introduction

The program design for Insure Oklahoma has two distinctive components: The Employer Sponsored Insurance (ESI) and Individual Plan (IP) programs. As mentioned in Chapter I, the concept of an individual voucher system was tabled in favor of leveraging the private insurance market for small groups. However, a solution was desired for individuals whose employers opted out of Insure Oklahoma, individuals who lost their jobs, and working disabled qualified under the Ticket to Work program. As a result, the IP was developed to serve as a safety net for these populations. The OHCA believed that using their existing SoonerCare delivery system would be the most efficient means for delivery of care for IP. Therefore, the program designs for the ESI and IP programs have many distinctive features. There are some features that both programs have in common:

- Individual's qualification is equal to or less than 200 percent of the Federal Poverty Level (FPL)
- Spouses qualify but children do not
- Members make a monthly contribution for their insurance coverage, either to their employer (for ESI) or to the State (for IP)
- Employees must work in a firm with 50 or fewer employees (with the exception of those recently unemployed and the Working Disabled)
- Oklahoma Department of Human Services (OKDHS) performs the test to ensure the individual does not qualify for SoonerCare
- EDS is the day-to-day administrator

The following sections outline the distinctive program design features for each program.

Employer Sponsored Insurance Program (ESI)

<u>Qualification Requirements</u>

There are two parts to the qualification determination: the employer qualification and the employee qualification. For an employer to qualify, they must:

- Be located in Oklahoma
- Have 50 or fewer employees
- Offer an Insure Oklahoma qualified health plan

EDS performs the qualification tests for employers and employees. OHCA verifies the number of employees and the domicile of the business though the Oklahoma Employment Security Commission (OESC). After these steps occur, EDS assigns an identification number to the business. EDS also verifies that the insurance coverage selected by the employer is a qualified health plan in Insure Oklahoma. Up until recently (Summer 2008), before EDS granted final approval of a business, they had to have the final rate sheet from the carrier entered into the employer's information.

EDS has 30 days to approve an application. If an application does not receive final approval within 60 days, the application process must start from the beginning. This timeframe has proven to be problematic due to the timing of getting the final premium rate sheet, which has resulted in businesses having to repeat the entire application process. Consequently, the OHCA has authorized EDS to grant provisional approval of a business without receipt of the final rate sheet. However, the rate sheet is still required before the first month of enrollment for the business's employees so that EDS can calculate the premium assistance to each employee. As long as the rate sheet is provided to EDS in a timely manner, a business may receive premium assistance payments the first of the month following final determination of qualification.

After a business becomes an Insure Oklahoma qualified business, then employees must separately apply. To qualify, an employee must meet the following criteria:

- Oklahoma resident
- U.S. citizen or qualified alien
- Age 19-64
- Have monthly household income at or less than 200 percent of the FPL
- Does not qualify for Medicaid or Medicare
- Enrolled in a qualified health plan offered by their employer

EDS receives a current employee census from the employer with their application. Once an employer is approved in the program, EDS sends an invitation to all employees on the census list to apply to Insure Oklahoma. Although it would appear on the surface that many employees would not qualify for the program as verified by the OESC file (containing quarterly unemployment reports which show each employee's wages), EDS still sends an invitation to apply to all employees. This is because EDS cannot pre-determine each family's income or family size which can influence the employee's qualification.

The paper enrollment application serves both the ESI and IP programs in Insure Oklahoma. For those submitting applications for the ESI program, the application states the requirement that a copy of the most recent pay stub is required with submission of the application. Employees are also required to submit their tax returns if there is self employment income. The online enrollment application does not list these requirements. Both EDS staff and brokers who assist their clients with completing applications confirmed that the income documentation (either the pay stub or the tax return) are not currently being required with the application.

Citizenship may be verified through the employer's submission of the Employer Attestation-Employee Citizenship form.[22] Applicants who are non-citizen legal residents must submit copies of their U.S. Citizenship and Immigrations Services Card. If an employer fails to submit the Employer Attestation form on citizenship, it is the responsibility of each employee to provide evidence of their citizenship.

Residency and age are accepted through the attestation on the application form.

After EDS conditionally approves the applicant's qualification, they send the file to the OKDHS for final verification that the applicant is not on a SoonerCare program. Final approval is granted after OKDHS sends back a file to EDS that shows the individual does not qualify for SoonerCare programs.

[22] This is for employees, not spouses.

Spouses of qualifying employees may also enroll; however, children are not covered. Children qualify for SoonerCare coverage if their family's household income is at or below 185 percent FPL. This has left a gap in coverage for children whose parents earn between 186 percent and 200 percent FPL. But a solution to this gap is currently pending CMS approval for Oklahoma to expand coverage to children through Insure Oklahoma in families with incomes up to 300 percent FPL.

Delivery System

The Insure Oklahoma ESI program leverages the private insurance market for coverage. Therefore, the insurance provider networks form the basis of network coverage for persons enrolled in qualified health plans. There are currently 20 carriers or trade organizations that offer over 250 qualified health plans. A qualified health plan must have at a minimum the following benefits:

- Inpatient and Outpatient Hospital services
- Physician services
- Laboratory, X-Ray and Pharmacy benefit

The Insure Oklahoma Director at the OHCA reviews insurance plan benefits to determine if they meet the minimum criteria.

The intent of the ESI program was to make premium assistance transparent to the insurance industry and providers. This has been accomplished. Employers make full premium payments to the insurance companies and collect the premium assistance payment directly from EDS. Therefore, insurers have no means of identifying Insure Oklahoma participants from a premium remittance. Health care providers have no method of identifying persons receiving premium assistance because they have the same insurance card as those individuals not receiving premium assistance.

Benefits

The qualified health plans must meet a minimum benefit package in order to qualify. Otherwise, the benefit packages can and do vary. This is evidenced by the multiple offerings by several of the large insurers in Oklahoma, including a variety of deductible options that range from $0 to $3,000 annually.

A popular vehicle for many small businesses is to select one of the qualified health plans that are offered through the State Chamber of Oklahoma and the Tulsa Chamber. The two Chambers partnered with Blue Cross Blue Shield to develop health plans for its members. Rather than being medically underwritten, the health plans are adjusted using community rating with rates differing depending upon age. Because they are community rated, the premiums can be more costly than some of the other qualified health plans; however, the plans are attractive because there is a fixed price premium which simplifies the enrollment process. Chapter IV shows the trends in health plan selection by employers since the inception of Insure Oklahoma.

Up until very recently, a business could not be approved for Insure Oklahoma until it provided the final rate package to EDS. Because initial and final quotes may be different when a business purchases a medically underwritten health plan, the delay could mean that the 60-day limit to complete the application passes and the business would have to complete an entirely new enrollment application. The Chamber offerings avoid this delay because of the fixed premium price. Insurance brokers who write a large number of businesses for Insure Oklahoma often promote this plan for the reason of administrative simplicity. Additionally, the Chamber health plans are more affordable for older employees who have more health care needs because of the community rating pricing feature.

Premium Cost and Premium Assistance

Employers enrolled in Insure Oklahoma are responsible for 25 percent of the qualifying employee's premium. This requirement is advantageous to the employer because many insurance companies require that the employer contribute at least 50 percent of the total cost of the premium. The employee is required to pay up to 15 percent of the total premium. If the 15 percent exceeds three percent of the employee's monthly household income, then the employee's share of the premium is reduced to meet the three percent cap. Insure Oklahoma subsidizes the remainder of the premium.

Employers are not required to pay a portion of an employee's spouse's premium. The employee pays up to 15 percent of the premium and Insure Oklahoma subsidizes the remaining amount. The total of both the employee and the spouse's premiums are counted when determining if the premium exceeds the three percent of income cap. The following example illustrates the calculation of the employer, employee and Insure Oklahoma's share of the premium.

Assumptions

- The annual household income for both the employee and spouse is $37,000
- The amount of the premium for the employee is $420 per month and $450 per month for the spouse for a total of $870 per month

The employer must pay 25 percent of the employee's premium ($420 x .25) = $105.00. The employee must pay 15 percent of their share of the premiums ($870 x .15) $130.50. However, $130.50 exceeds three percent of the household income, which is $92.50. Therefore, the amount of the employee's (and the spouse's) share is limited to the $92.50.

After deducting the employer and employee's shares of the premiums, Insure Oklahoma pays $672.50 to the employer.

Exhibit II.1
Example of Premium Assistance Calculation

Payer	**Employee**	**Pct**	**Spouse**	**Pct**	**Total**
Employer	$105.00	25%	$0.00	0%	$105.00
Employee	$46.25	11%	$46.25	10%	$92.50
Insure Oklahoma	$268.75	64%	$403.75	90%	$672.50
Totals	**$420.00**	**100%**	**$450.00**	**100%**	**$870.00**

This example illustrates that although Insure Oklahoma would normally pay 60 percent of the employee's premium and 85 percent of the spouse's premium, the State's share was increased so that the employee's total premium does not exceed three percent of their gross income.

Cost Sharing

Cost sharing is limited to five percent of household income. Cost sharing is defined as out of pocket premiums, deductibles, and copayments. Individuals may submit their out of pocket expenses that exceed five percent to EDS for reimbursement. Few people have actually availed themselves of this option, as indicated in the discussion of program expenditures in Chapter V and the feedback from the ESI member survey discussed in Chapter VI.

Individual Plan (IP)

Qualification Requirements

There are two criteria that make the qualification for the IP program distinct from the ESI program:

- Applicants may be employees whose employer doesn't offer Insure Oklahoma but works in a business with 50 or fewer employees
- Applicants are temporarily unemployed and receiving unemployment from the Oklahoma Economic Security Commission (OESC)

Like the ESI program, qualifying individuals must be Oklahoma residents, between 19 and 64 years of age, a U.S. Citizen or qualified alien, and do not qualify for Medicare or Medicaid. The income limit is 200 percent of the FPL.

The application process is similar to the employee application process for ESI members as described in the ESI section above. In addition to those requirements, persons who are unemployed must show proof of receiving benefits from the OESC and disabled working individuals must provide a copy of their Ticket to Work. Additionally, individuals who apply for the IP must identify three Primary Care Providers (PCPs) from the list of doctors participating in Insure Oklahoma on the application since the State is serving as the health plan for these individuals. A member will be assigned to their first choice of PCP if available, then second choice, etc.

Delivery System

The IP program uses the SoonerCare delivery system for PCPs and specialty physicians. PCPs that are not contracted with the OHCA for SoonerCare may contract with the OHCA for the IP program. A special addendum has been added to the SoonerCare contracts for the IP program. Providers are paid the SoonerCare provider rates plus the copayment for the service. Providers may refuse to see a patient who does not make copayments. Reimbursing providers the copayment *in addition* to the SoonerCare rates is an incentive for providers to provide services to IP members. (Typically, provider reimbursement is net of the copayment.) PCPs also receive a $3 per member per month (PMPM) reimbursement for serving as the member's medical home.

EDS functions as the Fiscal Agent for the IP program and pays the provider claims in the same manner as it functions for the SoonerCare program.

Benefits

Because the OHCA provides services directly through its provider network for the IP program, a prescribed benefit package and copayment schedule has been developed which is not the case for ESI qualified health plans. This benefit package is more limited in amount, duration and scope than the SoonerCare benefit package. Exhibit II.2 outlines the benefit details and limits as well as copayments.

Exhibit II.2
Benefit Package for IP Members in Insure Oklahoma

Service	Co-Payment	Benefit Detail/ Limits
Anesthesia	--	Services for covered illness or surgery, incl. services provided by a CRNA
Blood and Blood Products	--	Processing, storage and administration of blood and blood products in inpatient and outpatient settings
Chelation Therapy	--	Covered for heavy metal poisoning only
Diagnostic X-ray, including ultrasound	$25 per scan	Co-payment applies to MRI, MRA, PET and CAT Scans only
Emergency Room	$30 per visit	Co-pay is waived if patient is admitted to hospital, dies or is referred to another facility without treatment being provided (co-pay still applies to treatment at referred facility)
Inpatient Hospital	$50 per admission	24 day maximum per year
Physician, including preventive/primary care, specialty and GYN	$10 per visit	4 visit maximum per month
Outpatient Hospital/Facility	$25 per visit	Includes hospital surgery facility and all other covered outpatient services, including diagnostic services in conjunction with a surgical procedure or non-emergency care. Pre-certification is required for surgical procedures performed in an outpatient setting
Laboratory	--	Includes laboratory work for physical exams
Family Planning	--	Covered in accordance with Oklahoma's *SoonerPlan* Family Planning waiver
Immunizations for Adults	(Member pays physician co-payment)	Covered in accordance with current Centers for Disease and Prevention guidelines, excluding vaccines for travelers
Asst. Surgeon, Profusionist and Anesthesiologist	--	Covered if in attendance during surgery
Dialysis	--	Covered as secondary to Medicare

Service	Co-Payment	Benefit Detail/ Limits
Oral Surgery	(Hospital/Facility co-payments apply)	Includes removal of tumors or cysts. Does not include removal of wisdom teeth. Pre-certification is required for inpatient services; prior approval is required for outpatient services (For emergency oral surgery, see Emergency Room benefit)
Mental Health – Inpatient	$50 per admission	Pre-certification is required
Mental Health – Outpatient	$10 per visit	4 visit maximum per month/20 visit maximum per calendar year. Visits 11 – 20 require prior authorization. Exceptions: 48 visit maximum per calendar year for specific diagnoses
Substance Abuse – Inpatient	$50 per admission	Pre-certification is required for inpatient mental health
Substance Abuse – Outpatient	$10 per visit	4 visit maximum per month/20 visit maximum per calendar year. Visits 11 - 20 require prior authorization.
DME/Medical Supplies	$25 co-pay for DME $5 co-pay for supplies	Prior authorization is required $15,000 maximum lifetime benefit
Diabetic Supplies	$5 co-pay	Prior authorization is required
Oxygen	$5 co-pay	
Pharmacy	$5 generic $10 single source brand	6 prescription monthly limit, of which no more than 3 can be brand. Step therapy requirements must be met to Tier 2 drugs. Prior authorization requirement same as for Title XIX.
Smoking Cessation Product Therapy	--	Covered if prescribed by a physician. Limited to one therapy per lifetime.

Premium Cost

The IP program is a form of a premium assistance program, where the state administers the program with a reduced benefits package and increased cost sharing responsibility as permitted by the HIFA waiver. The following is the current premium schedule:

- $0-$51.30 for an individual
- $0-$68.91 for an individual and their spouse

The monthly premiums cannot exceed four percent of the monthly household income. The income cap is higher than the three percent income cap for the ESI program in order to incentivize participation in the ESI program rather than the IP program. IP participants will be disenrolled for failure to pay the premium. The OHCA staff stated that disenrollment occurs upon the first missed premium payment.

Cost Sharing

Like the ESI program, cost sharing for the IP is limited to five percent of household income. Cost sharing is defined as premiums, deductible and copayments. Individuals may submit their out of pocket expenses to EDS for reimbursement. However, few people have availed themselves of this option.

Future Plans

Although there is continued support from the Oklahoma Legislature to expand the Insure Oklahoma program, CMS has yet to approve the State's most recent request for expansion. In August 2007, the OHCA submitted a waiver amendment to CMS to expand the program to businesses with up to 250 employees and to increase the income qualification threshold for adults to 250 percent FPL for both ESI and IP. At the same time, CMS approval was also requested for full-time Oklahoma college students, age 19 to 22 years, in families earning up to 300 percent FPL. In addition, the waiver amendment requested coverage for children in families earning up to 300 percent FPL, regardless of the size of business the parents worked for.

As a result of the August 17th, 2007 State Health Official letter regarding changes to federal SCHIP program requirements, and in an effort to expedite federal approval, Oklahoma revised the waiver amendment request limiting the income qualification threshold for children to families with incomes up to 250 percent FPL. The OHCA has received a formal response from CMS indicating that the waiver request for adults age 19 and over exceeding 200 percent FPL was no longer under active consideration due to CMS's new policy directives. This response from CMS effectively eliminated Oklahoma's request for Insure Oklahoma expansions of all adult populations (including college students) earning over 200 percent of the FPL.

The OHCA is currently awaiting a formal response from CMS on elements of the waiver amendment request still under consideration by the federal review team.

Additionally in 2008, legislation was passed to require the OHCA to seek an additional waiver authority to expand the program to two additional groups:

- Foster Care parents who would otherwise qualify except that they work for businesses with greater than 250 employees (HB 2713)

- Nonprofit businesses with 500 or fewer employees

As of the writing for this report, the OHCA has yet to seek waiver authority for these provisions pending the final decision on the previous request.

CHAPTER III
ADMINISTRATION OF INSURE OKLAHOMA

Introduction

The OHCA is responsible for the overall administration of the Insure Oklahoma program. Much of the day-to-day activities have been contracted to EDS. Other parties actively participate in the promotion and operational aspects of Insure Oklahoma as seen below.

Exhibit III.1
Responsible Parties in the Operations of Insure Oklahoma

OHCA

- Provides policy direction for Insure Oklahoma
- Oversees management of the program
- Responsible for contracting and oversight of EDS
- Responsible for marketing and promotional activities for the program, both broad-based and targeted
- Maintains the Insure Oklahoma website
- Reviews and approves qualified health plans under Insure Oklahoma
- Conducts training sessions and brown bag sessions with insurance agents
- Downloads and cleans OESC file for employment verification

EDS

- Oversees day-to-day operational tasks of the program
- Staffs the Insure Oklahoma hotline
- *Applications*
    - Intakes employer applications
    - Sends out applications to employees of qualified employers
    - Intakes applications from employees
    - Intakes applications from individuals for the IP program
    - Issues ID cards to IP members
- *Billing and Payments*
    - Sends out invoices to IP members
    - Receives payments from IP members
    - Sends EFT payments to small businesses
    - Pays provider claims for services incurred by IP members
- *Auditing*
    - Confirms ESI member enrollment with employer on monthly carrier invoice
    - Confirms members' eligibility for out-of-pocket reimbursements based on their income

Agent Partners

- Supports brokers with selling Insure Oklahoma and with technical assistance in answering questions

Insurance Brokers

- Sells small group product to small businesses in an effort to get employees enrolled in Insure Oklahoma
- Faciliates application process for employers and sometimes for their employees

OKDHS

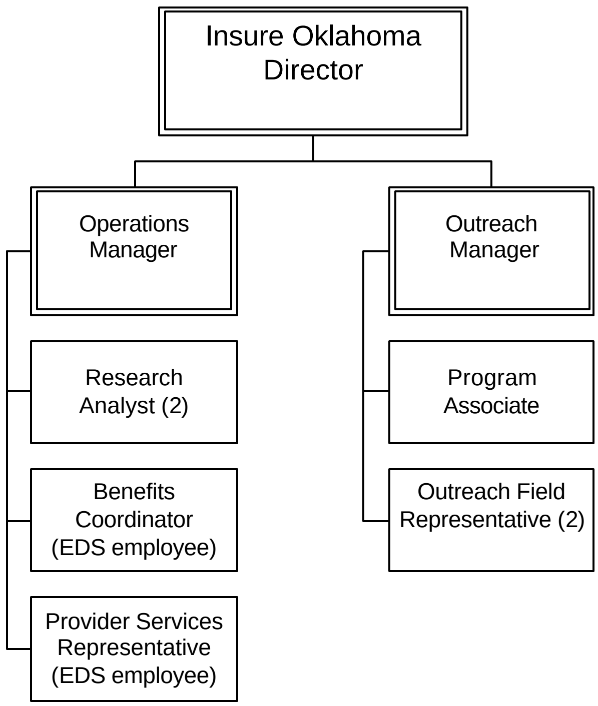
- Provides file to EDS verifying that Insure Oklahoma applicants are not eligible for SoonerCare programs
- Issues a Medicaid ID number to IP members for claims processing

The remainder of this chapter provides further information on these responsibilities as well as key processes that are instrumental in operating the program.

OHCA Oversight

The OHCA currently employs a staff of eight whose sole functions are related to the Insure Oklahoma program.

Exhibit III.2
Organizational Chart for OHCA's Insure Oklahoma Staff



Additionally, the Insure Oklahoma program leverages the staffing expertise of other functional areas of the OHCA as needed, e.g. finance, communications, CMS compliance.

The Insure Oklahoma Director is responsible for all program staff to design and implement program policies and procedures in compliance with federal and state law and applicable federal waivers. He develops, implements and evaluates the department's goals and strategies consistent with the OHCA's mission to expand access to quality health care in Oklahoma. The Director supervises the professional work of various subcontractors with program responsibilities, such as EDS, program evaluation and review staff, on-site staff assigned to Insure Oklahoma, agent partners and marketing. He is also responsible for establishing collaborative working relationships with diverse business and community groups throughout the state, such as insurance agent and trade associations, other state and local community agencies, advocacy groups, and intra-agency staff. He is also responsible for approving the carrier's products seeking "qualified health plan" status in Insure Oklahoma. The Director reports to the State Medicaid Director in the OHCA.

The Operations Manager provides oversight and guidance of the operational functions associated with the program (both existing and future plans), assesses staff needs and manages assignments. Specific responsibilities include:

1. Administers the daily operations of the program.
2. Assists in identifying strategic opportunities and in coordinating program planning with the Director.
3. Monitors and directs subcontractors (e.g. EDS).
4. Oversees the data analysis and interpretation activities required for planning and reporting purposes.
5. Oversees technical documentation required for the program.
6. Tracks issues impacting the goals and objectives of Insure Oklahoma.

The Outreach Manager manages and plans outreach and educational activities exclusive to Insure Oklahoma, assesses staff needs and manages assignments. Specific responsibilities include:

1. Directly supervises outreach and educational efforts for Insure Oklahoma.
2. Oversees and develops stakeholder outreach and training materials.
3. Serves as the primary contact for incoming calls from insurance agents, small businesses, and other stakeholders regarding program guidelines.
4. Identifies, collects and analyzes productivity data and reports to ensure that program needs are being met.
5. Monitors timely completion of provider and member inquiries and complaints.
6. Participates in the planning and development of Insure Oklahoma strategic planning.
7. Oversees the maintenance of the Insure Oklahoma website with respect to program updates or policy changes.

The staffing for Insure Oklahoma has grown in line with the recent explosive growth in enrollment. For the first year, the staff consisted of the Director and the two managers. In July 2007, the Outreach Assistant was added. Since December 2007, the remaining four positions have been added.

Specific Marketing and Outreach Activities

Early marketing initiatives were more of a grassroots effort. In the Fall of 2005 the OHCA, in coordination with the State Chamber and the insurance industry, distributed brochures on the Insure Oklahoma program. In the first quarter of 2006, the OHCA sent invitations to 3,000 insurance brokers[23] for educational seminars on the program. At the same time, 47,000 small businesses were sent informational packets. This increased the call volume in the second quarter of 2006. Other early efforts included developing a website and sending email blasts. Another mass mailing of informational postcards was sent out to 50,000 small businesses beginning in December 2006.

The OHCA also worked hard to involve the insurance broker community into the outreach process. In addition to the outreach in the first quarter of 2006, the OHCA developed a three-hour introductory training session as well as short Brown Bag lunchtime sessions to educate

[23] The terms "insurance broker" and "insurance agent" appear to be used interchangeably by individuals that B&A spoke to for this evaluation. There is no distinction in responsibilities when one or the other term is used in this report.

brokers. A system was developed to deem brokers as "qualified agents." More about this process and the feedback from brokers about these efforts appears in Chapter VI.

Immediately prior to the start of the program and ongoing to this day, the OHCA staff travel across the state attending numerous events sponsored by Chambers of Commerce, Rotary Clubs, and other health promotion events. The OHCA has tracked all of its outreach and promotional activities since April 2006 which have been expansive. They include:

- 33 continuing education sessions for brokers
- 26 brown bag sessions for brokers
- 277 promotional sessions with local business groups or brokers
- Monthly email blasts to insurance brokers (since June 2007)

The OHCA also entered into a one-year, $1 million contract with Griffin Communications, Ltd. (Griffin) in June 2007 to establish a media campaign that included television and radio commercials featuring employers and employees who are enrolled in Insure Oklahoma.[24] The campaign began in October 2007. To coordinate with the media campaign, the OHCA once again sent out 50,000 informational postcards to small businesses in the Summer of 2008 to serve as follow-up reminders to the media advertising.

In addition to the media campaign, Griffin was charged with developing a new brand, Insure Oklahoma, for the program which up to this point had been marketed as O-EPIC (Oklahoma Employer/Employee Partnership for Insurance Coverage). Because the branding is relatively recent, stakeholders interviewed for this evaluation and members responding to B&A's survey exchange freely between the terms Insure Oklahoma and O-EPIC when referring to the program.

Agent Partners

Although the OHCA had been conducting educational seminars with insurance brokers, by 2007 it was identified that there may be a need for others to assist brokers with "walking through" the Insure Oklahoma application processes for small businesses, particularly as volume grew with the advent of the media campaign. Three Agent Partner positions were established—one is housed at EDS and two were contracted through Insurance Commissioner Holland at the Insurance Department. Commissioner Holland referred to the Agent Partners as "brokers' brokers." She and others have attributed a large portion of the recent enrollment growth as a direct result of the Agent Partners.

Each Agent Partner has a defined region in Oklahoma that they service. Their role is to educate insurance brokers on the mechanics of the Insure Oklahoma program and how to enroll their clients. There is no charge to the brokers for these services. They provide complete presentations of the Insure Oklahoma program to brokers as well as businesses. They can assist brokers with the businesses directly in getting new businesses enrolled. Agent Partners cannot contact businesses without going through a broker, but they will assist at the request of a broker.

In their first year, the Agent Partners outreached to 4,375 brokers—1,829 in-person visits and 2,546 phone calls.

[24] This contract has been renewed by the OHCA in 2008 for an additional year.

Insurance Brokers (Agents)

Insurance Brokers serve as the front line marketers for Insure Oklahoma to small businesses. Although their interaction with the OHCA is usually passive (e.g. brokers receive informational updates through email blasts from the OHCA or may take advantage of the Brown Bag sessions), they actively interact with EDS to get small business applications approved. Although they are not precluded from selling Insure Oklahoma to individuals, the brokers interviewed for this evaluation cited that selling the IP product to individuals tends to be infrequent. However, broker activity with respect to individuals enrolling through the ESI portion of the program can vary. Some brokers' participation stops once the employer has qualified for Insure Oklahoma. Others report that they actively participate in ensuring that all individuals who qualify under an employer's plan for Insure Oklahoma are enrolled.

Brokers serve as the linkage between the employer, the insurance carrier, and EDS. Their commission for selling a product to a small group under Insure Oklahoma is no different than if they sold it through the private sector, unless the carrier has set up a special commission arrangement for selling Insure Oklahoma plans. Some of the feedback received from B&A's survey to brokers was that the commission received from the carrier is insufficient when compared to the administrative burden required. Yet others have made Insure Oklahoma their primary business and have found it very lucrative. More information is shown in the stakeholder feedback presented in Chapter VI.

Oklahoma Department of Human Services (OKDHS)

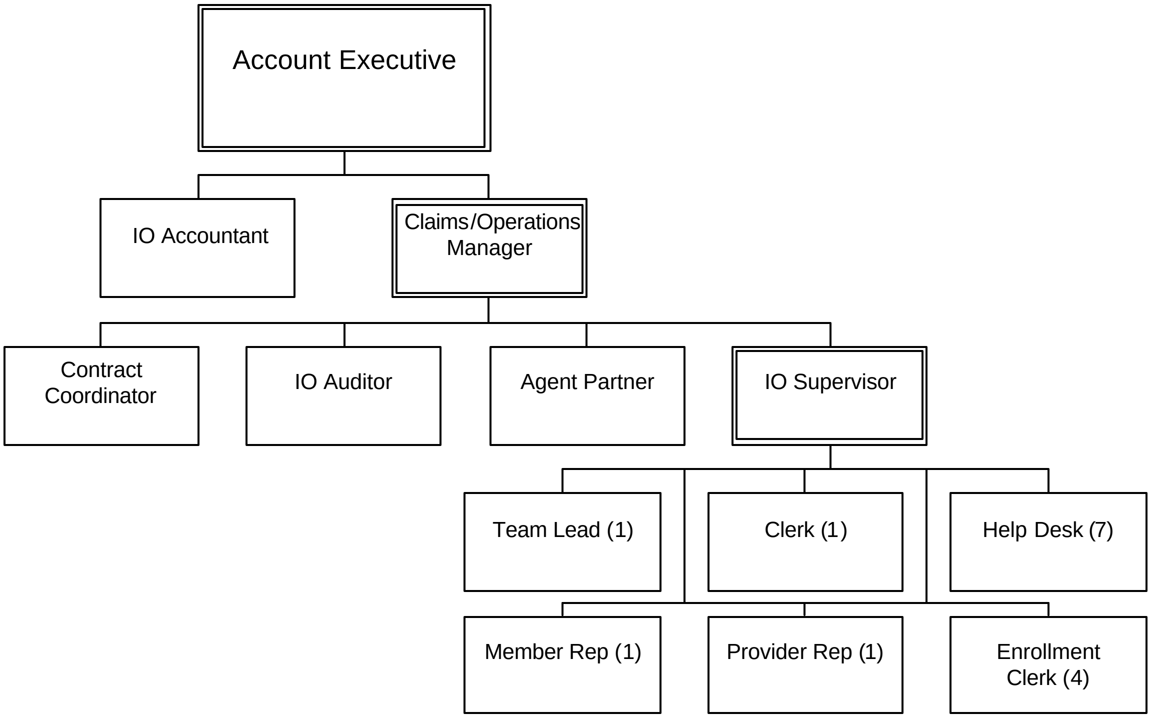
The OKDHS eligibility file must interact with EDS's data systems so that EDS can verify that an individual is not already enrolled under the SoonerCare umbrella of programs or Medicare. This is one of the qualification criterions for Insure Oklahoma. Additionally, individuals in Insure Oklahoma's IP program are issued an ID number from the OKDHS upon enrollment. This is so that EDS can track that the IP members' claims are properly paid to participating providers.

EDS

As discussed in Chapter II, EDS has been contracted to complete all of the eligibility determination for ESI and IP, transfer of premium assistance payments for ESI, billing and receipt of premiums for IP, and processing of claims for IP. They also determine eligibility and payment for out-of-pocket reimbursements for both ESI and IP.

Like the OHCA, EDS has dedicated staff who works solely on Insure Oklahoma. As of today, there are 20 dedicated staff (two vacancies) who report to the Claims/Operations Manager or Account Executive that oversees the SoonerCare contract as well. EDS reports that they also leverage the resources of non-dedicated Insure Oklahoma staff as needed that support the SoonerCare contract.

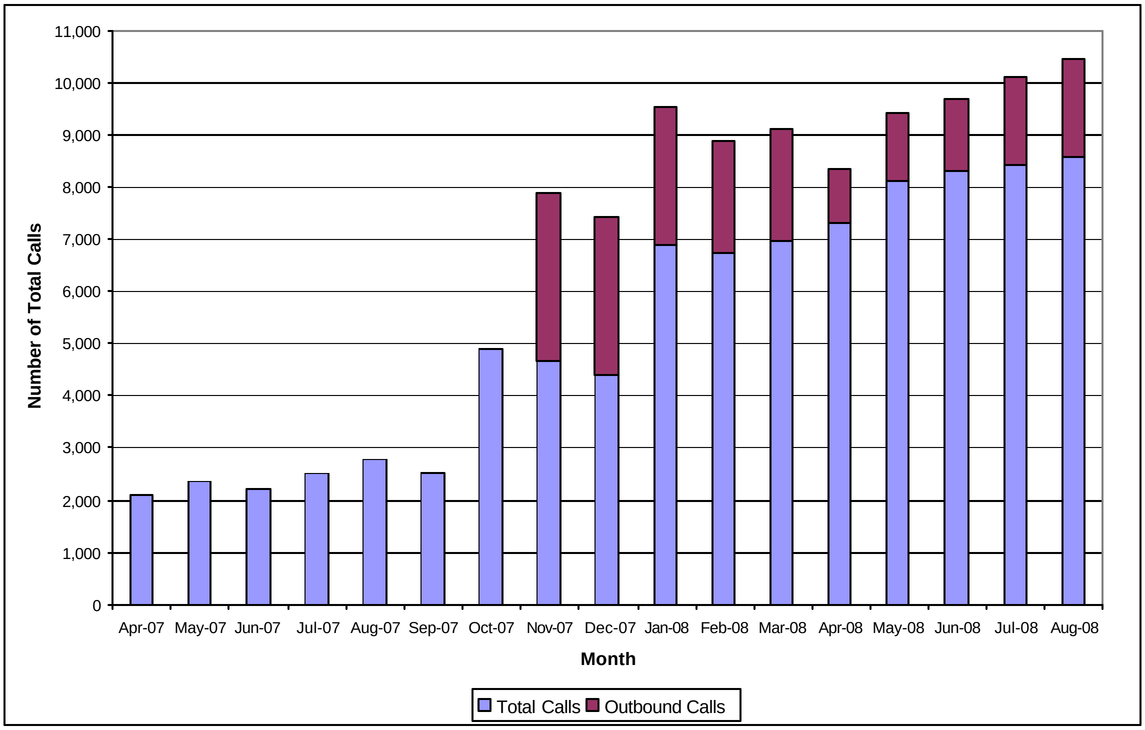
Exhibit III.3
Organizational Chart for EDS's Insure Oklahoma Staff



Of the 22 staff members, 14 were hired at the inception of the program of which ten were Customer Service Representatives (CSRs). The CSRs' responsibilities include answering the phone line for individual and broker inquiries, opening mail and reviewing applications for completeness, determining eligibility, and entering applicable data into EDS's data warehouse for ongoing correspondence with the individual or employer. At present, there are seven CSRs who handle calls all day and seven who handle paperwork. Because the enrollment did not grow at the pace that was anticipated, there was a considerable amount of down time, particularly among the CSRs, at the introduction of the program. Now EDS reports that the workload for the CSRs has become challenging due to rapid growth since October 2007. During this period, the television and radio campaign was launched and eligibility was made available to more businesses (from a maximum of 25 employees to a maximum of 50) and to more individuals (from 185 percent FPL threshold to 200 percent FPL threshold). Consequently, call inquiries and applications more than doubled.

Exhibits III.4 through III.7 show call center statistics and evidence that current staffing levels may be compromised. The exhibits illustrate that although the amount of time the EDS representative spends on a call has changed little over time (between three and four minutes), the wait time before a CSR is available has increased, especially in January and February 2008. The call abandonment rate (number of callers who hang up because they no longer want to wait) was very high from January to April 2008 until EDS took action to reduce the abandonment rate.

Exhibit III.4
Total Call Center Volume



Note: Outbound calls have only been tracked separately by EDS since November 2007.

Exhibit III.5
Average Inbound Call Duration

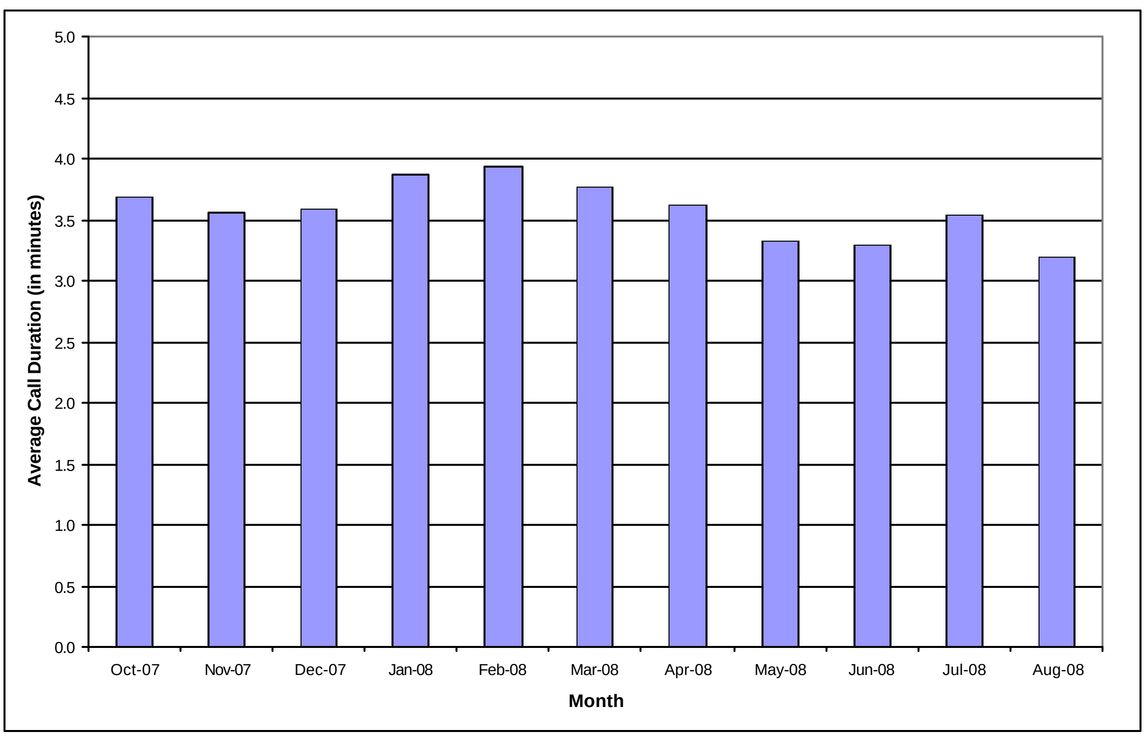


Exhibit III.6
Average Answer Time for Inbound Calls

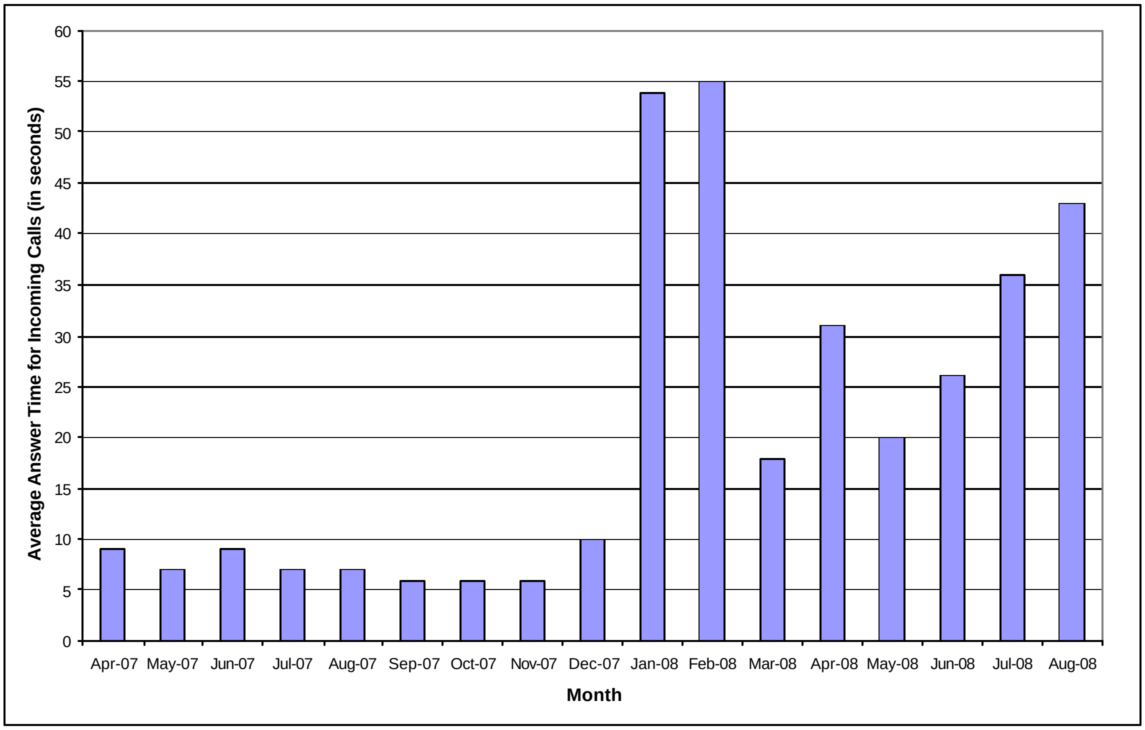
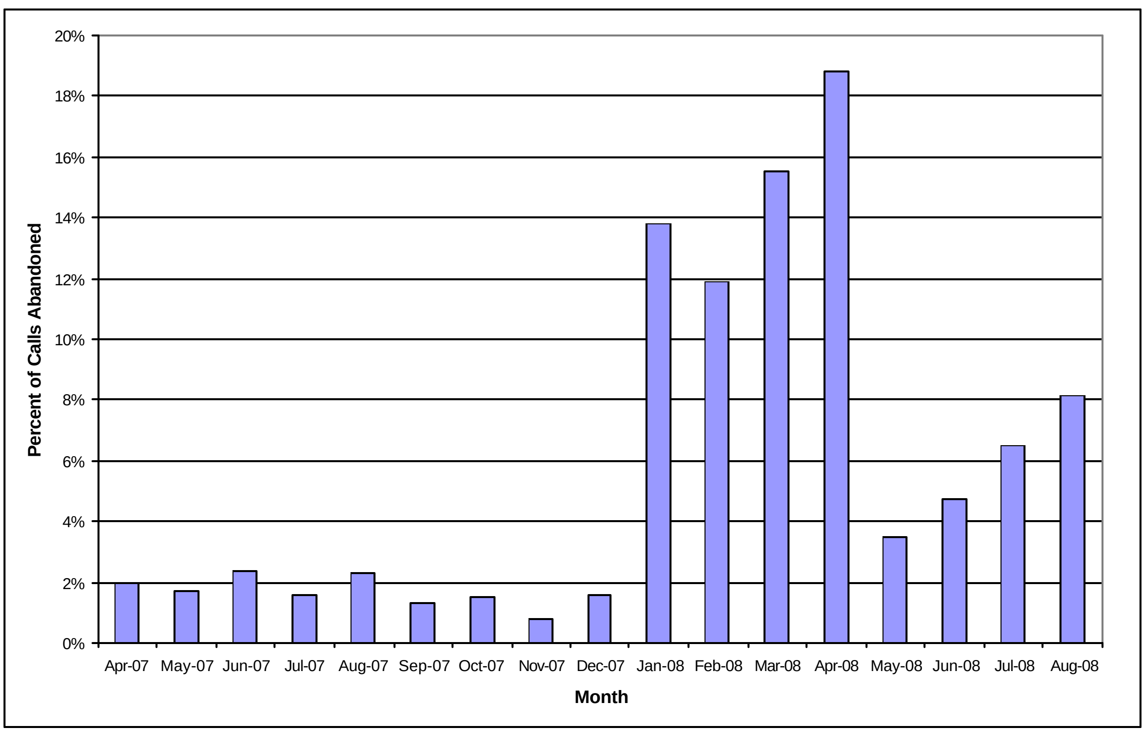


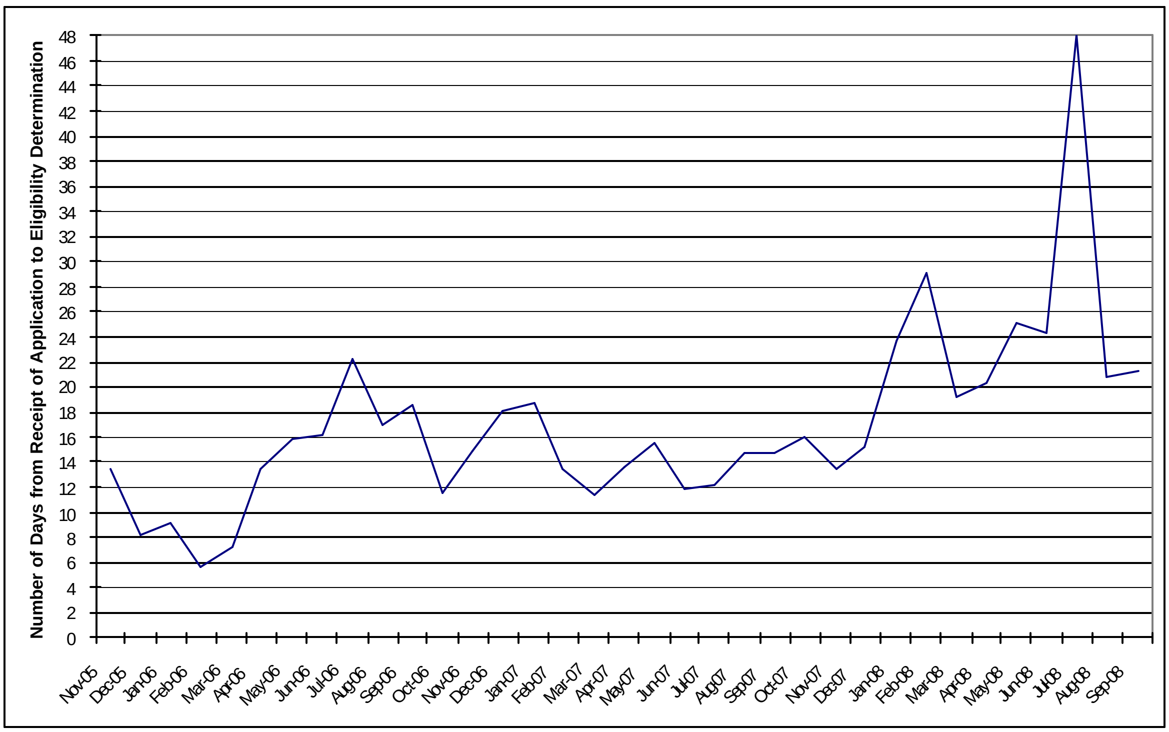
Exhibit III.7
Average Monthly Call Abandonment Rate



The EDS Call Center Supervisor tracks calls that are deemed “open” (need follow-up call) or “closed” (resolution complete) on a daily basis. A database tracks the pending work to be completed by each CSR. However, there is currently no refined system to report on the types of calls that EDS is receiving (e.g. general inquiry, application-related, employer/employee/broker, etc.), but EDS did state that it is now requiring its CSRs to track the calls for future reporting.

The application process can also be time consuming, especially for the larger employers who apply. This is because once the employer application is received and it is determined that the business qualifies, EDS must enter information on each employee separately so that letters can be sent out inviting the applicant to apply to Insure Oklahoma. Up until recently, employers could not be approved (or employee invitation letters generated) until EDS received the final rate sheet that the carrier delivered to the employer. It was reported back by brokers that the rate sheet is not often available immediately due to underwriting. This poses a timing problem later for turnaround of the eligibility determination for employers and/or their employees. Although turnaround time for employer applications was quick at the beginning of the ESI program, the rate sheet issue (in addition to overall backlog due to volume) has pushed the employer application turnaround time higher.

Exhibit III.8
Average Monthly Turnaround Time for Employer Applications



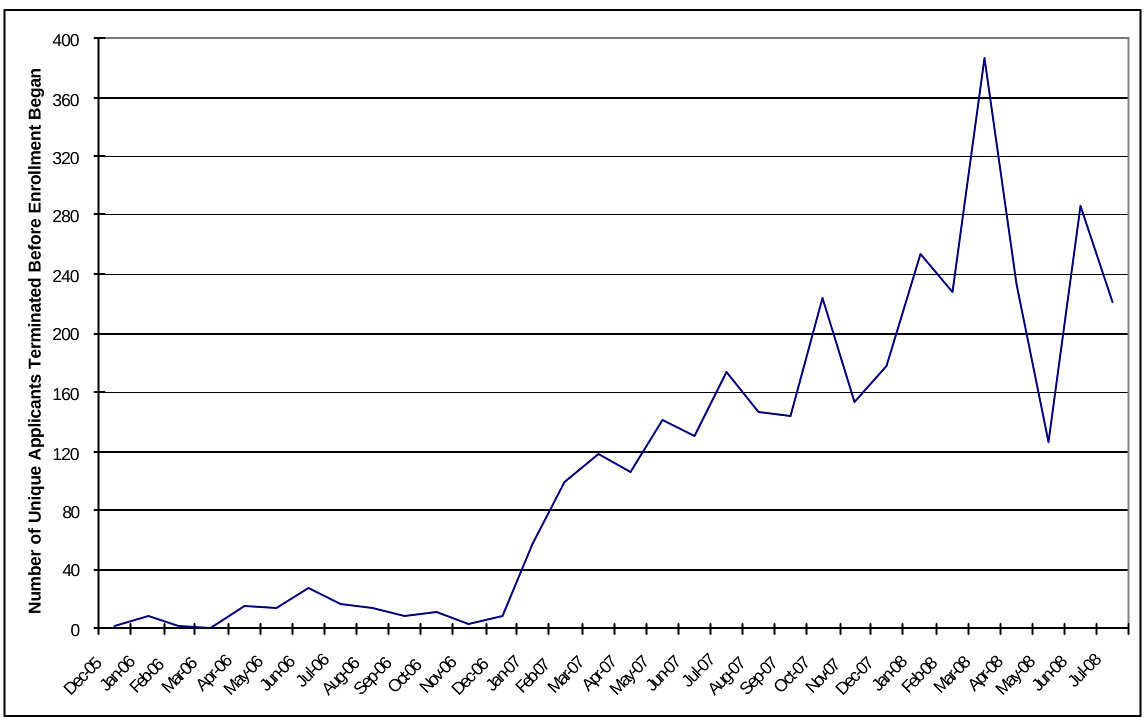
By contract, the OHCA requires that EDS turn around employer applications within 30 days of receipt. As a means to reduce the turnaround time, a new policy went into effect in Summer 2008 allowing employers to be conditionally approved if everything else on the application is in order absent the rate sheet from the carrier. However, EDS still needs this rate sheet before premium assistance payments can be sent since each employee’s premium assistance is based upon the total premium charged to them.

For individual applications, EDS reports that obtaining full compliance on all application requirements from applicants can be challenging. This manifests itself both from the design of the application process as well as individual responsibility of the applicant.

Individuals apply to Insure Oklahoma either due to an invitation from EDS once their employer has qualified or on their own in pursuit of the IP program. The application for individuals in either case is the same. This is available for individuals to complete on the Insure Oklahoma website or by mail. Although it would appear that it would be more expedient to complete the application online, this is actually only the case for individuals applying to the ESI program. Employees are given an employer ID and pin number by EDS to complete their online application. They may report their income online which is then validated through the OESC report (employment commission). Individuals applying to IP, however, must still mail in either a pay stub (if employed by a business) or tax return (if self-employed). Many do not do this until EDS notifies them to do so.

Once individuals are deemed qualified to enroll in IP, EDS will invoice them in advance for the premium that they owe. Although the majority of applicants comply with timely payment, others fail to pay and thus never enroll in the program. EDS reports that this trend for failure to comply (due either to lack of submitting information or lack of premium payment) has grown over time.

Exhibit III.9
Number of Applicants Who Qualify But Never Enroll Due to Failure to Comply



Because the EDS responsibilities for administering the ESI and IP portion of Insure Oklahoma differ, processes are in place that are specific to each aspect of the program. Exhibits III.10 through III.13 that appear on the following pages illustrate the process flows and entities involved with ESI qualification (Exhibit III.10), IP qualification (Exhibit III.11), ESI operations (III.12) and IP operations (Exhibit III.13).

Exhibit III.10
Flowchart of ESI Qualification Process

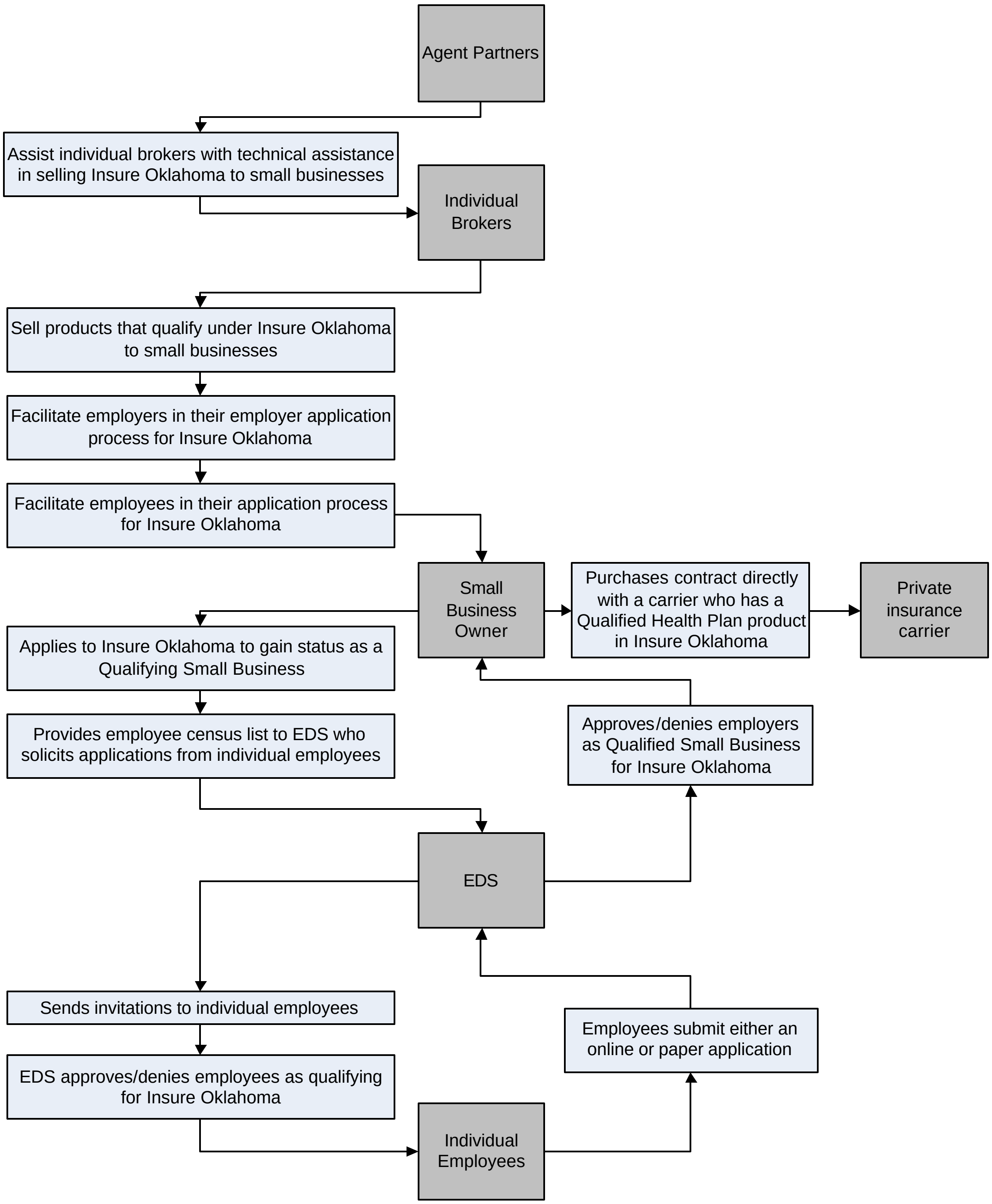


Exhibit III.11
Flowchart of IP Qualification Process

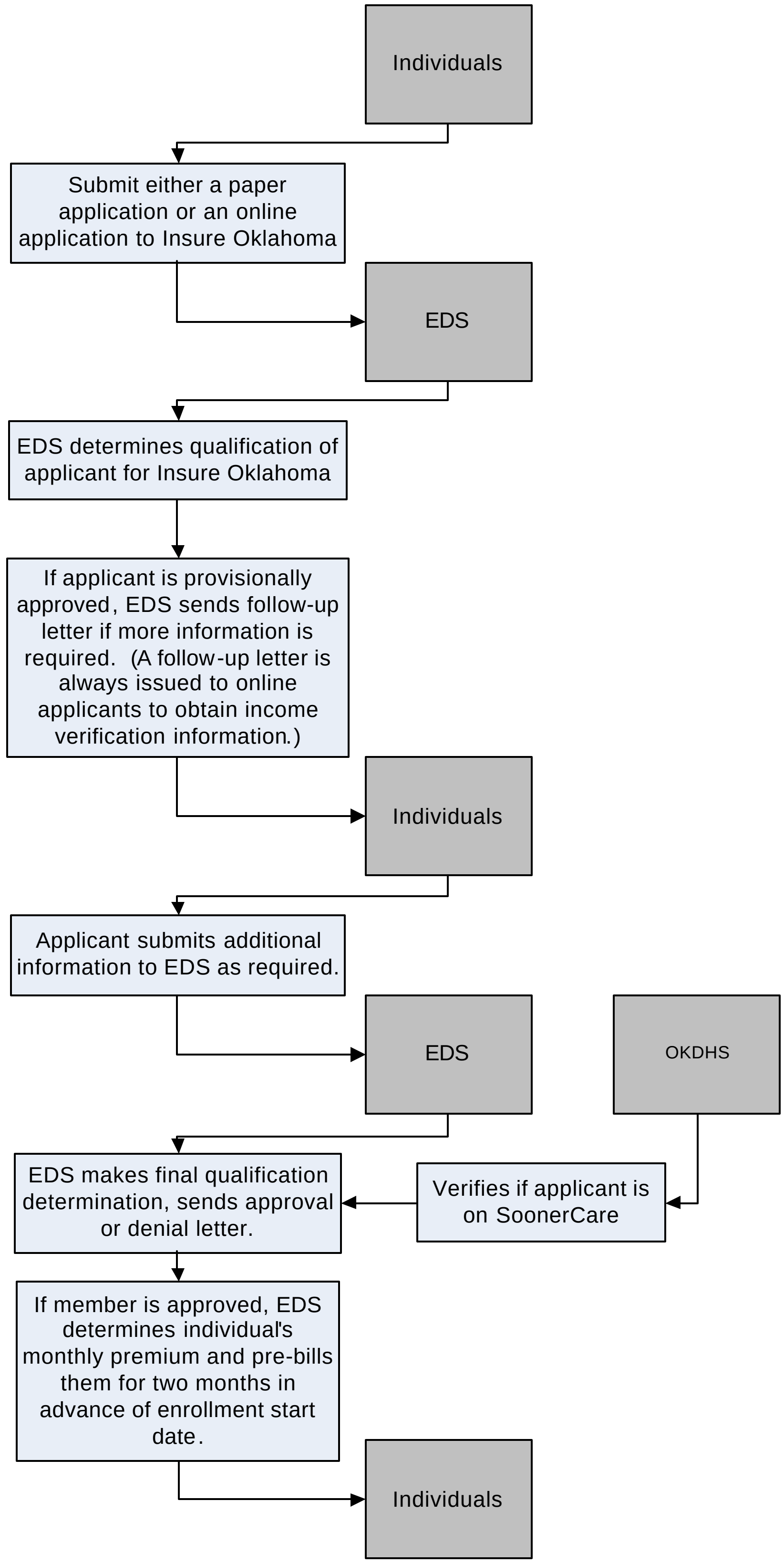


Exhibit III.12
Flowchart of ESI Operations

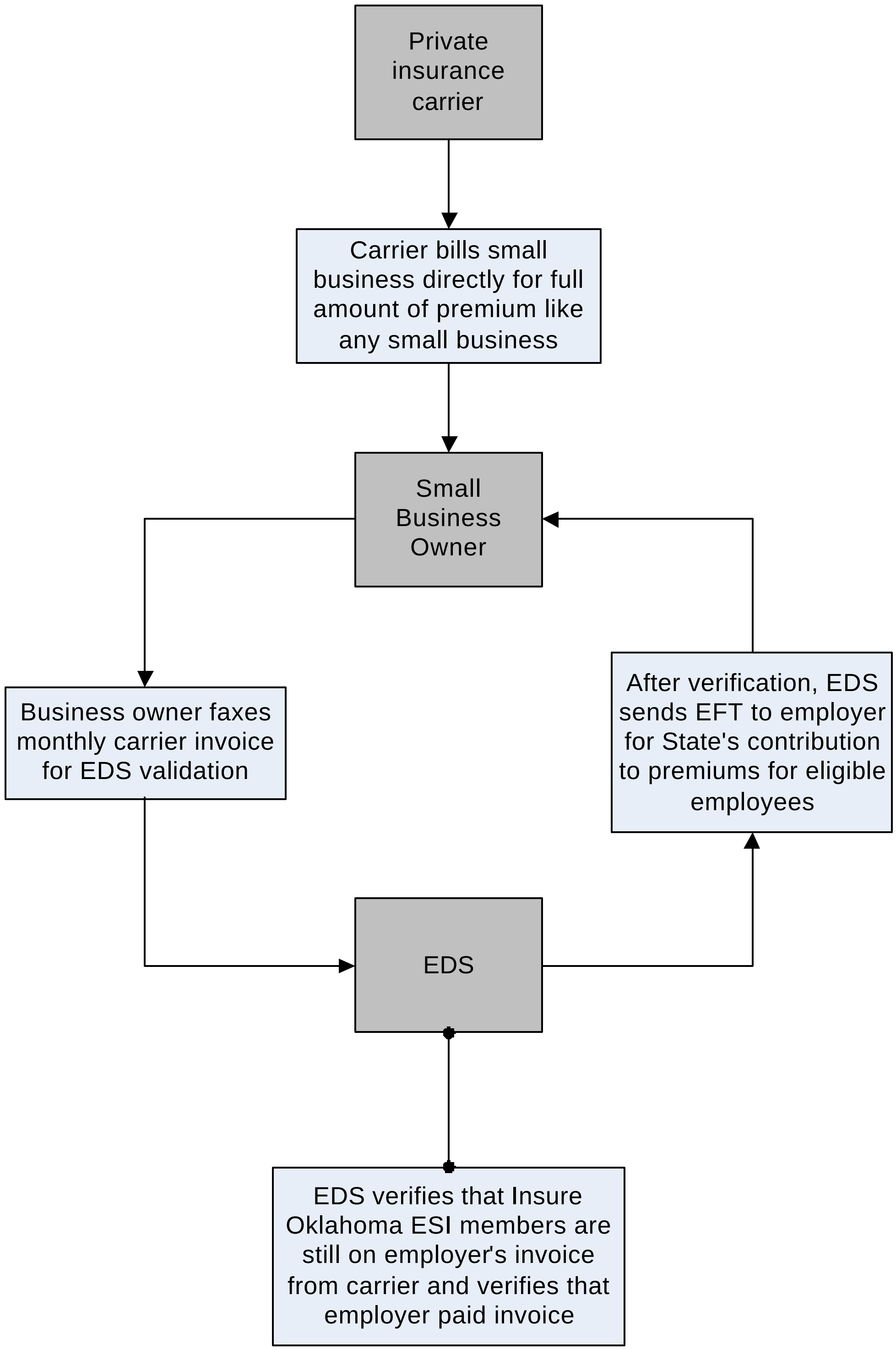
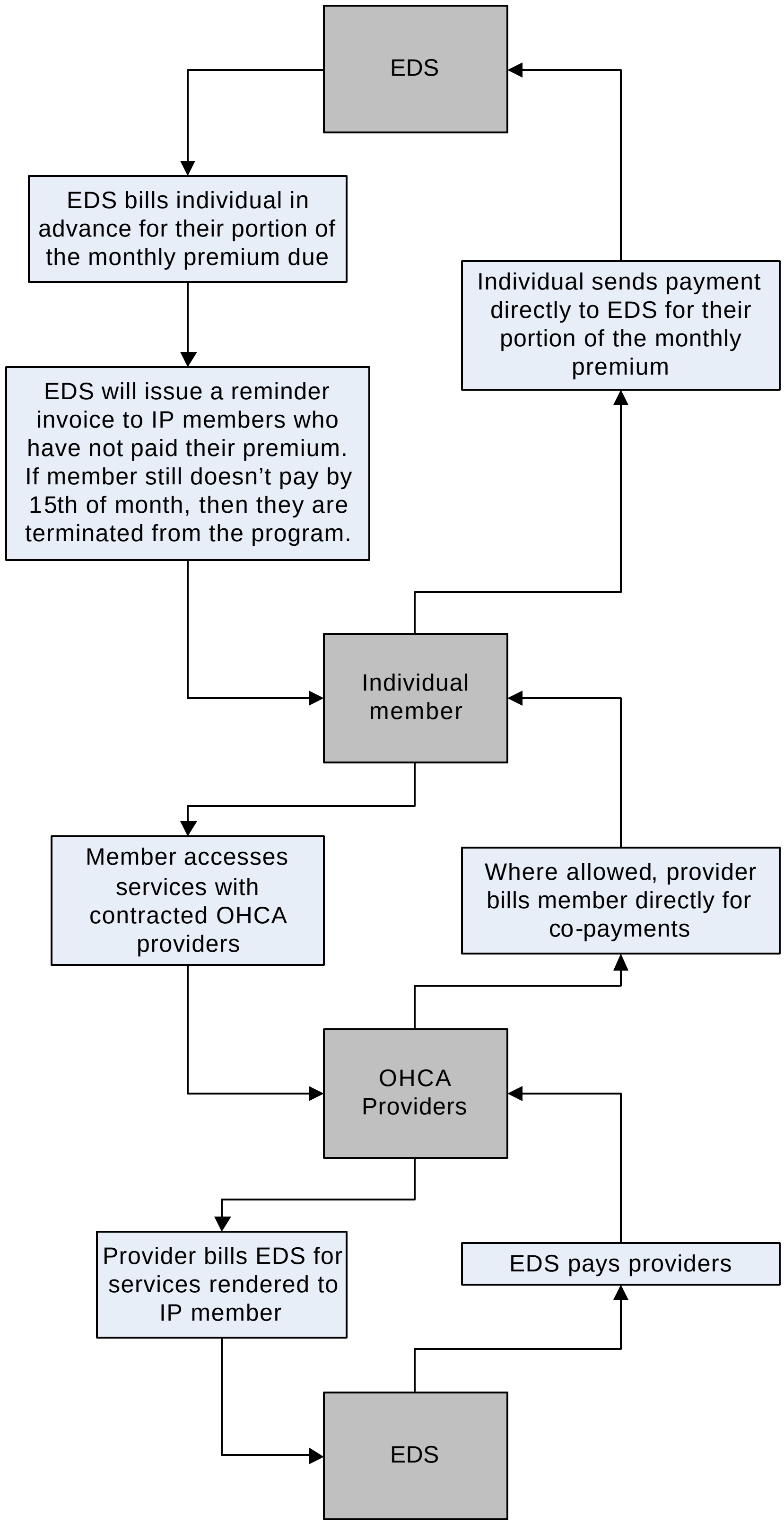


Exhibit III.13
Flowchart of IP Operations



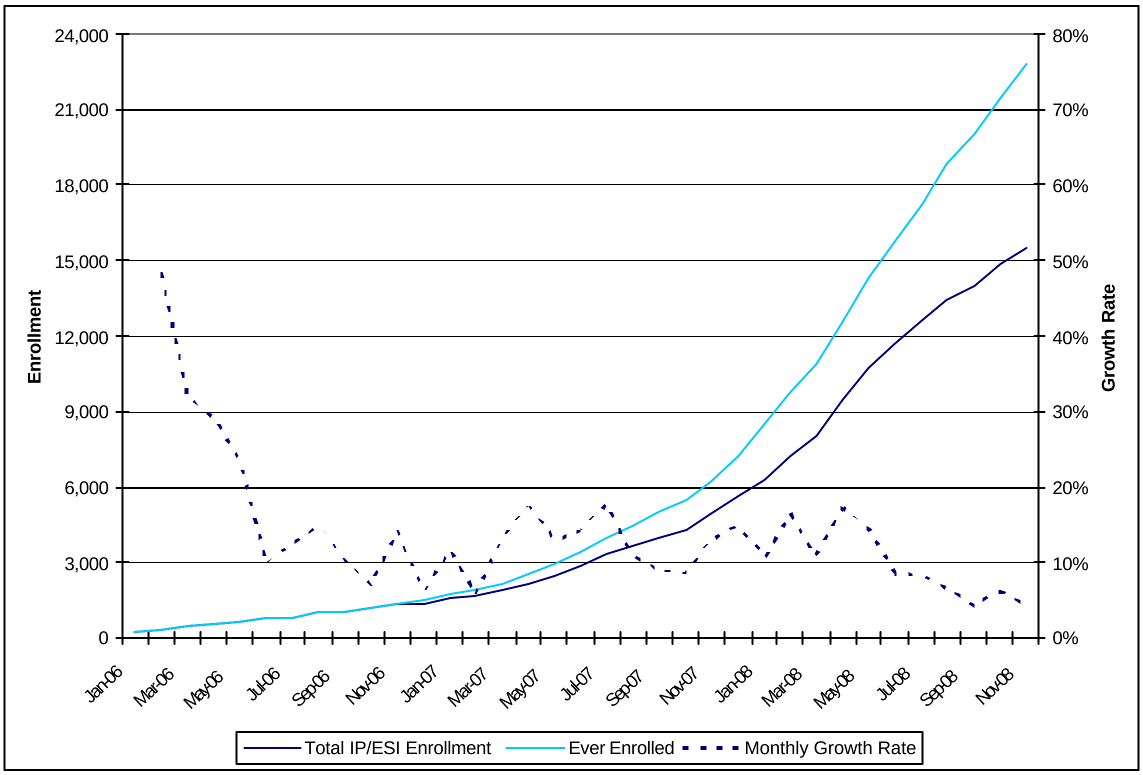
CHAPTER IV
PROFILE OF INSURE OKLAHOMA PARTICIPANTS

Introduction

Though enrollment grew modestly through 2006 and 2007, there has been a rapid increase in enrollment in both the ESI and IP components of Insure Oklahoma in 2008. This chapter profiles the members in each portion of the program as well as trends among employers enrolled in Insure Oklahoma. The chapter concludes with a profile of the services utilized by IP members who purchase their insurance directly from the State.

As of November 2008, over 22,000 have been enrolled in Insure Oklahoma at some point since its inception and over 15,500 members are currently enrolled. The monthly enrollment growth rate exceeded ten percent per month in the first half of 2008 but has decreased some in the second half of this year.

Exhibit IV.1
Total Enrollment and Growth Rate in Insure Oklahoma



Both the ESI and IP portions of Insure Oklahoma are experiencing high-growth patterns. Currently, there are 10,688 ESI members (16,462 ever enrolled) and 4,817 IP members (6,366 ever enrolled). Exhibits IV.2 and IV.3 on the next page show the enrollment trends in both programs.

Exhibit IV.2
Total Enrollment and Growth Rate in the ESI Portion of Insure Oklahoma

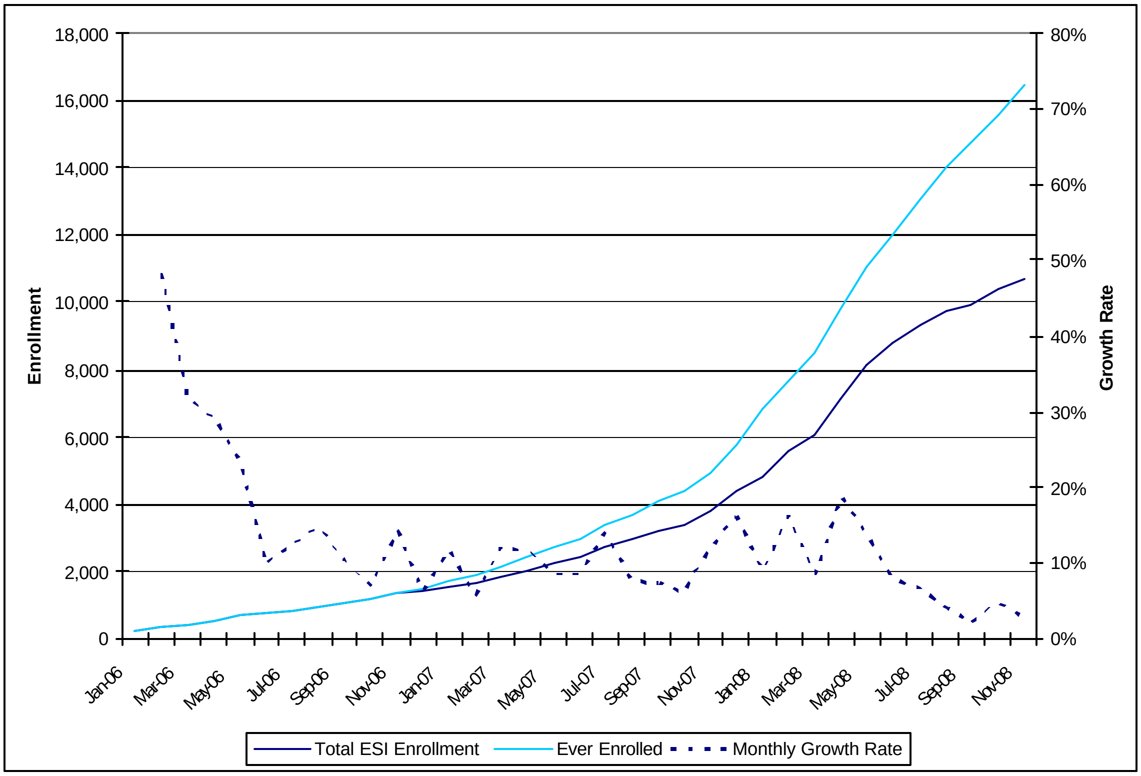
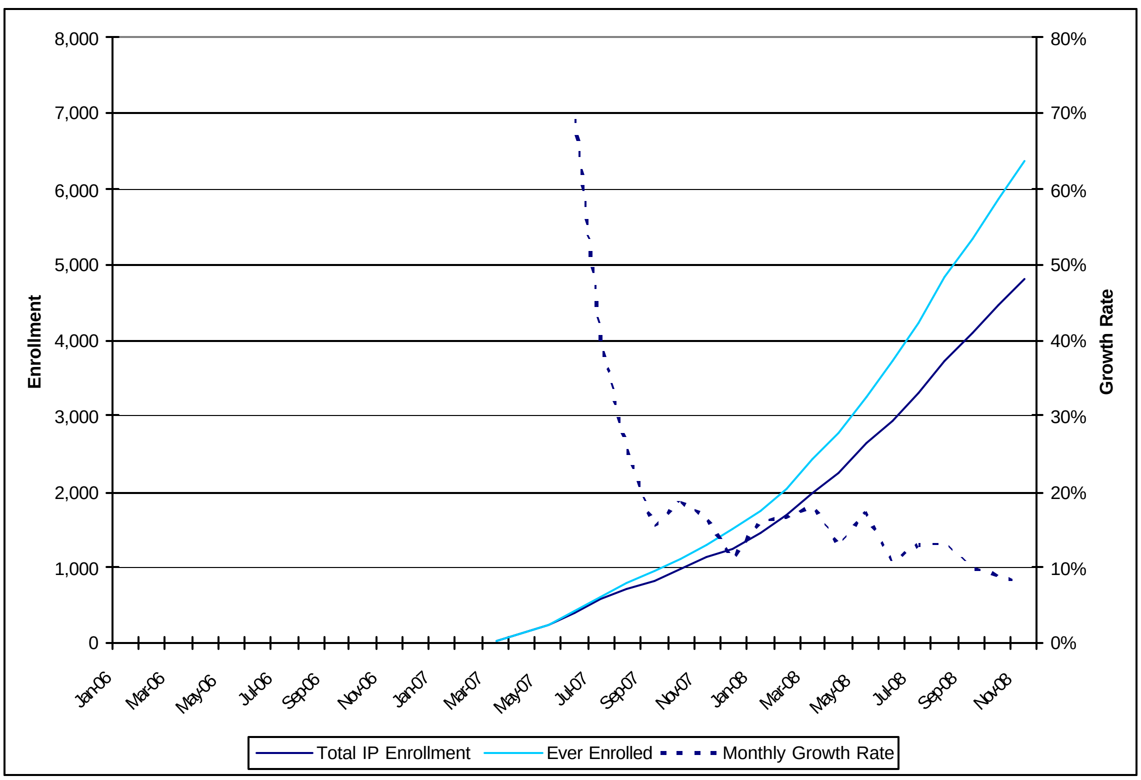


Exhibit IV.3
Total Enrollment and Growth Rate in the IP Portion of Insure Oklahoma



Demographic Profile of Members

By Region

For comparative purposes, Oklahoma's 77 counties are clustered into six regions. Although enrollment in the program has grown considerably throughout the state, the distribution of ESI membership has remained stable across these regions since the program's inception. The urban regions—Oklahoma City and Tulsa—account for half of the ESI members; the other half are from the four rural regions. The same trend is true for the distribution of IP members. There has only been a minor shift in the distribution of members in 2008 in the urban areas, with Oklahoma City slightly decreasing in proportional enrollment and Tulsa increasing. Exhibits IV.4 and IV.5 on the next page illustrate these trends.

By Age

Because the ESI portion of Insure Oklahoma has been in place longer than the IP portion, more distinctive trends can be found among ESI members. There has been a noticeable increase in the proportion of 19-25 year olds in the ESI program and a comparable decrease among 41-55 year olds. Members in the 26-40 and 56-64 age groups have remained stable with respect to their proportion of total enrollment.

The distribution among IP members has changed little between 2007 and 2008, but the enrollment pattern by age group between the two programs is different. The IP enrollment skews towards the higher age groups as seen below:

	Percent of Enrollees in First Half of 2008	
Age Group	ESI	IP
19-25	17%	9%
26-40	44%	35%
41-55	30%	35%
56-64	9%	17%

Exhibits IV.6 and IV.7 on page IV-5 show the trends in enrollment by age group over time.

By Income Level

More than 20 percent of the current ESI members have annual incomes below 100 percent of the Federal Poverty Level (FPL), while 40 percent of the IP members have incomes below this level. The distribution of members shifted in both programs between 2007 and 2008, but this is partly attributable to the fact that applicants with incomes between 186 percent and 200 percent FPL became eligible in November 2007. Therefore, true trends in enrollment by FPL level should be conducted later in 2009. Exhibits IV.8 and IV.9 on page IV-6 show the trends in enrollment by FPL.

Exhibit IV.4
Distribution of Enrollment in the ESI Portion of Insure Oklahoma by Region

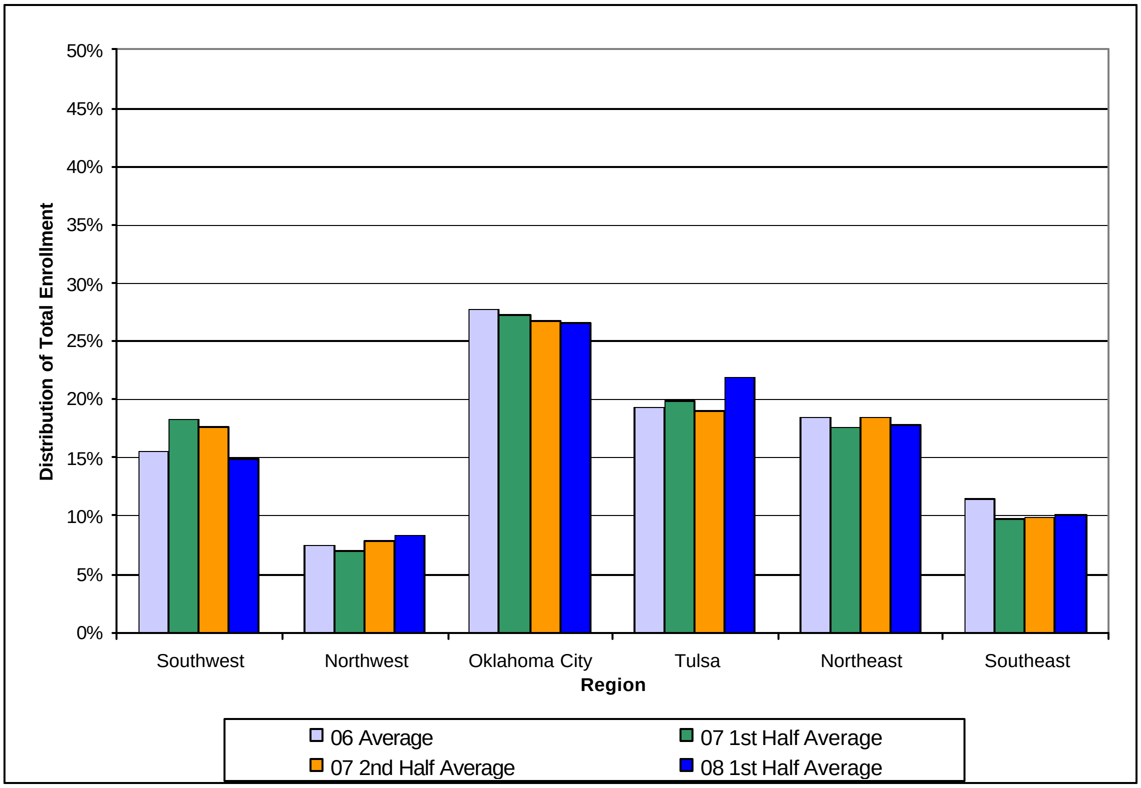


Exhibit IV.5
Distribution of Enrollment in the IP Portion of Insure Oklahoma by Region

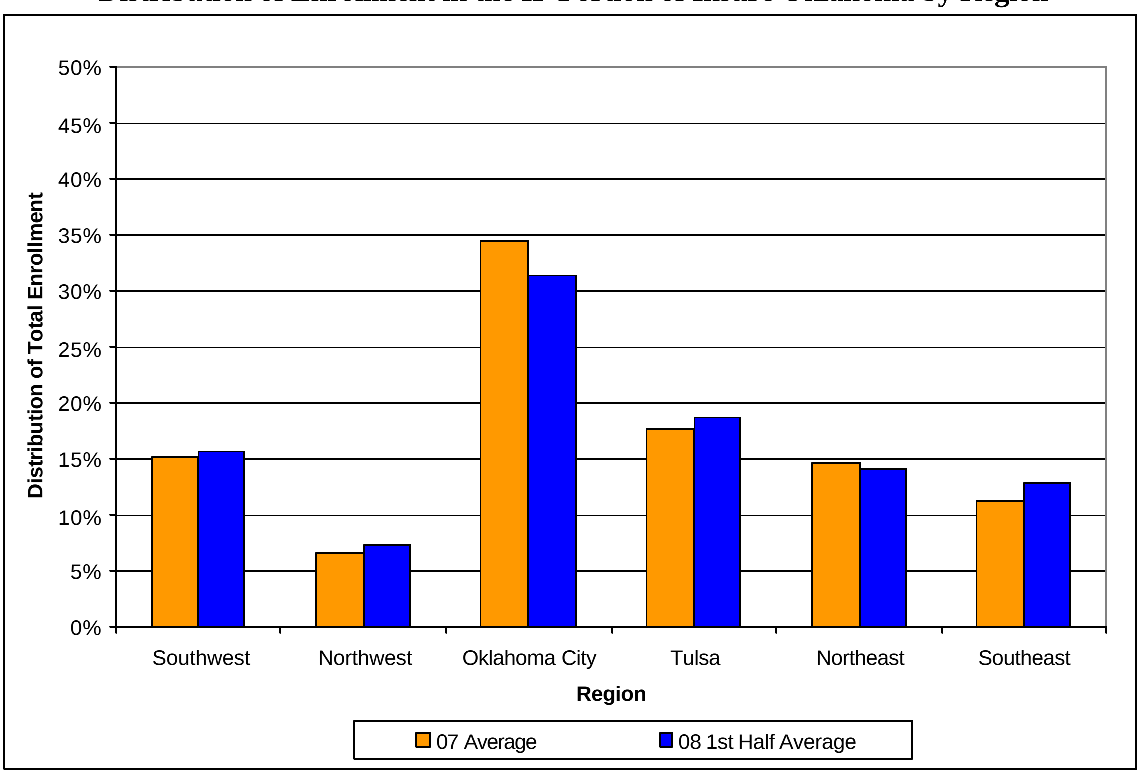


Exhibit IV.6
Distribution of Enrollment in the ESI Portion of Insure Oklahoma by Age

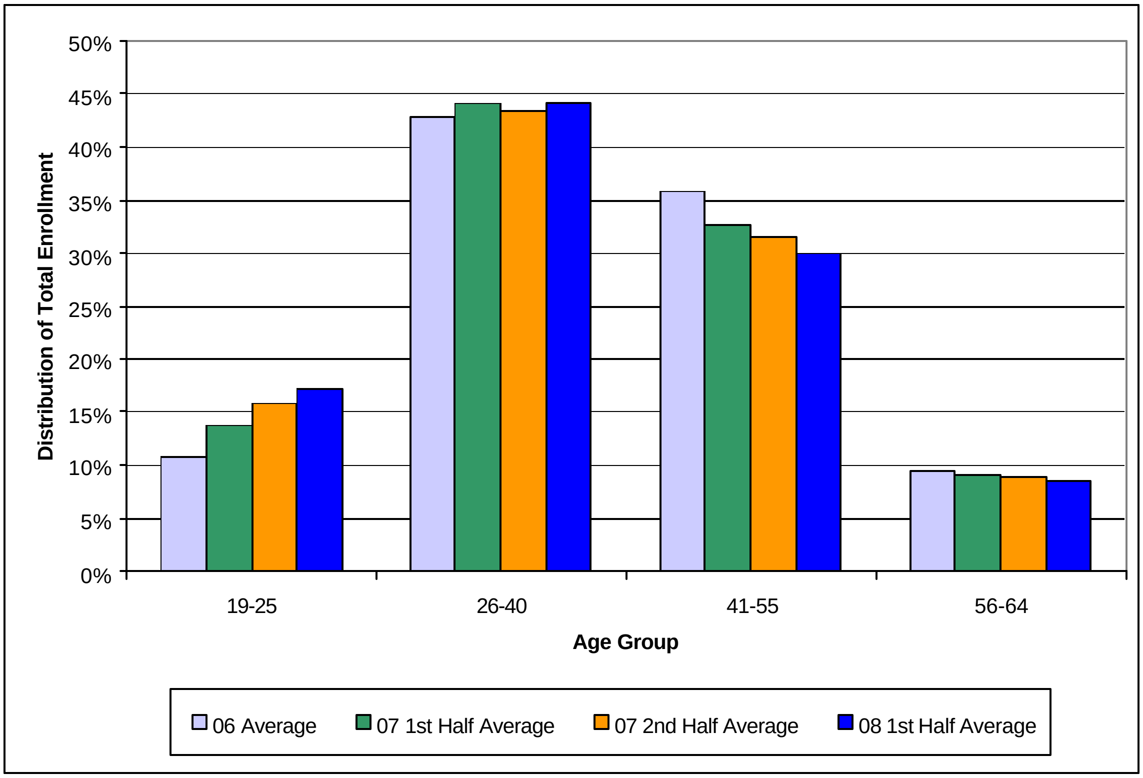


Exhibit IV.7
Distribution of Enrollment in the IP Portion of Insure Oklahoma by Age

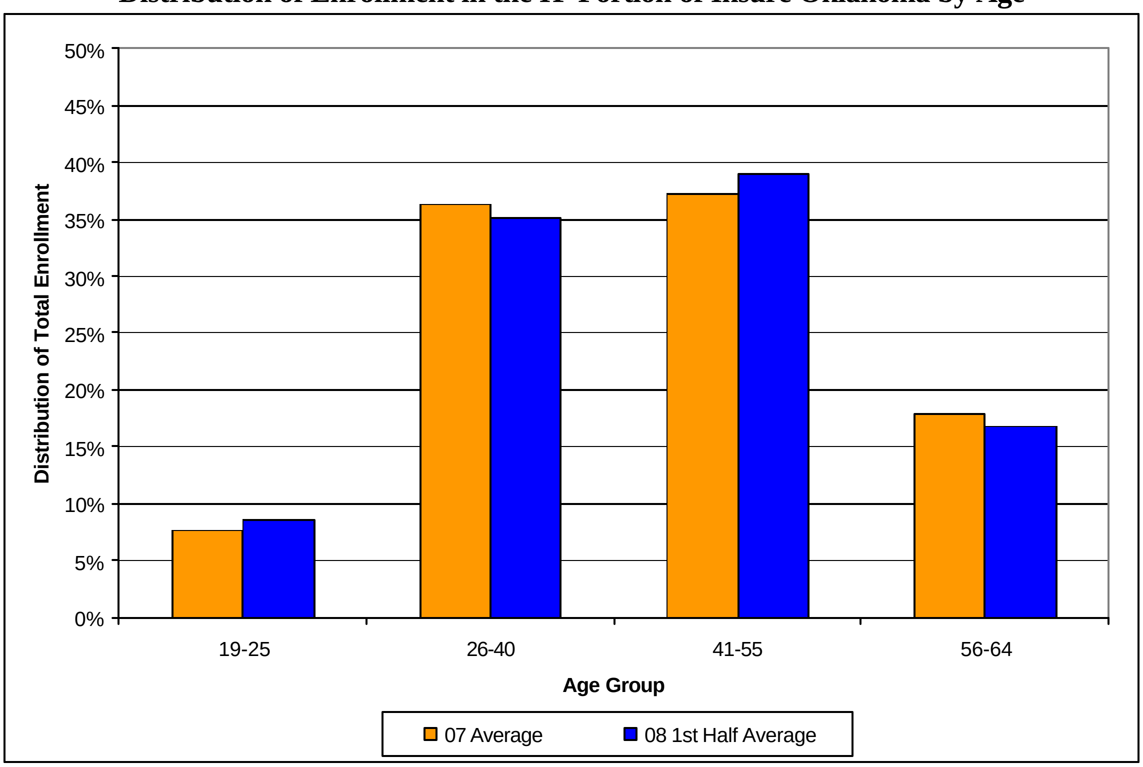


Exhibit IV.8
Distribution of Enrollment in the ESI Portion of Insure Oklahoma by FPL

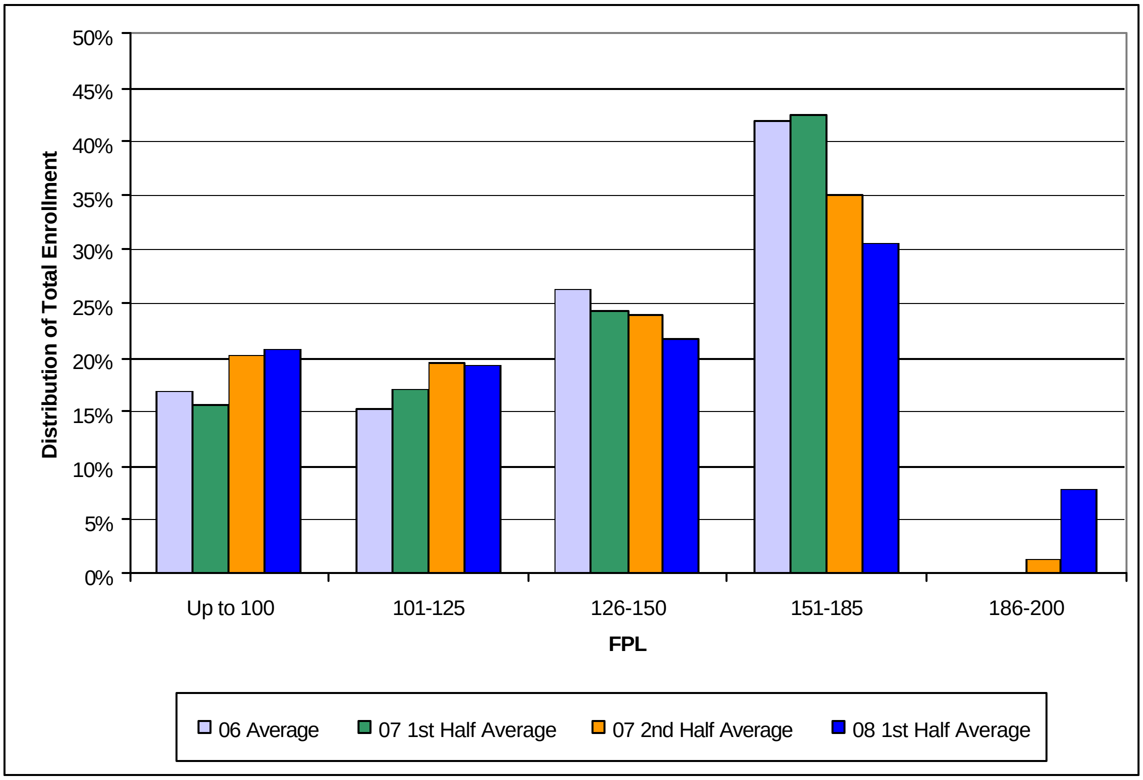
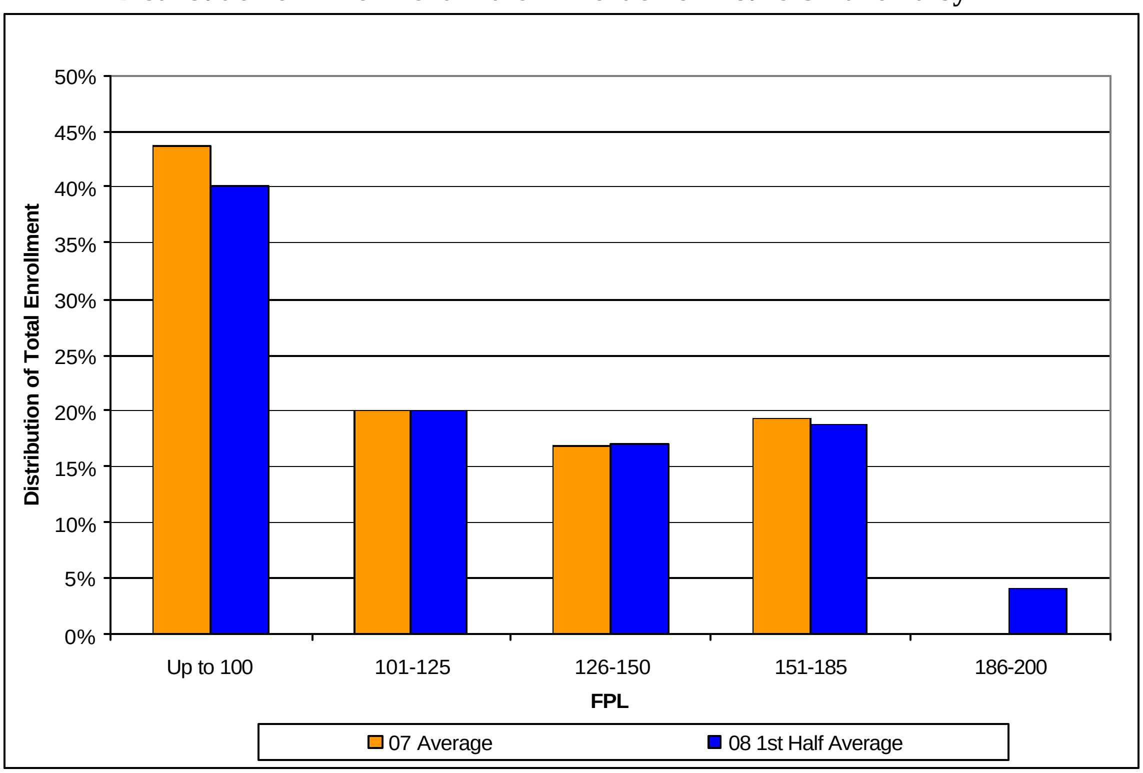


Exhibit IV.9
Distribution of Enrollment in the IP Portion of Insure Oklahoma by FPL



By Income Level/Age

The profiles of Insure Oklahoma's members also differ when the member's income level is measured by age group.

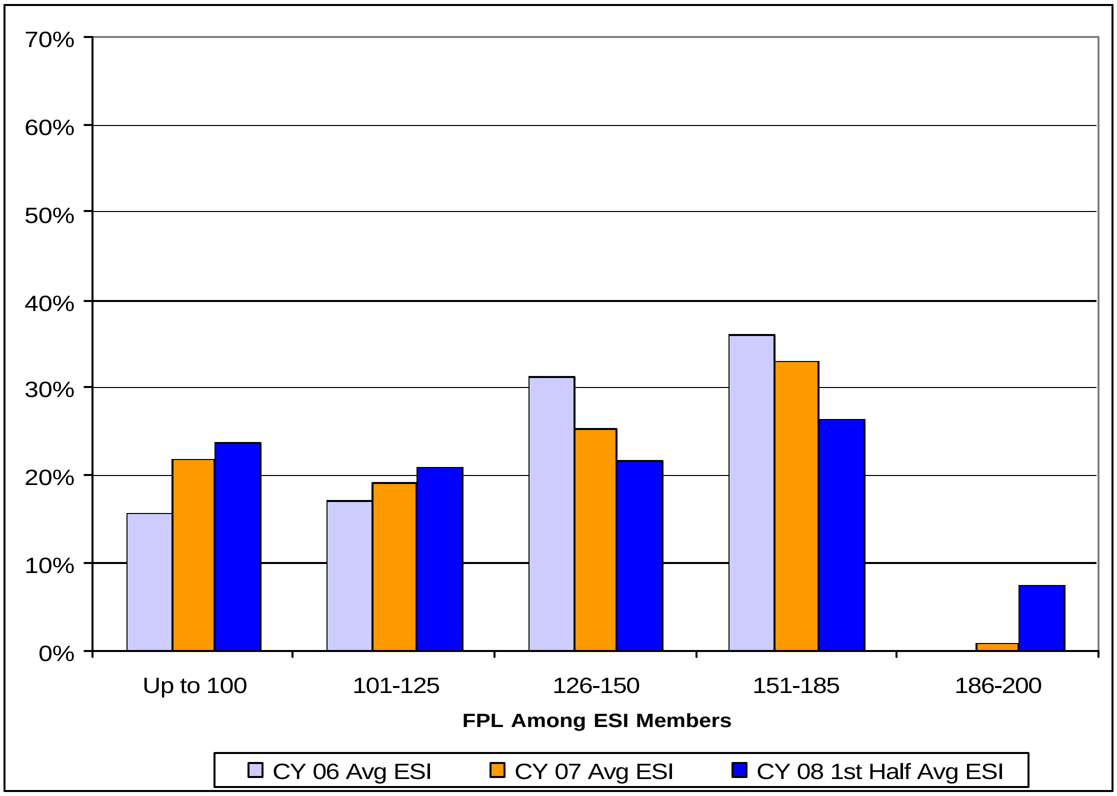
- In the IP program, members below 125 percent FPL comprise the majority of members across every age group reviewed (19-25, 26-40, 41-55, and 56-64). However, among 19-25 year olds, members below 100 percent FPL are a majority.

- Alternatively, in the ESI program the membership is distributed more evenly by FPL level. But 45 percent of the members age 41 and higher in the ESI program earn between 150 percent and 200 percent FPL.

- Because the expansion to individuals up to 200 percent FPL did not occur until November 2007, there is no age group in either ESI or IP that has more than 10 percent of its members in this expansion category (186% - 200% FPL).

The trends of members by FPL level/age group are shown in Exhibits IV.10 through IV.13 on the following four pages. The ESI members in the age group are shown in the top box on each page while the IP members are shown in the lower box.

Exhibit IV.10
Distribution of Enrollment by FPL for the Members Ages 19-25



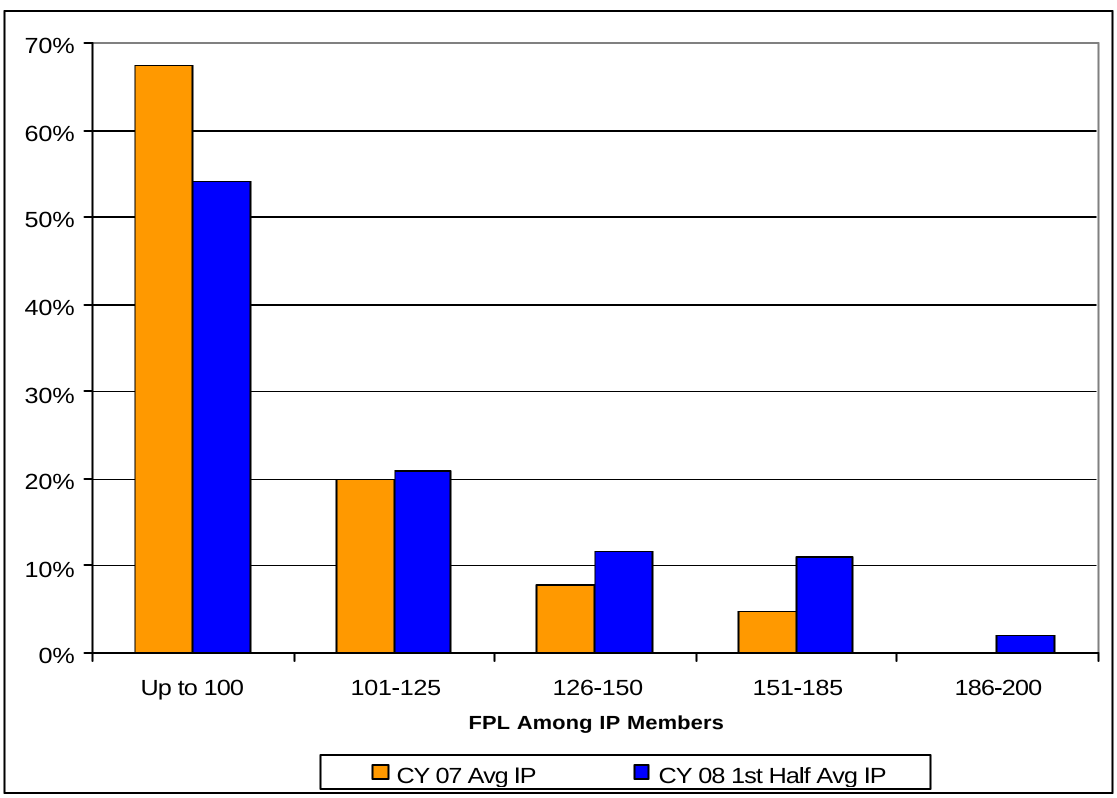
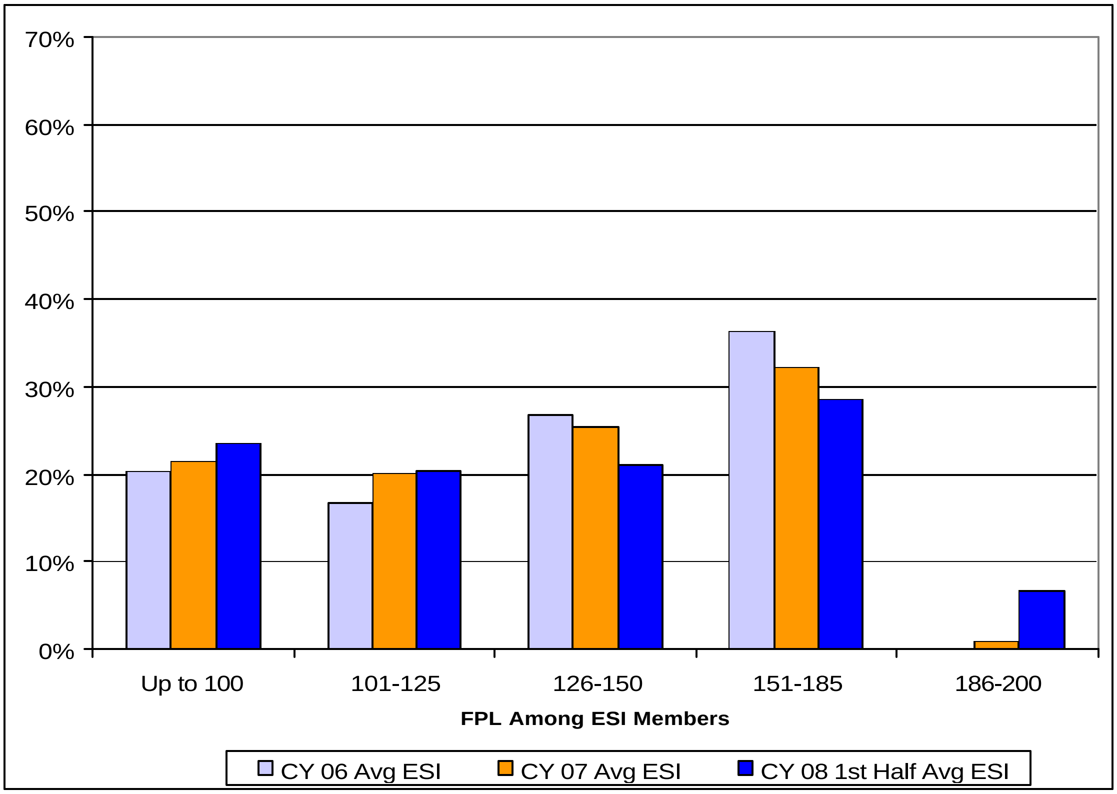


Exhibit IV.11
Distribution of Enrollment by FPL for the Members Ages 26-40



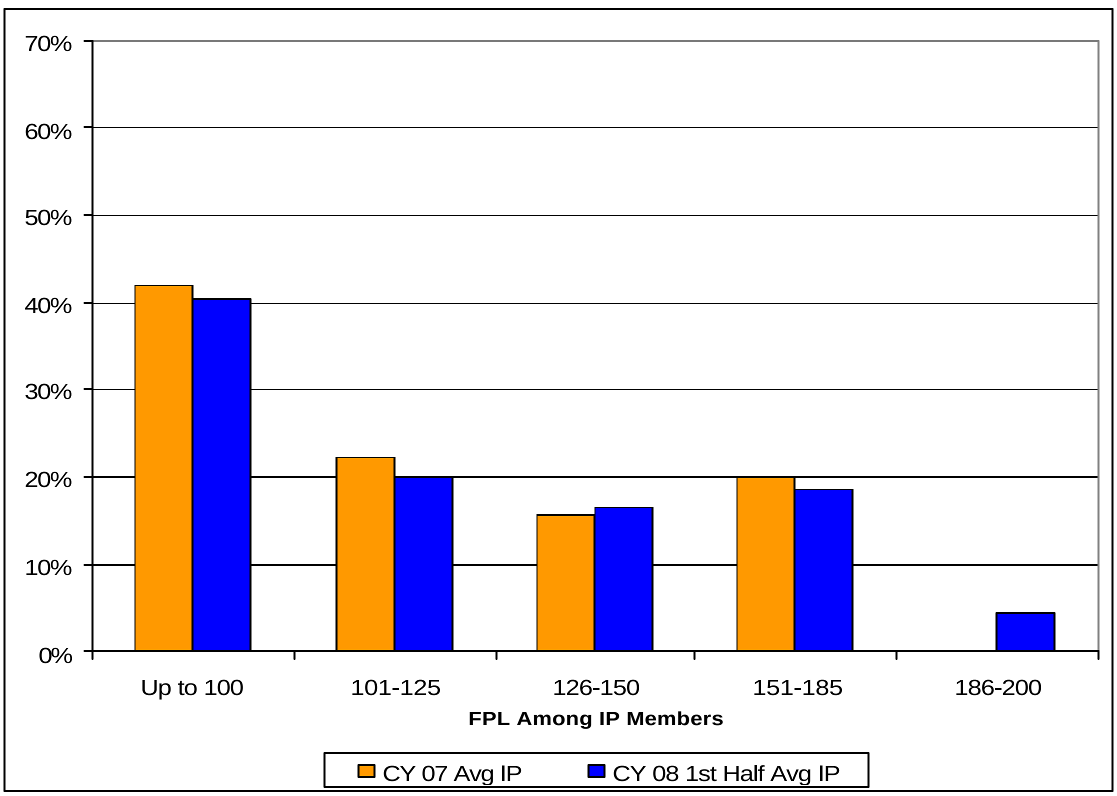
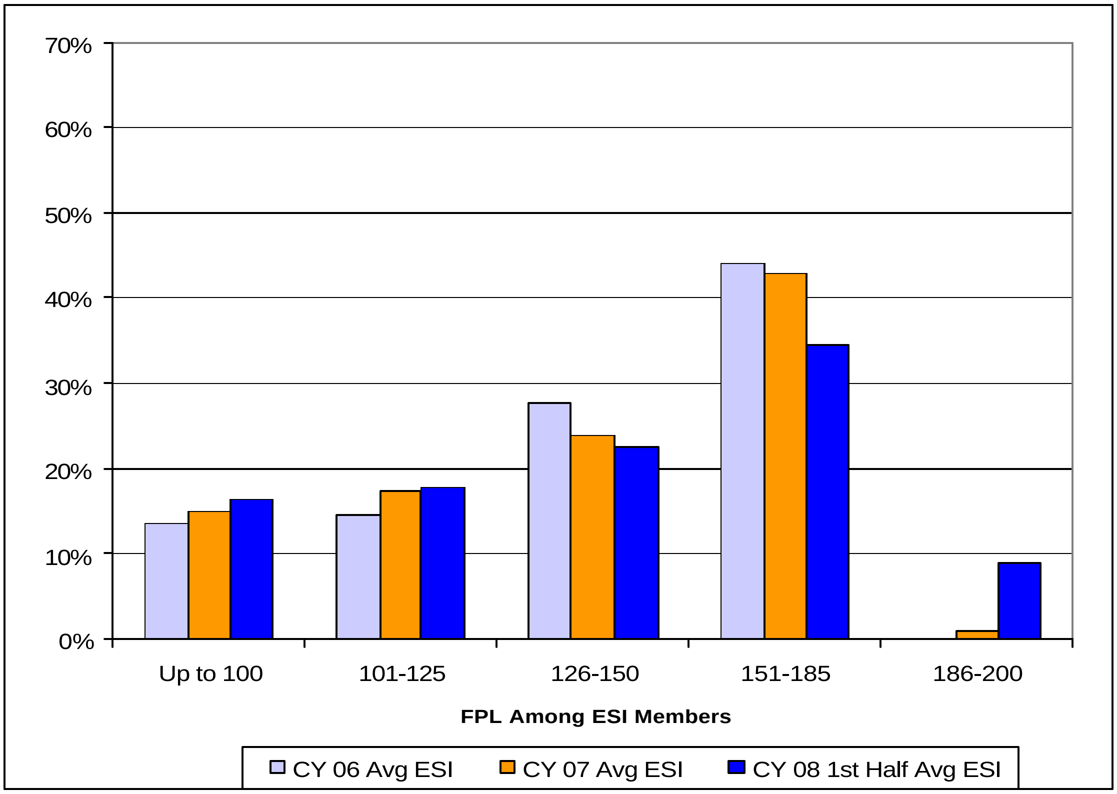


Exhibit IV.12
Distribution of Enrollment by FPL for the Members Ages 41-55



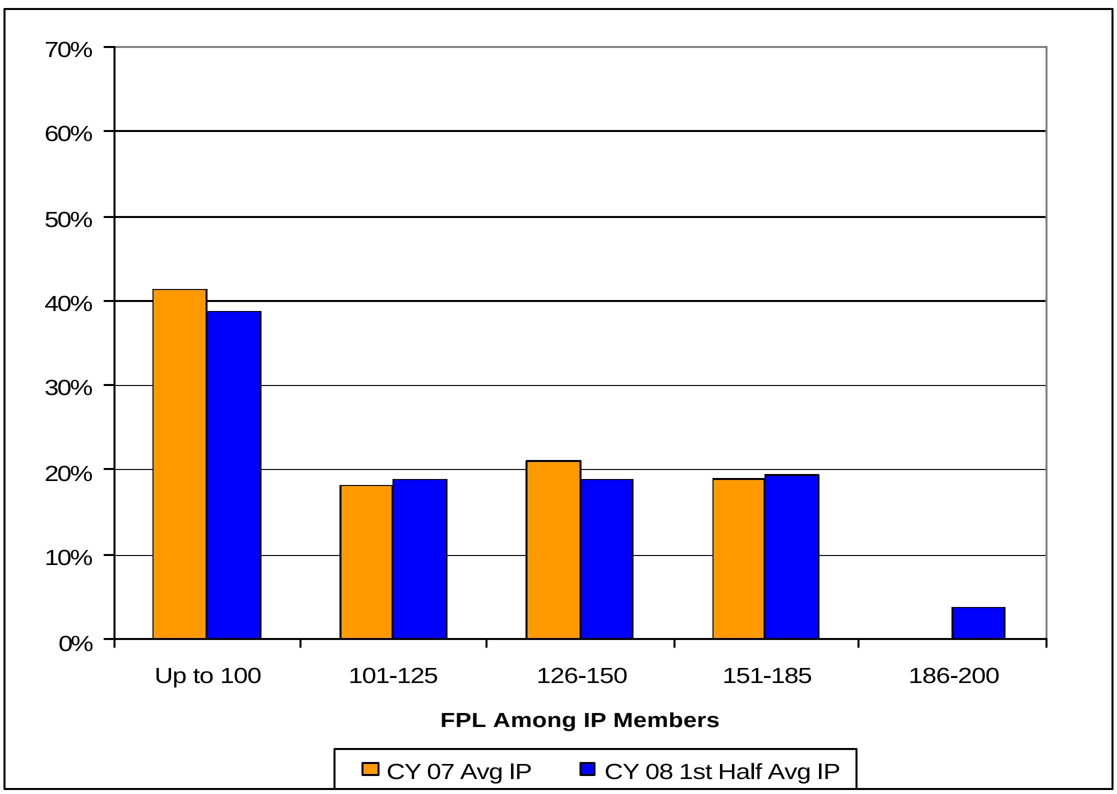
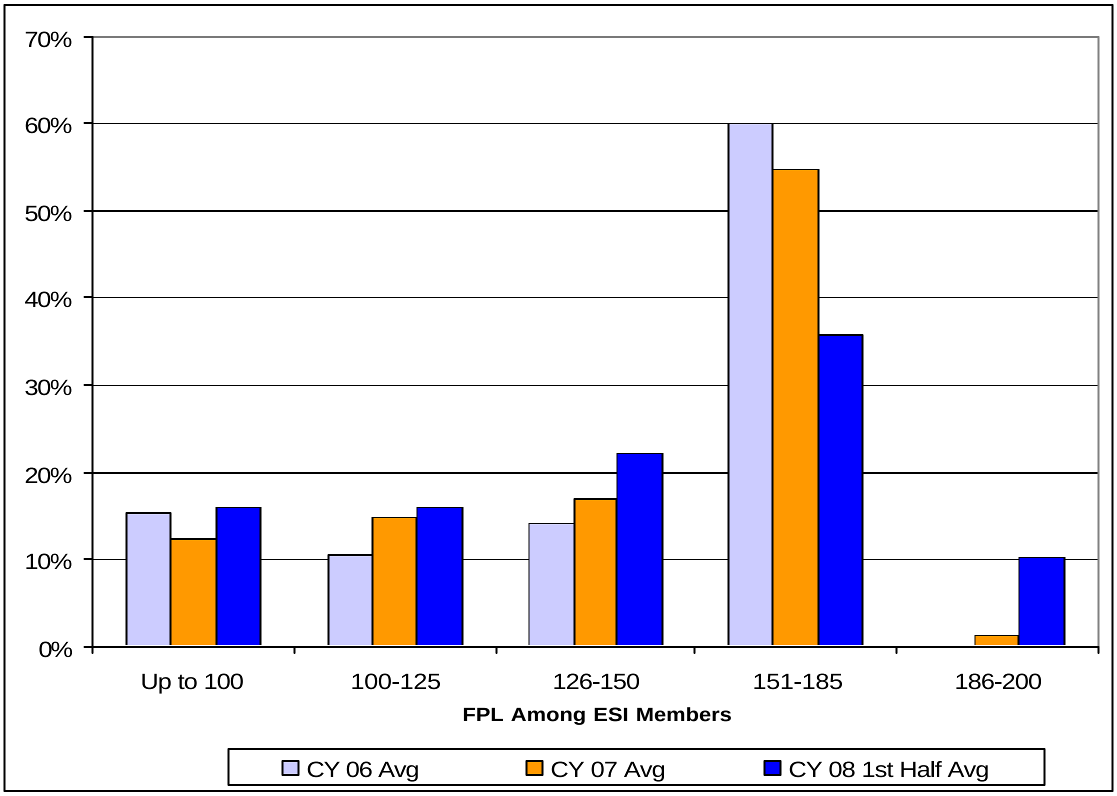
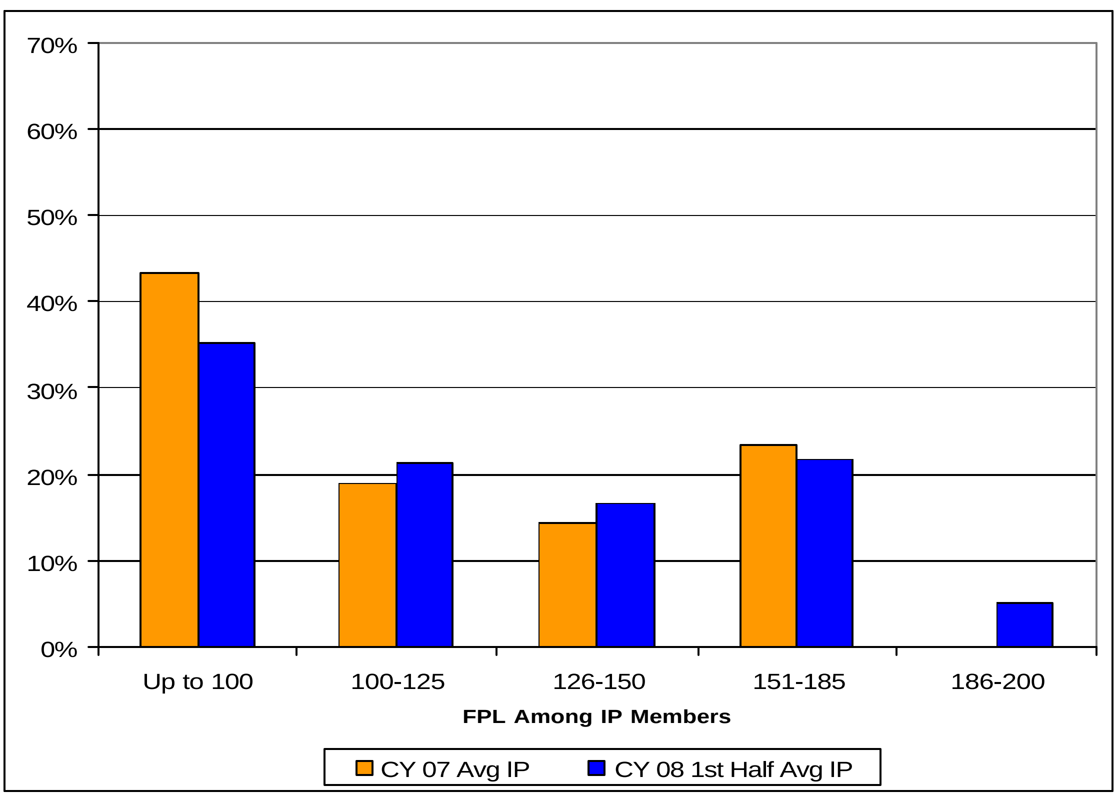


Exhibit IV.13
Distribution of Enrollment by FPL for the Members Ages 56-64

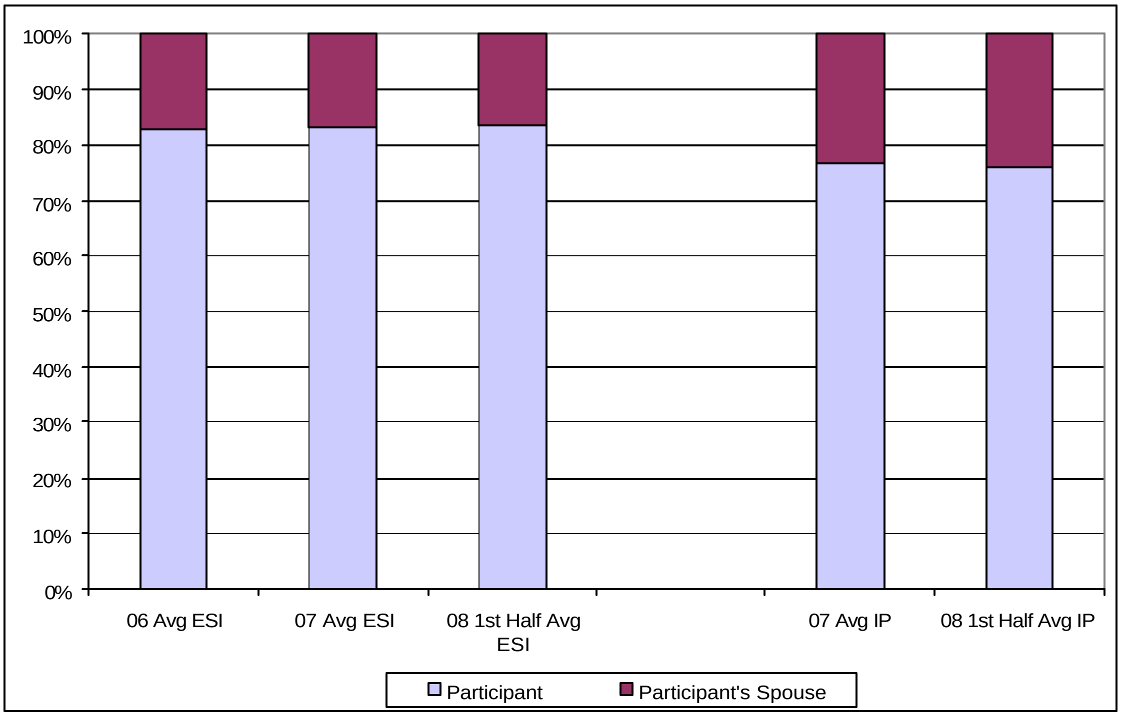




Spousal Coverage

There has been a stable trend in the proportion of spouses covered in both the ESI and IP programs. In the ESI program, spouses account for 16 percent of total members; in IP, they account for 24 percent of total members.

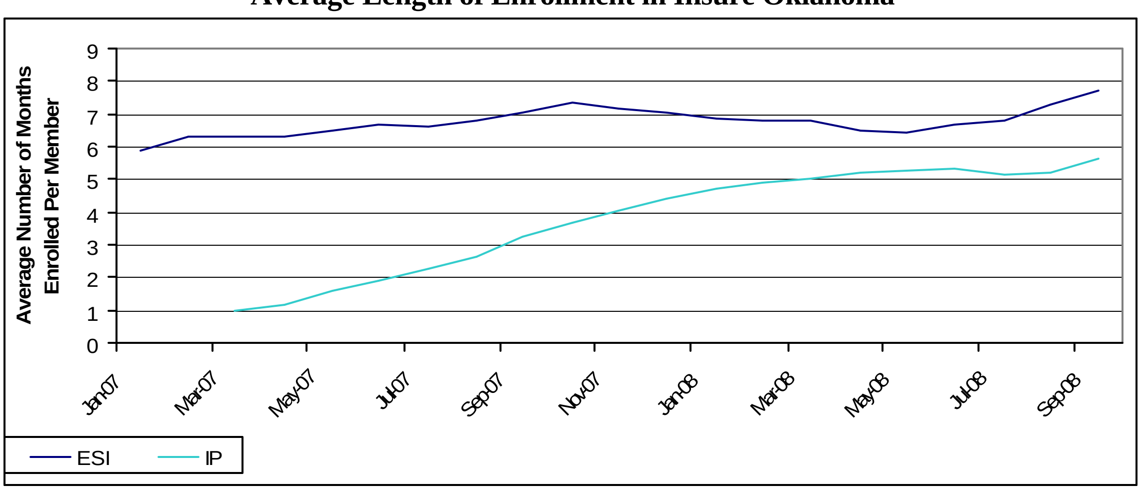
Exhibit IV.14
Distribution of Enrollment Between Participants and Spouses in Insure Oklahoma



Length of Enrollment

Since Insure Oklahoma is new, average length of enrollment continues to grow. For ESI, the average is now just under eight months; for IP, the average is just below five months.

Exhibit IV.15
Average Length of Enrollment in Insure Oklahoma



Disenrollment

Disenrollment appears to be more than expected so early in the program, but it has been erratic in both ESI and IP. For ESI members, disenrollment may occur before the one-year renewal period if the member leaves the employment where they obtained health insurance. For IP members, disenrollment may occur if the member fails to make their premium payment or if they obtained insurance by some other means. In both programs, a contributing factor to disenrollments has been the new citizenship requirements mandated by CMS beginning in July 2007.

For the ESI portion of the program, disenrollments per month have been as high as 350 in three months of 2008, which represents about seven percent of total ESI enrollees. For IP, there was a one-month spike in May 2008 but otherwise disenrollments have been between 50 and 80 people for most months of 2008. But disenrollments are stabilizing in IP so that the rate has been below two percent in the last quarter.

The OHCA began tracking disenrollments due to the CMS citizenship requirements in December 2007. Over a ten month period through September 2008, there were over 600 disenrollments for Insure Oklahoma due to these citizenship requirements.

Exhibits IV.16 and IV.17 on the next page show the disenrollment trends for both ESI and IP.

Exhibit IV.16
Disenrollment Trends for the ESI Program in Insure Oklahoma

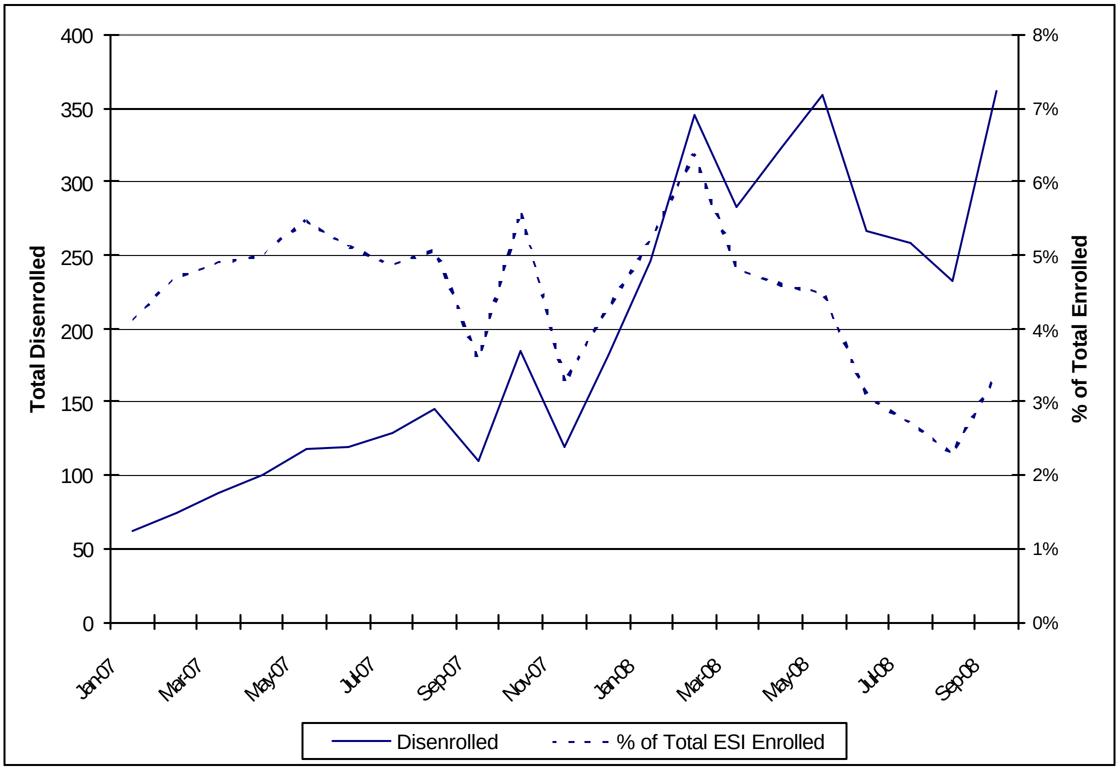
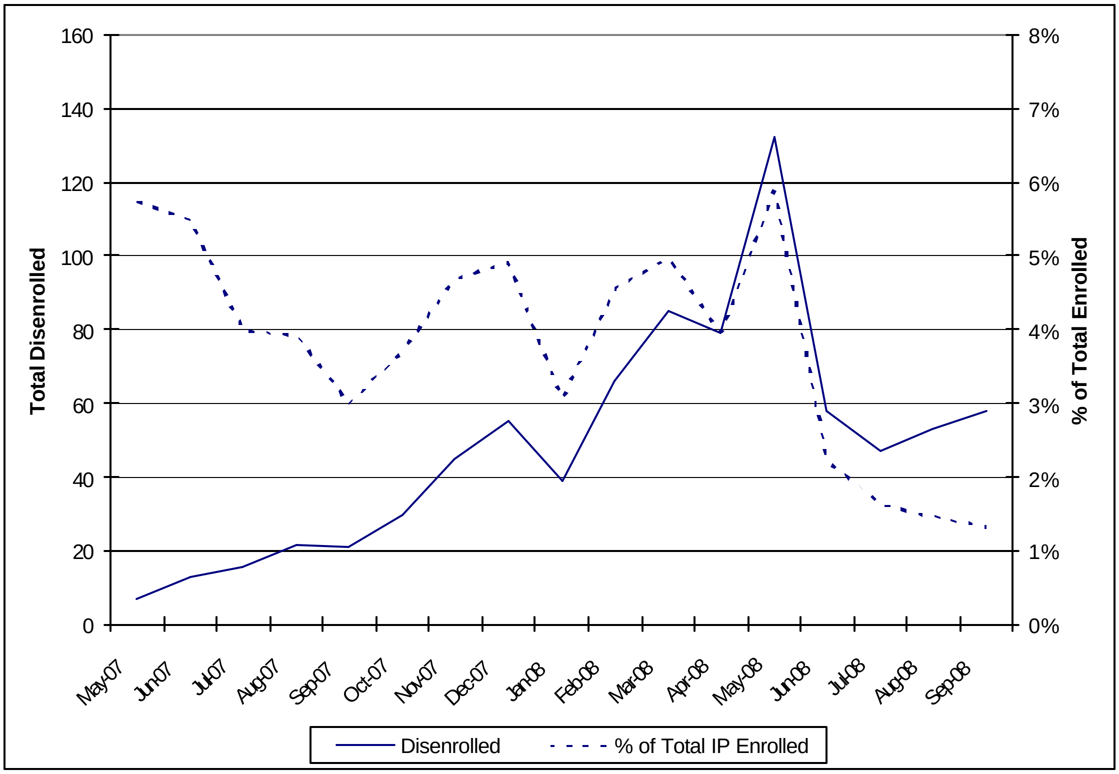


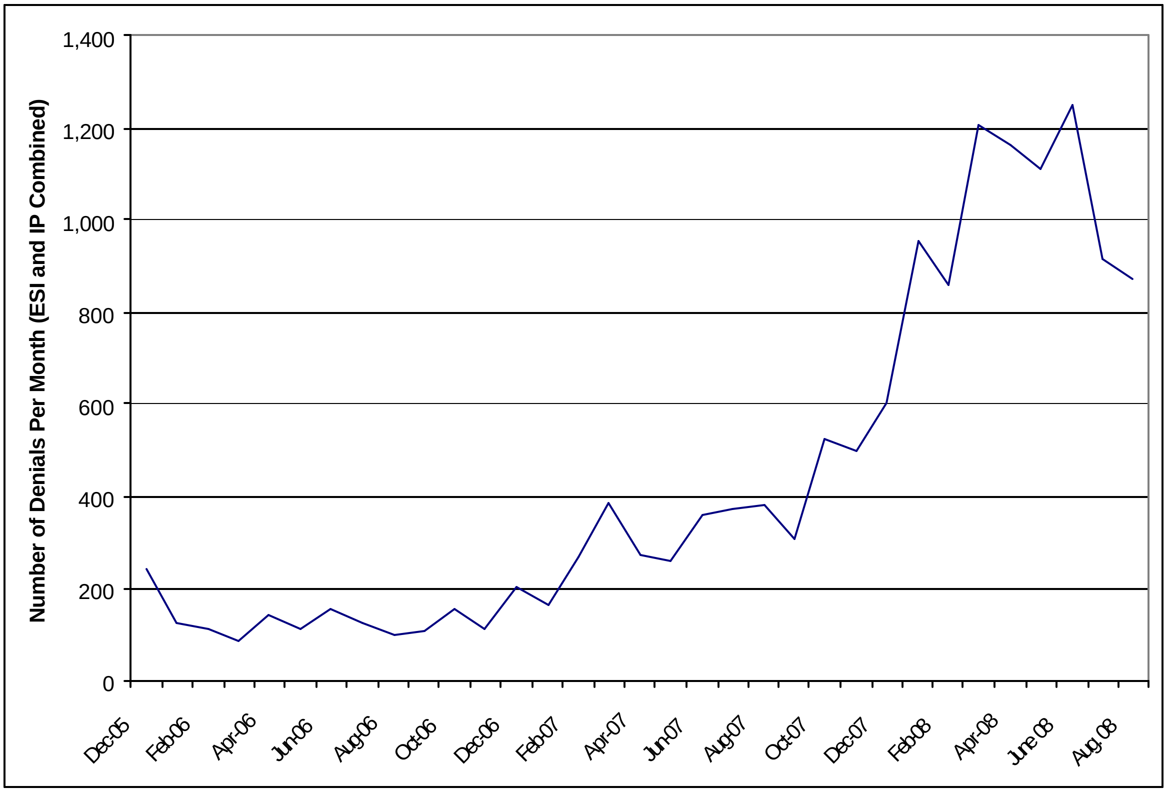
Exhibit IV.17
Disenrollment Trends for the IP Program in Insure Oklahoma



Denials

Although the disenrollment rates appear to be moving in a downward trend, the number of denials is on the rise. Denials represent applicants who are deemed ineligible at the outset. This is different from individuals who are deemed eligible but fail to comply with final application requirements or initial premium payments and thus never enroll.[25] Because denials are not segmented into the ESI or IP program specifically, the total denials are shown in the aggregate in Exhibit IV.18 below.

Exhibit IV.18
Application Denials in Insure Oklahoma

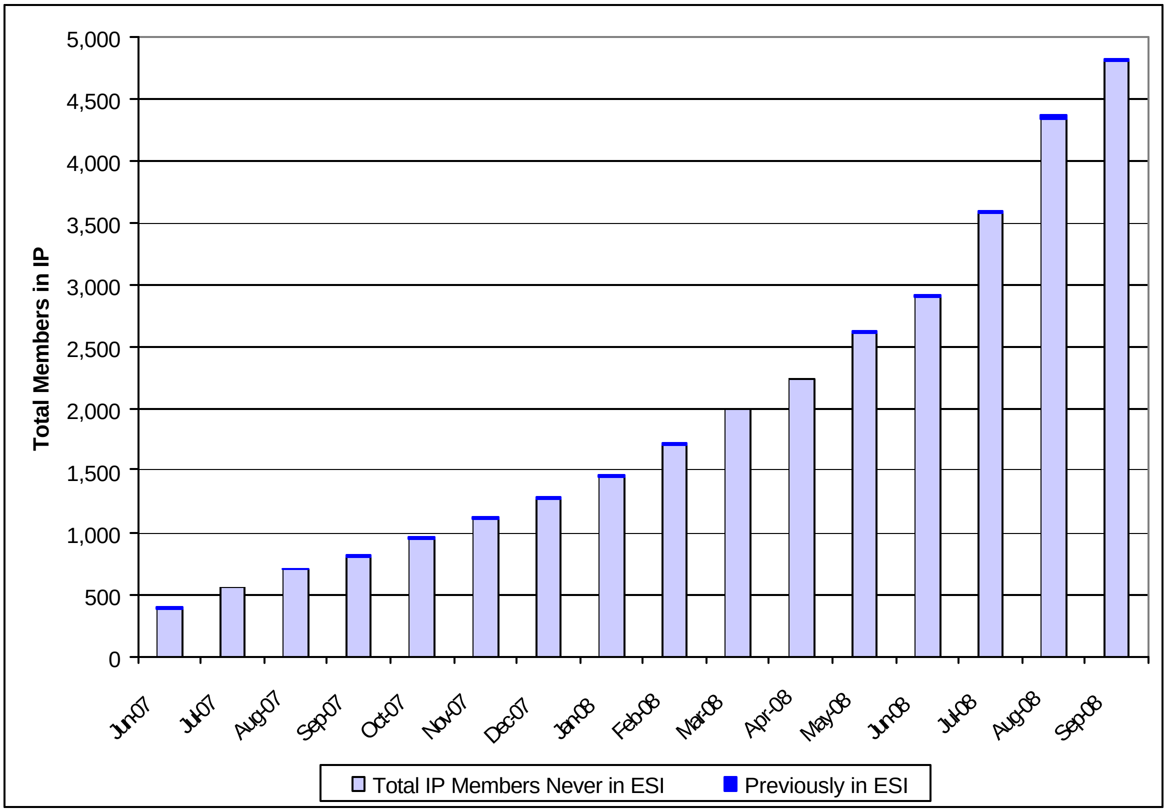


Movement Across Programs

It is possible for ESI members who leave their employment to enroll in the IP portion of the program so long as they complete a new application. Since the income level requirements are the same and there is no "go bare" period in Insure Oklahoma, this could easily occur among those disenrolling in the ESI program. This, however, does not appear to be occurring with any significance. Exhibit IV.19 on the next page shows the distribution of IP members between those that were previously in ESI and those that were not. Less than two percent of IP members had previously been enrolled in ESI.

[25] Refer back to Exhibit III.9 for the trend among these individuals.

Exhibit IV.19
IP Insure Oklahoma Members Previously Enrolled in ESI

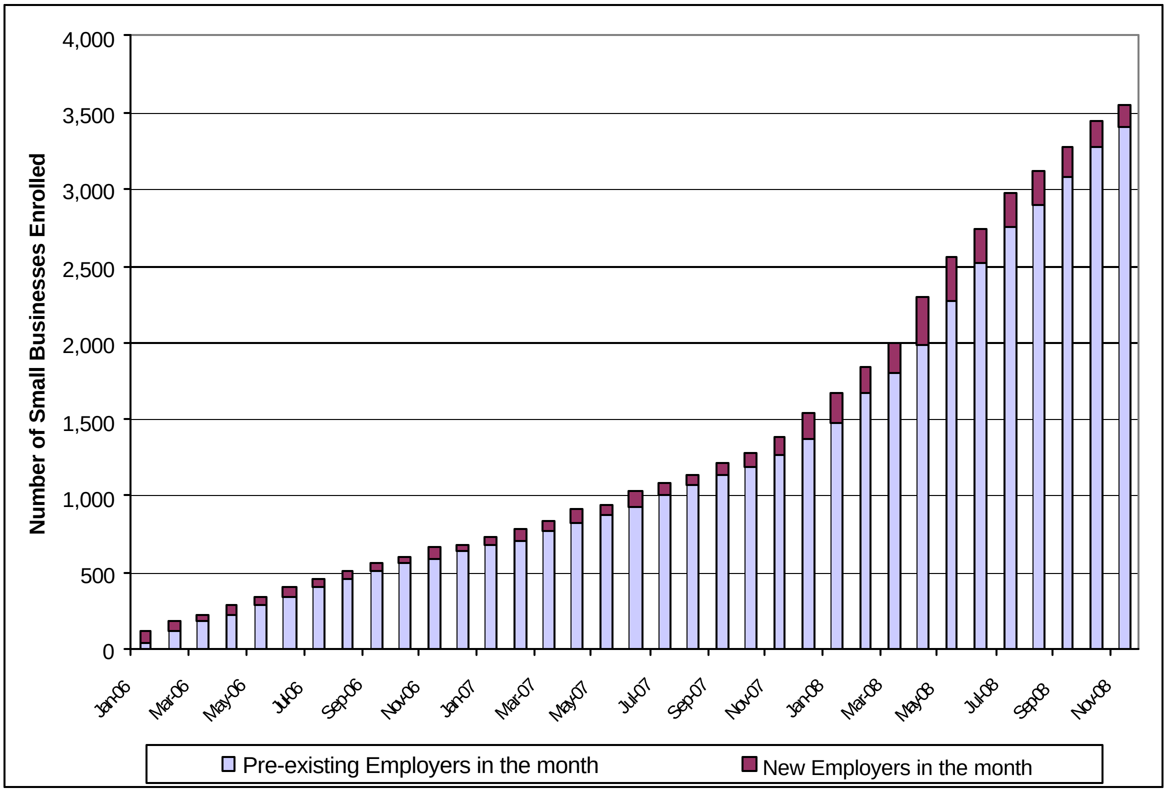


Employer Enrollment

Exhibit IV.20 on the next page shows the trend among employers enrolled in the ESI program. As of November 2008, there were over 3,500 employers enrolled in the program. New employers are continuing to enroll at a rapid pace. As was seen with the individual member growth, new business growth in Insure Oklahoma grew at a pace of ten percent or more in the first half of 2008. Since then, growth has subsided somewhat but still remains at or above five percent.

The average number of employees enrolled per employer in Insure Oklahoma has also increased since the program's inception. The increase in the income qualification in November 2007 has enabled some employees previously ineligible for the ESI program to now become eligible. Additionally, the OHCA can capture more employees at the point when new employers initially enroll. Further, the qualification requirements for businesses to enroll were also expanded in November from a limit of 25 employees to 50 employees. The combination of these factors seems to have influenced the increase in the average number of employees per employer from two in the beginning of the ESI program to five in the latter part of 2008.

Exhibit IV.20
Trend in Employer Enrollment in Insure Oklahoma



Health Plan Selection

Blue Cross Blue Shield (BCBS) is the predominant carrier in the health insurance market in Oklahoma and this is also true for the Insure Oklahoma program. Many brokers that were interviewed for this evaluation cited the BCBS State or Tulsa Chamber of Commerce products as a popular selection because the premiums are community-rated so there is no health underwriting required. In fact, the Chamber products represent 30 percent of the health plan selections made by Insure Oklahoma employers. BCBS plans in general represent two-thirds of all health plans selected as well as two-thirds of all ESI members covered. CommunityCare, Principal Classic and UnitedHealthCare all have small market share in the program. Exhibits IV.21 and IV.22 on the next page show the distribution of health plans in the ESI program based on groups (IV.21) and Insure Oklahoma members (IV.22).

Exhibit IV.21
Distribution of ESI Health Plans in Insure Oklahoma by Number of Groups

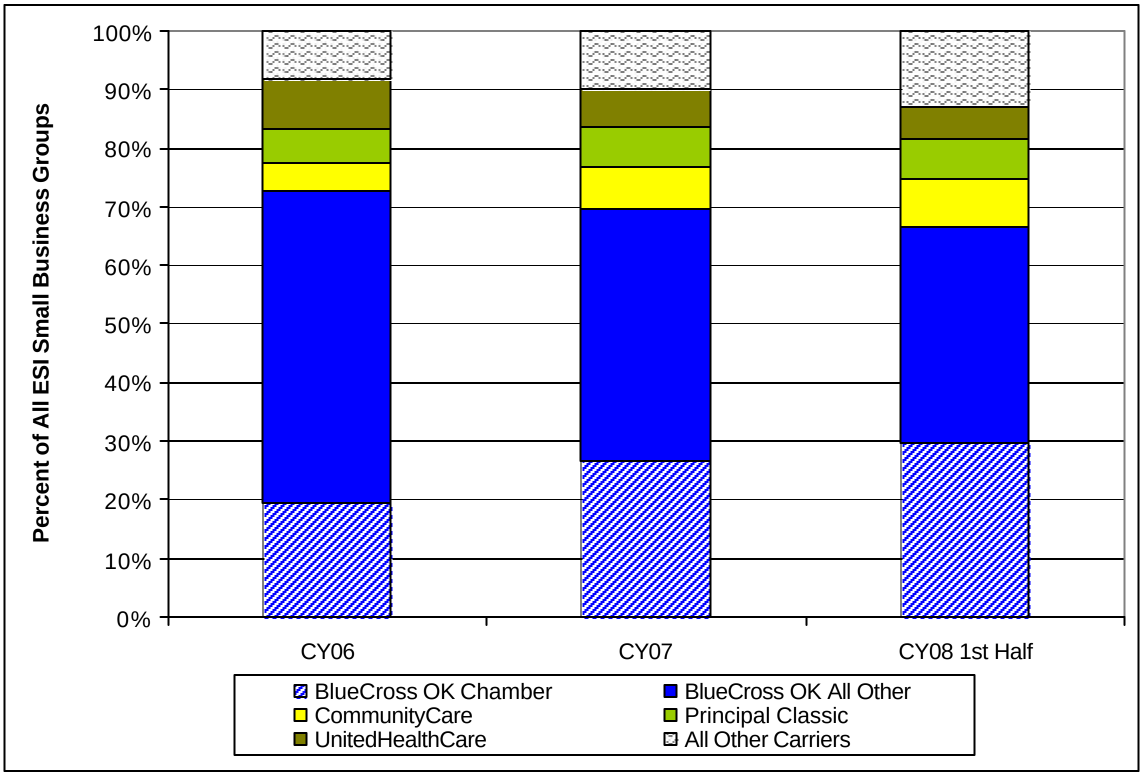
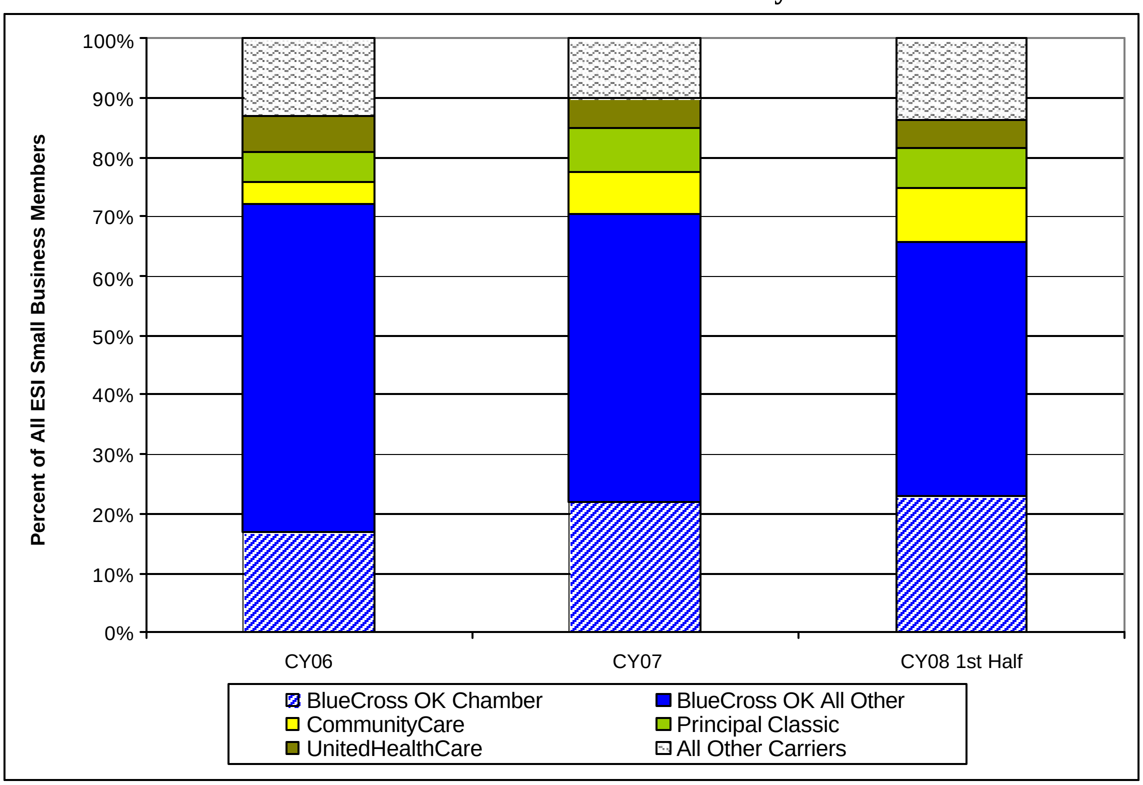


Exhibit IV.22
Distribution of ESI Health Plans in Insure Oklahoma by Number of Members



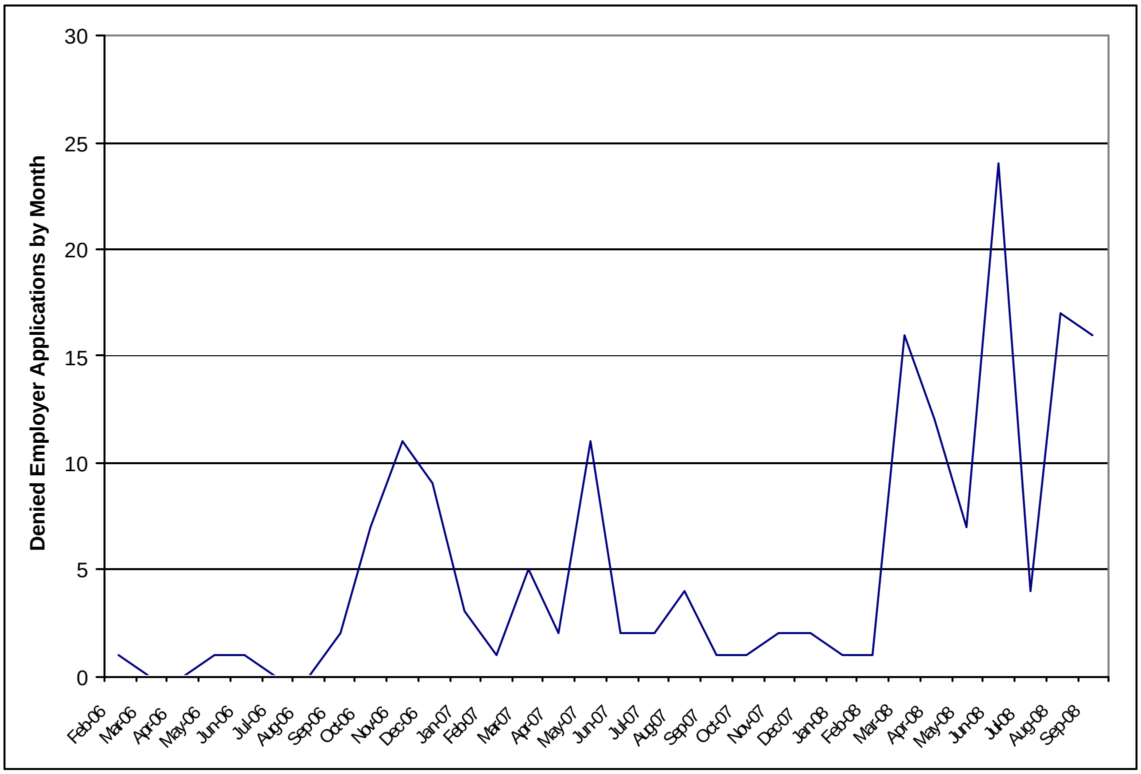
Change in Health Plan Selection

Small employers are not changing carriers when it is renewal time. Among the employers who renewed with Insure Oklahoma, only 1.5 percent in 2007 (out of 1,500 employers) and 0.5 percent in 2008 through June (out of 1,489) have changed carriers. It has not been studied if the employers are changing health offerings within a carrier, however.

Denials

Similar to the trend found among individuals, the number of denials is increasing among small business applicants. EDS reports that this is usually due to the failure to comply with all application requirements in a timely manner.

Exhibit IV.23
Small Employer Qualification Denials Over Time



Use of Services Among Insure Oklahoma IP Members

For this evaluation, claims submitted by providers contracted with Insure Oklahoma were categorized by the month in which the service was rendered to analyze the percentage of members each month that used different services. As shown in Exhibits IV.24 and IV.25, doctor office visits (for well care or sickness) and pharmacy scripts have remained highly-used services since the program began.

Exhibit IV.24
Doctor Office Visit Usage by IP Members by Month

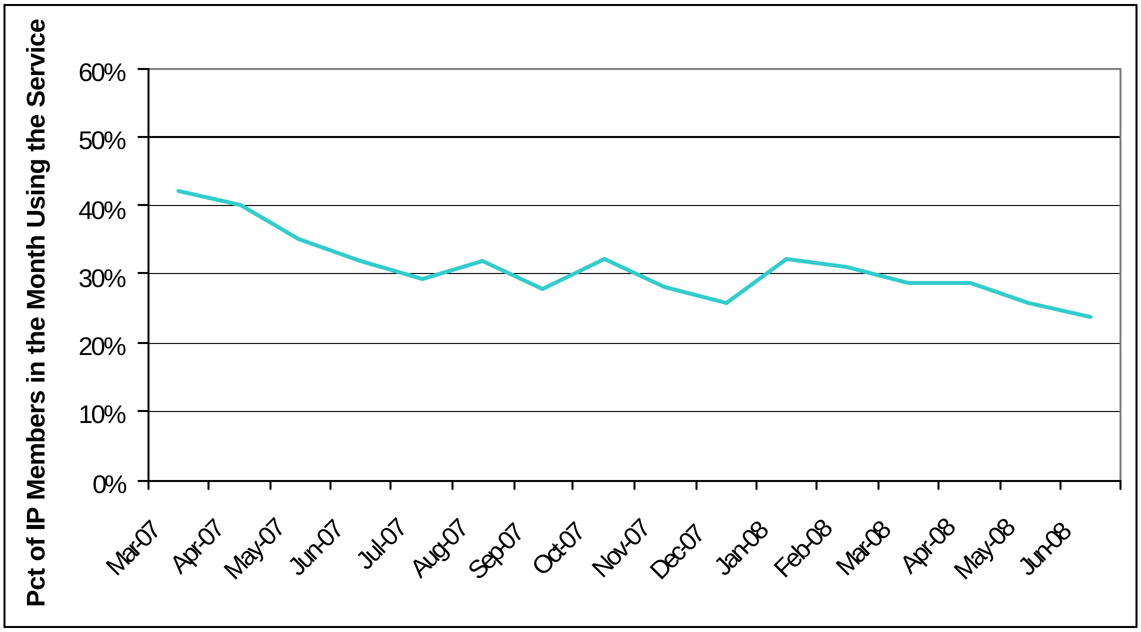
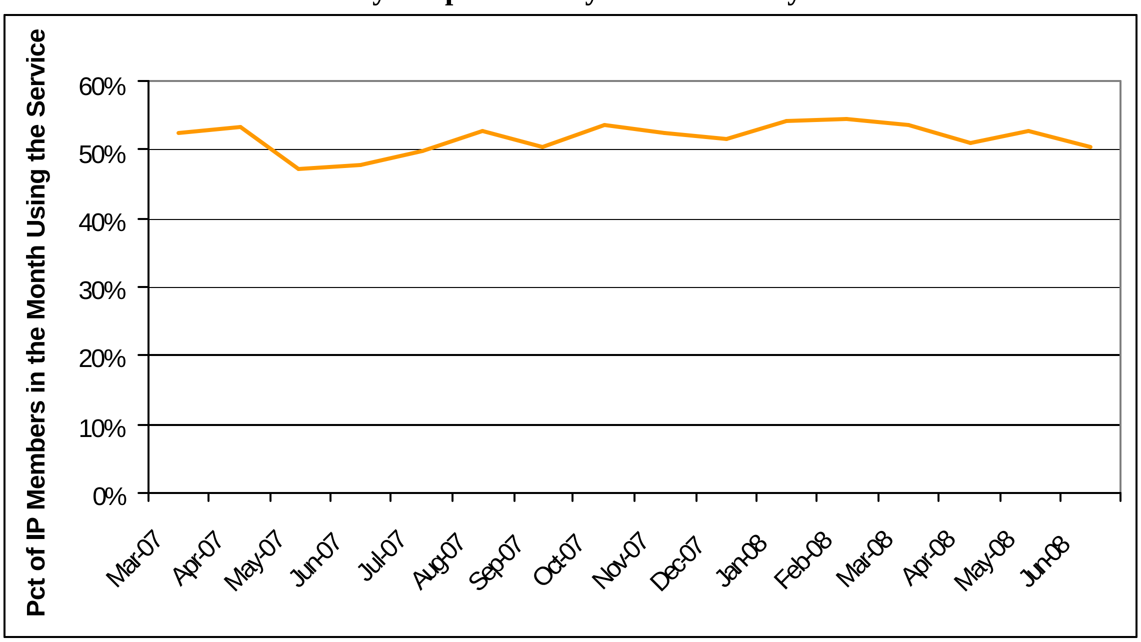
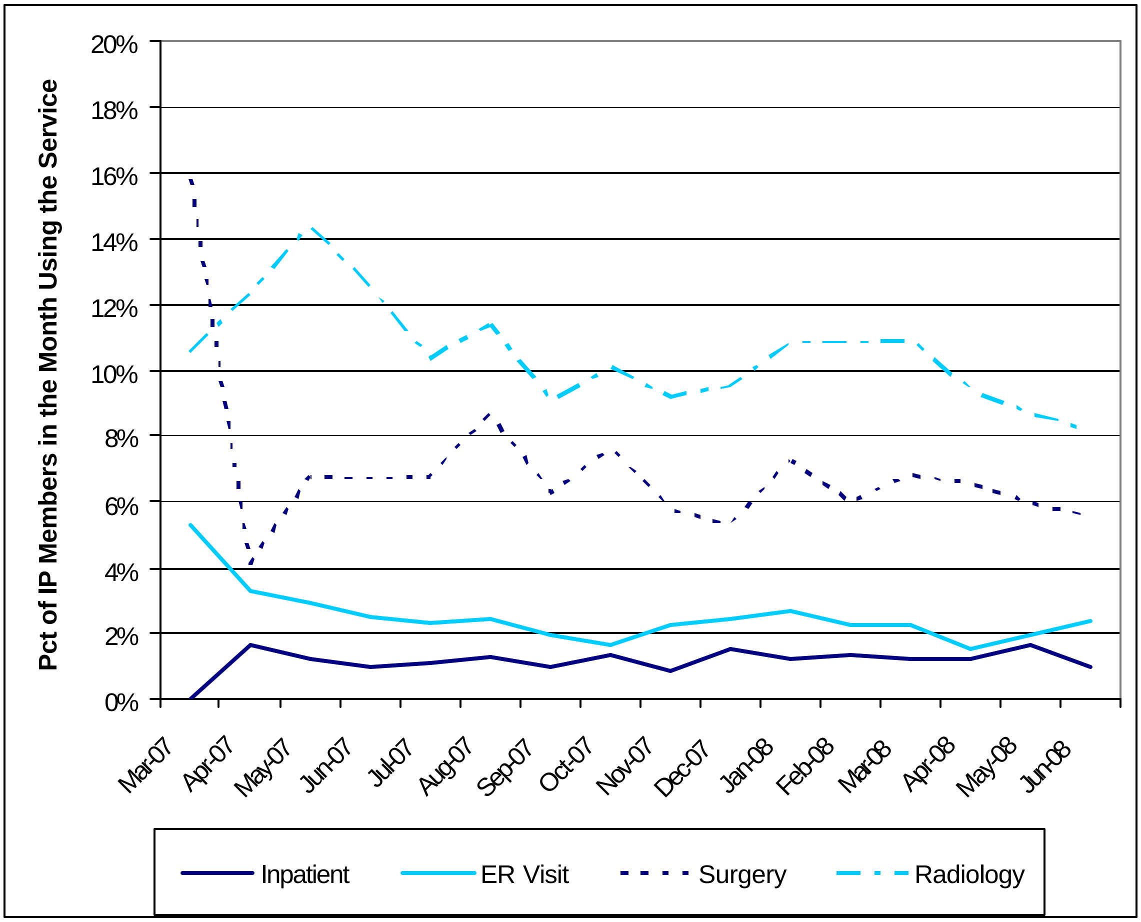


Exhibit IV.25
Pharmacy Scripts Filled by IP Members by Month



Other types of services are used less often, but the trends by major category of service have remained constant since program's inception. In any given month, less than two percent of members have an inpatient hospital stay. Emergency room usage is also very low. Between six and eight percent of members had an outpatient surgical procedure, while approximately ten percent of members had a radiology exam.

Exhibit IV.26
Trends in Other Services Utilized by IP Members by Month



Trends were also analyzed at the claims per 1,000 member level. This is a common measure used especially for program populations that are growing quickly. When the services shown above were reviewed on a claims/1,000 member basis, similar trends emerged as shown in Exhibits IV.24 through IV.26. The only point of note was for pharmacy services, where it was found that, on average, there were 1.6 prescriptions filled for each IP member per month in the last 12 months of the program.

CHAPTER V
INSURE OKLAHOMA EXPENDITURES

Introduction

When the State of Oklahoma submitted its waiver application for Insure Oklahoma to CMS in April 2005, it projected total expenditures of $807 million over the course of the five-year waiver period. An annual allocation from the State's tobacco tax revenue (estimated at $50 million per year) would cover 27 percent of these expenditures. The federal government would contribute the majority (58%) of the expenditures, while contributions made by employers (7%) and employees or individuals (7% combined) would make up the difference. Total expenditures were intended to cover up to 50,000 members with enrollment projected to gradually increase until it was expected to be capped in the third year of the waiver period. Medical inflation costs were also built into the estimate.

Of the State's estimated $250 million contribution, only $225 million was budgeted to be spent on premium assistance in the ESI program or medical costs of members in the IP program. The remaining $25 million was intended to cover other types of expenses.

As was shown in Chapter IV, enrollment did not grow at the pace that was expected in the initial period after implementation. The original projection was that all 50,000 enrollment slots would be filled by now. Consequently, total expenditures are far below expectations. Additionally, the per member per month (PMPM) cost that was projected is below the expected level in each year thus far. There are differences, however, in the actual versus projected PMPMs between the ESI and IP portions of the program.

Exhibit V.1
PMPM Costs in Insure Oklahoma Against Waiver Demonstration Year Projections
PMPM calculations based on the date payments were made

		ESI Only		IP Only	
Waiver Demonstration Year	Projected PMPM	Actual Weighted PMPM	Difference	Actual Weighted PMPM	Difference
2006	$ 320.75	$ 247.39	$ (73.36)	N/A	N/A
2007	$ 346.41	$ 231.26	$ (115.15)	$ 188.69	$ (157.72)
2008*	$ 374.13	$ 233.42	$ (140.71)	$ 290.80	$ (83.33)

The PMPM for ESI includes premium assistance payments and out-of-pocket reimbursements.
The PMPM for IP includes claims payments to providers and out-of-pocket reimbursements.

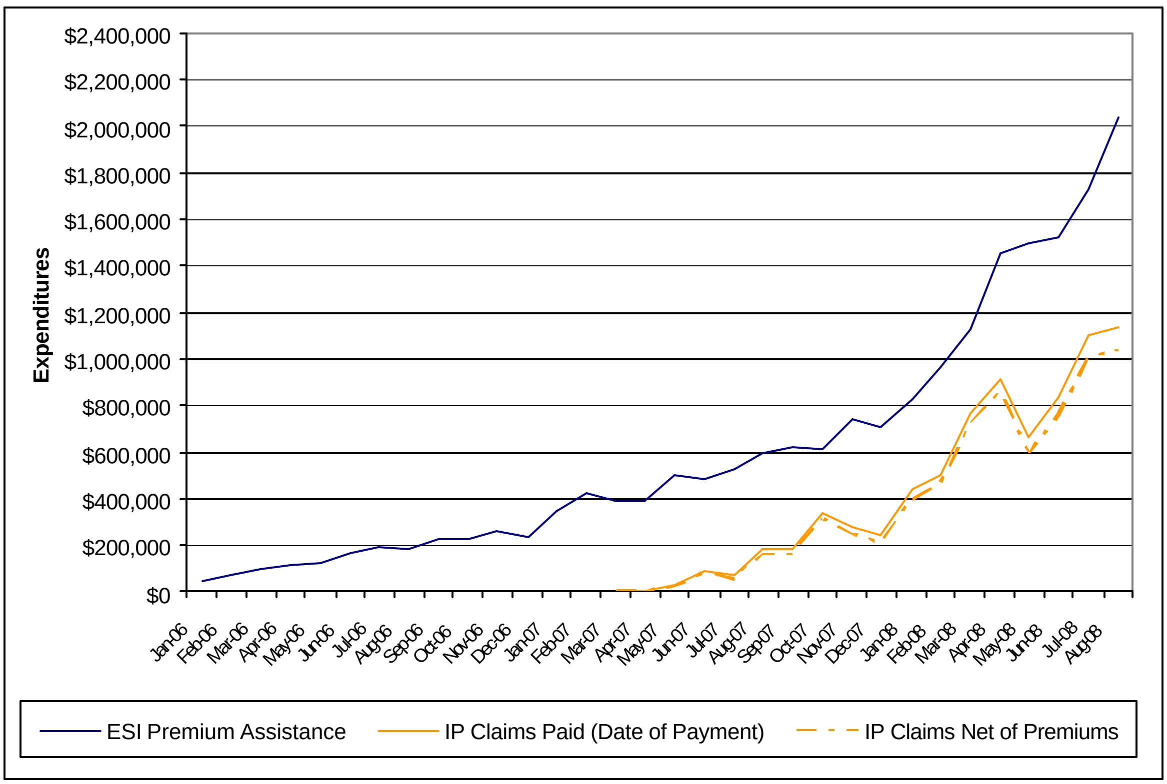
* CY 2008 contains IP claims payments, ESI assistance payments and out-of-pocket reimbursements made through November

There is no comparative data for the IP program in 2006 because the program began in March 2007. The PMPM for the IP program is much lower for 2007 than 2008 because of the payment lag in processing claims. This is discussed further in the next section.

Expenditures for Members in ESI and IP

Expenditures for premium assistance to ESI members and for claims payments on behalf of IP members have been growing steadily in proportion to enrollment growth. Exhibit V.2 shows the expenditure trends in both portions of Insure Oklahoma. The data presented for ESI show when the premium assistance payments were paid out to employers. For IP, the expenditures reflect when the payments were made for services rendered, not when they were incurred. Monthly expenditures for ESI have reached $2 million and have reached $1 million for IP. The dotted line reflects the net cost to the State for the IP program since the State receives premium payments from most IP members.[26] On a monthly basis, the OHCA's expenditures per IP member are reduced by an average $34 per month (since program inception) due to premium payments.

Exhibit V.2
Total Expenditures in Insure Oklahoma



There are notable differences in the PMPM trends between the two programs. The PMPM for the ESI program has held steady throughout 2007 and 2008 at $233. The PMPM for the IP program differs from the ESI PMPM, but the difference varies depending upon whether the PMPM is calculated based upon a date of payment status or date of service (incurred) status. Exhibit V.3 illustrates these differences and how they compare to the ESI PMPM. In CY 2007, the average IP PMPM for date of payment was $189 versus an average PMPM based on incurred status of $301[27]. Both figures are calculated after the premiums paid by IP members have been factored

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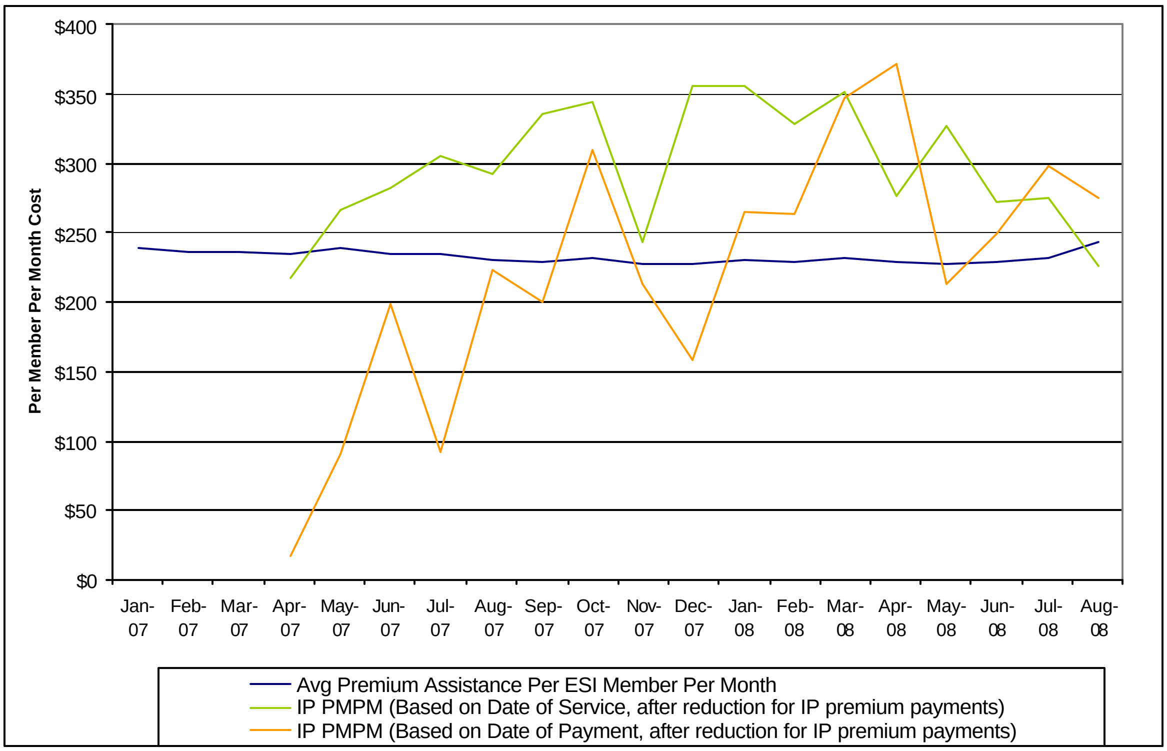
[26] IP members at the lowest income levels do not pay a monthly premium.
[27] The payments shown in the exhibits in the remainder of this chapter reflect payments made by the OHCA through September 22, 2008. Data obtained from the OHCA data warehouse.

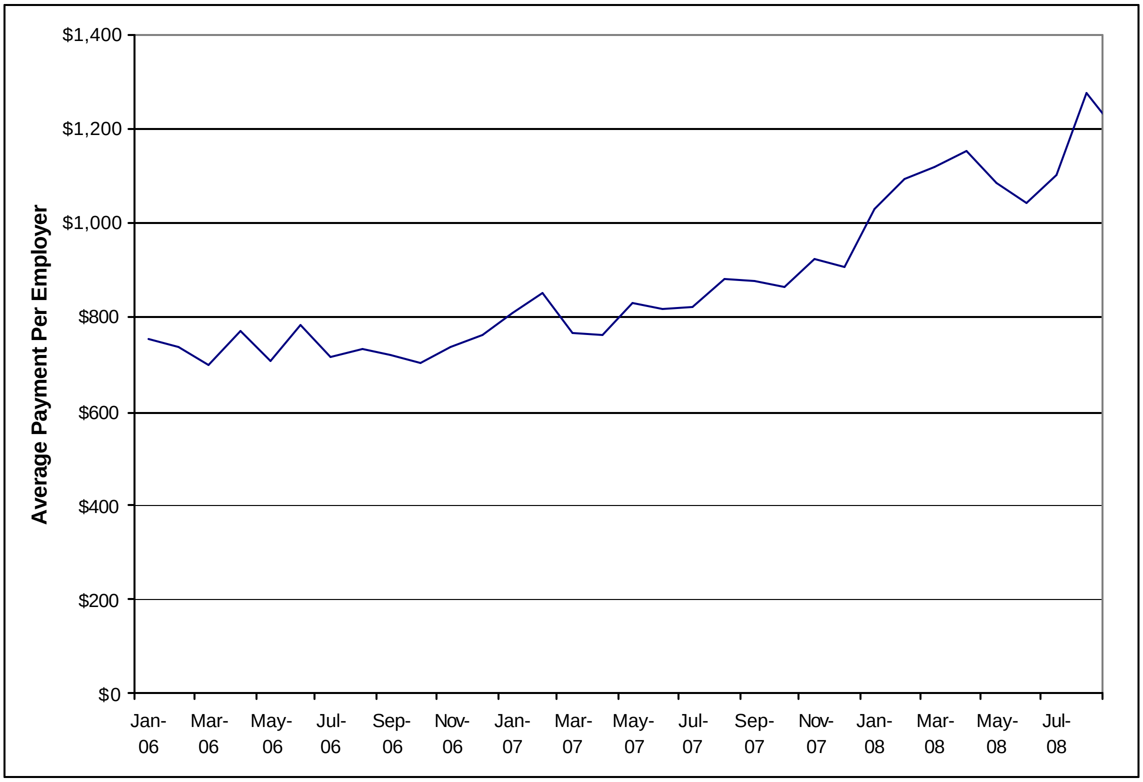
in. Through August 2008, these figures are $291 and $313, respectively. The differences between the ESI and IP PMPMs are compounded by the fact that the IP program just began in March 2007 and there were few members enrolled in 2007. Also, in 2008, it is likely that claims incurred in July and August have yet to be paid and are not reflected in this exhibit. Despite these concerns, it does appear thus far that the IP PMPM (incurred) is 25 to 35 percent higher than the ESI PMPM.

Exhibit V.3
Per Member Per Month (PMPM) Costs



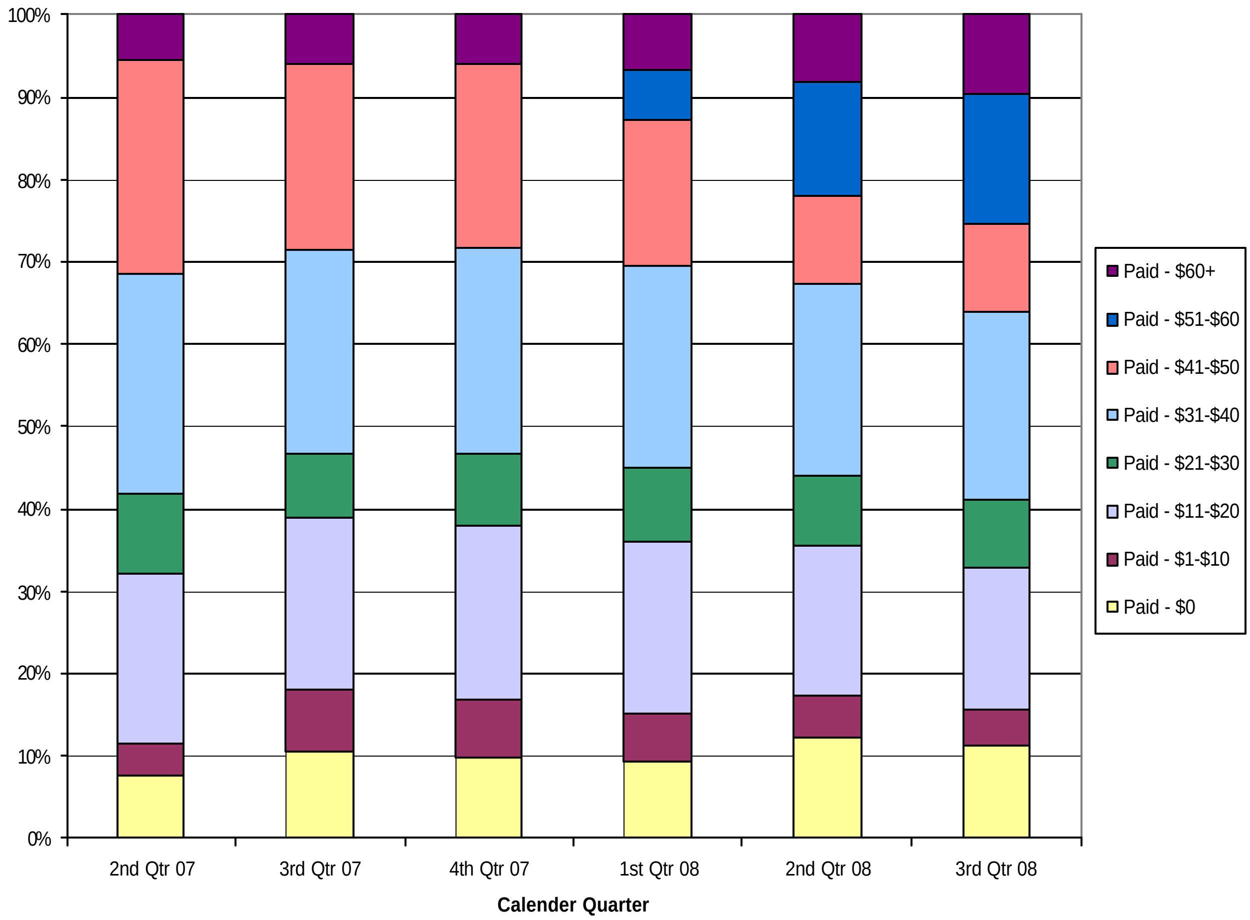
When considered on a per employer basis, the average payment per employer in the ESI program has increased since November 2007 after remaining relatively stable in the first 18 months of the program. This may be due to two issues—one, increased annual premium rates for employers that are staying enrolled in Insure Oklahoma for multiple years; second, the increase in the number of employees enrolled per employer in light of the expanded qualification of members to 200 percent FPL effective and the increase in the allowable small business group size. Exhibit V.4 illustrates this trend.

Exhibit V.4
Average Premium Assistance Payment Per Employer



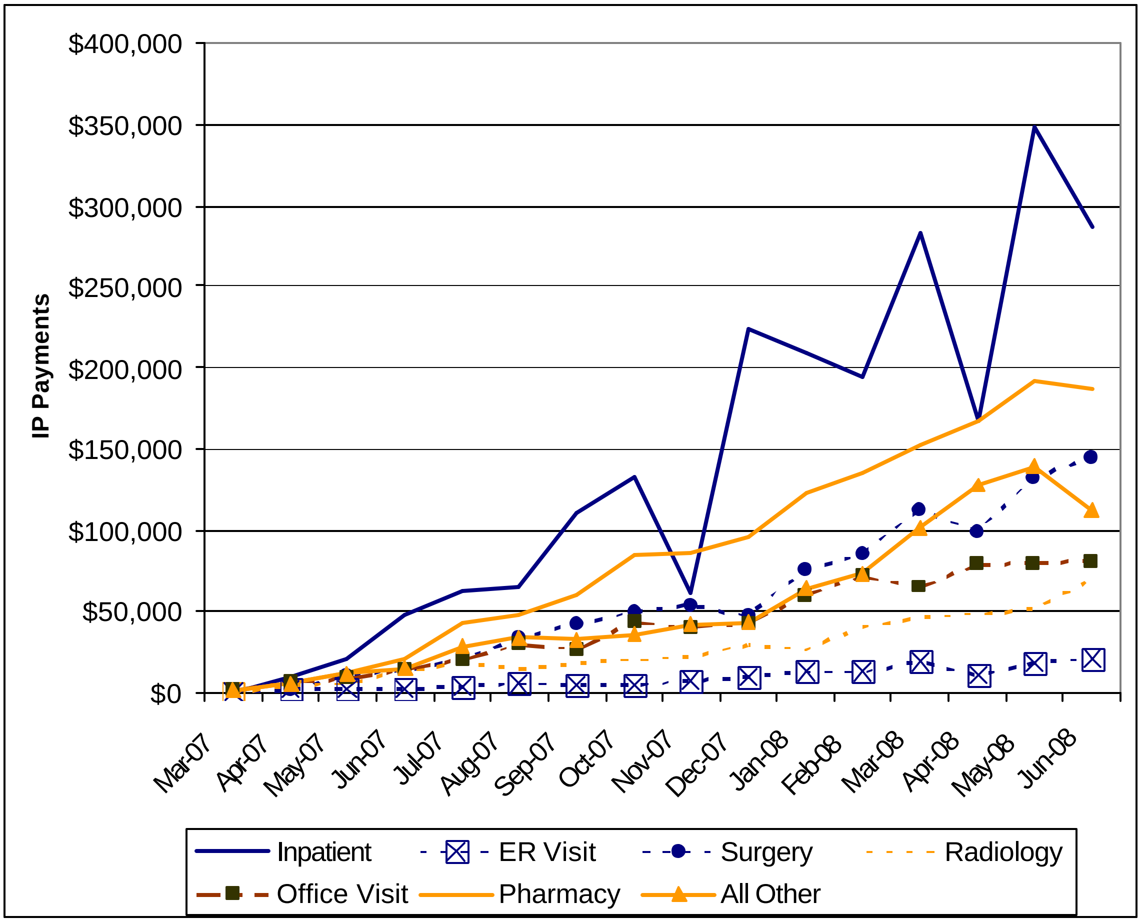
Premiums charged to members are tiered based upon their income level. In 2008, there are a higher proportion of total IP members that pay over $50 per month. Whereas this group reflected six percent of the total IP enrollment in 2007, there are 25 percent of members that paid $50 or more in the third quarter of 2008. Ten percent of the members pay more than $60 per month. Exhibit V.5 shows the percentage of members paying premiums at different tiers since the inception of the IP program.

Exhibit V.5
Distribution of Premiums Charged to IP Members in Ins ure Oklahoma



The greatest reason for the volatility in the PMPM cost in the IP program as shown in Exhibit V.3 is due to swings in the payments for inpatient hospital services. Exhibit V.6 below shows that although all service category costs are increasing in the IP program, all categories except inpatient hospital services are increasing at a steady pace. This is due both to the low number of inpatient hospital claims paid in the program thus far and the wide variability in services that may be delivered in this service category.

Exhibit V.6
Trend in IP Payments by Service Category (Based on Date Incurred)



The impact of having insurance appears to have mitigated the usage of one service category—emergency room services. Expenditures for the ER are the lowest of any service category shown. Pharmacy scripts are the second largest service category expenditure in the IP program, now costing about $200,000 per month.

There has been little change when expenditures by service category are reviewed as a proportion of total expenditures. Exhibits V.7 and V.8 on the next page show that inpatient hospital services account for about one-third of all IP program expenditures while pharmacy scripts account for slightly over 20 percent.

Exhibit V.7
Distribution of IP Payments (Incurred) by Service Category Over Time

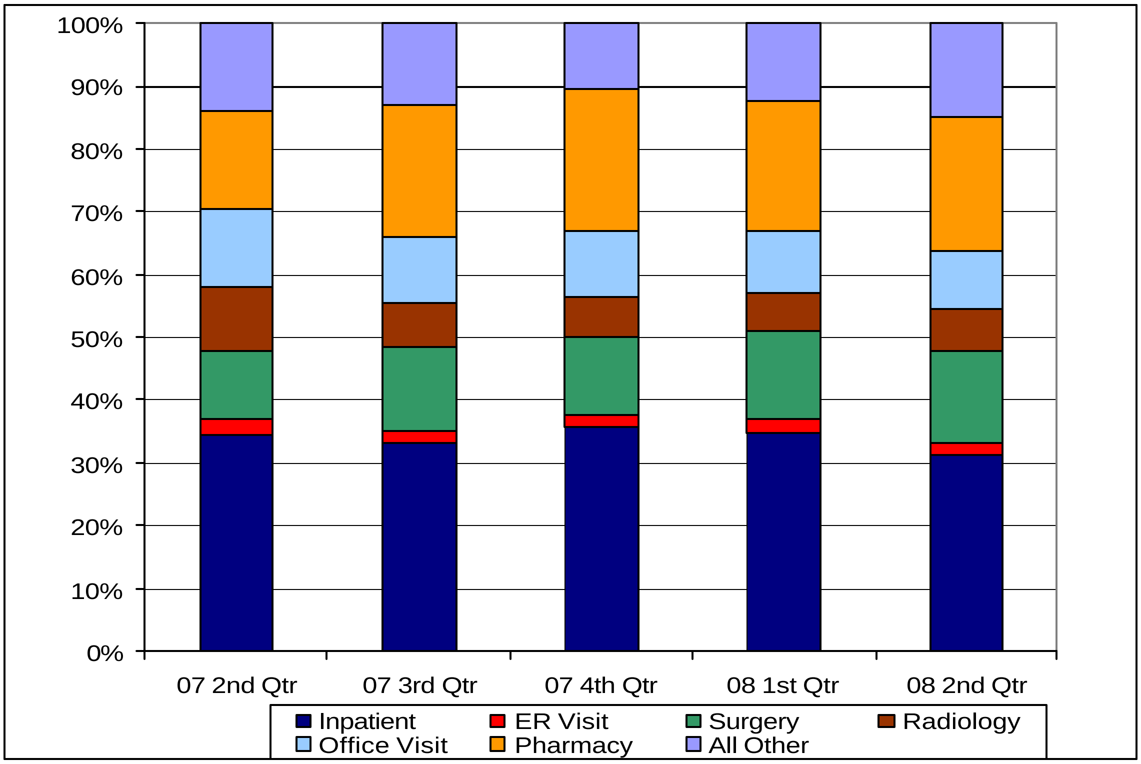
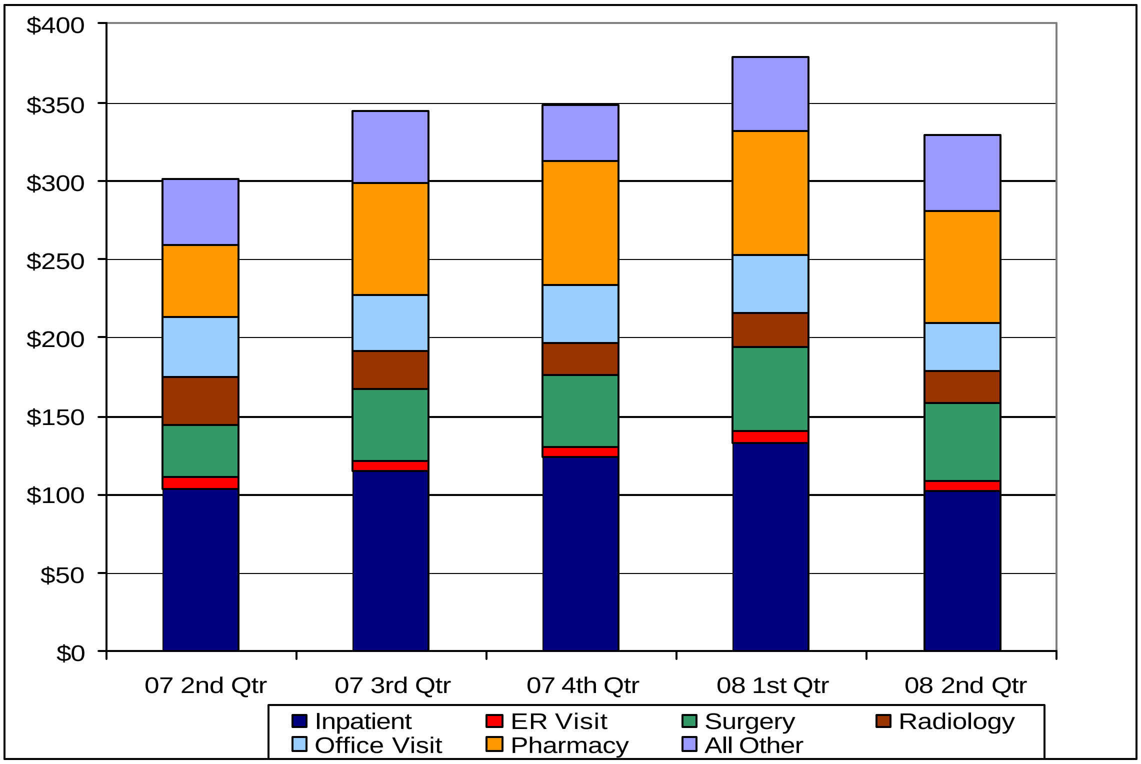


Exhibit V.8
Composition of the IP PMPM (Incurred) by Service Category Over Time



Although the average PMPM for the IP program is significantly higher than the average PMPM for the ESI program, the data from the initial year of the program shows that not all IP members are costly. Burns & Associates conducted a profile of the IP members who had been enrolled for at least 12 months in the first 15 months of the IP program through June 2008 (n = 401 members). The claims incurred for these members for service through June 30, 2008 paid through September 22, 2008 were analyzed. (The June 30 incurred date was used to allow for claims submission lag.)

Although the population studied is small due to the small enrollment in the early months of IP, the pie charts shown in Exhibit V.9 on the next page are insightful. The profile of IP members is relatively close to the standard 80/20 rule—80 percent of a population will incur 20 percent of the costs.

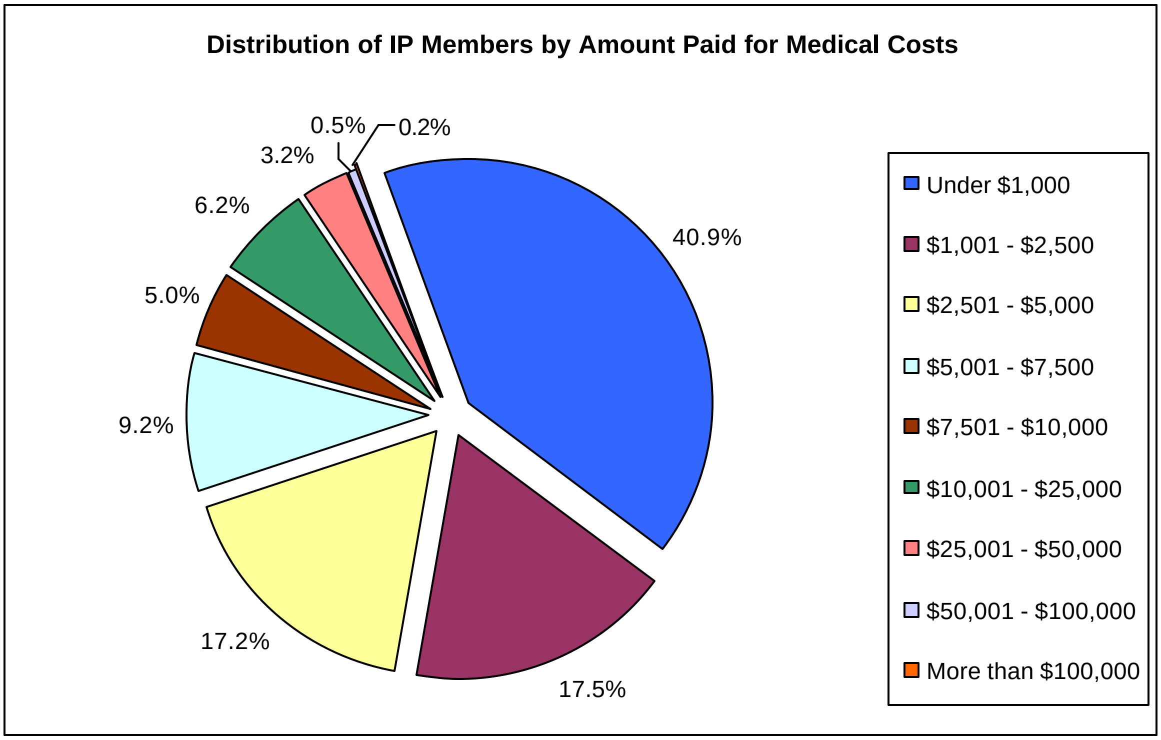
- 58 percent of the members incurred costs of less than $2,500 during their 12 month or longer enrollment in the IP program. These members accounted for 9.3 percent of total expenditures made through June 30, 2008.

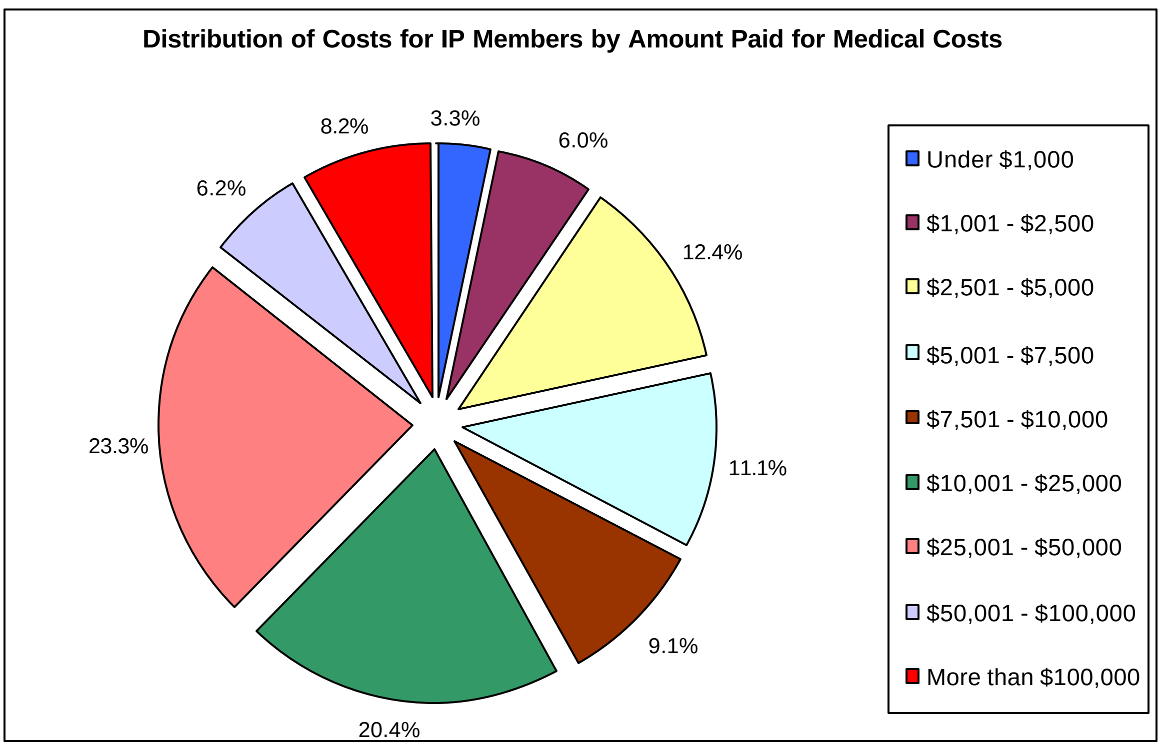
- 76 percent of members incurred 22 percent of the costs. All of these members incurred less than $5,000 each on an individual basis.

- Alternatively, three members incurred 14.5 percent of the total program costs incurred through June 30. One member incurred $160,655; the other two incurred a combined $121,632.

- Members enrolled for a minimum of six months but less than 12 months exhibited a similar pattern—20 percent of the members incurred 76 percent of the costs (data not shown in pie charts).

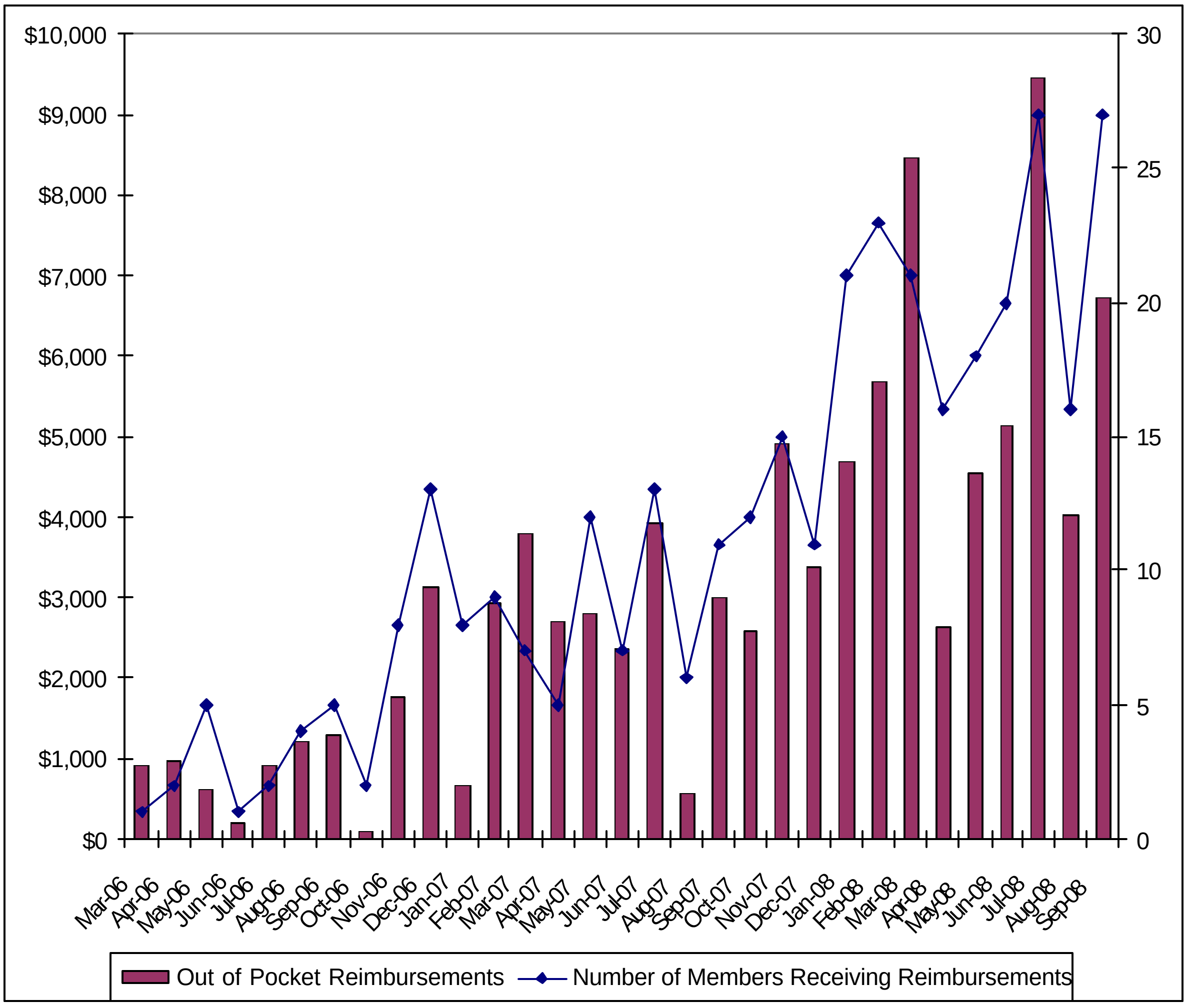
Exhibit V.9
Composition of IP Members by Costs They Incurred in Their First 12 Months (n = 401)





The other expenditure area that the OHCA may incur costs for both ESI and IP members is for out-of-pocket reimbursement expenses. Members may submit receipts to EDS for reimbursement if the sum of their premiums paid, co-pays and deductibles exceeds five percent of their annual gross income. Up to this point, there have been less than $100,000 in out-of-pocket reimbursements and few Insure Oklahoma members are utilizing this benefit (see Exhibit V.10 below). As will be seen in Chapter VI in the responses to the ESI, only a minority of members are even aware that the out-of-pocket reimbursement offer exists.

Exhibit V.10
Out-of-Pocket Reimbursement Expenses (ESI and IP Programs Combined)



CHAPTER VI
STAKEHOLDER FEEDBACK ON INSURE OKLAHOMA

Introduction

A major component of the evaluation of Insure Oklahoma was gathering feedback from stakeholders on program design, operations, and marketing. Chapter VI reports on the feedback that Burns & Associates (B&A) compiled through primary research which included:

- In-person interview sessions with stakeholders in May and June 2008
- Phone interviews with a select number of stakeholders in June and July 2008
- A survey mailed to all members in the ESI program as of June 2008 which was released in July 2008
- An e-mail survey of insurance brokers listed as "qualified agents" on the Insure Oklahoma website which was released in August 2008

Additionally, B&A summarizes the results from the most recent University of Oklahoma survey of employers which was conducted in May 2008.

Feedback from In-Person and Phone Interviews

B&A evaluation team members Mark Podrazik and Anne Winter conducted 18 in-person interview sessions that involved 29 stakeholders during onsite visits to Oklahoma City in May and June 2008. For stakeholders that could not be reached while onsite, B&A also conducted five phone interviews. Most interviews were a semi-structured format and included only one or two interviewees. Sessions were usually held for 30-60 minutes. The B&A evaluation team customized the questions for each interview to tailor the questions to solicit feedback on the particular areas that were most meaningful to the stakeholder(s) being interviewed. For those that actively participated in the large workgroup assembled to develop the program design, there were specific questions posed to these individuals about this process. Others were asked questions about the current situation related to operations and marketing of the program. All stakeholders were asked what they saw or would like to see in the future for Insure Oklahoma.

Also during these site visits, B&A spent a half-day at the EDS office to review the call center and other operations of Insure Oklahoma as well as to interview EDS staff. B&A staff also attended a Brown Bag session for agents and had the opportunity to speak to some agents one-on-one after the session concluded.

Interviewees included representatives from the Oklahoma Health Care Authority (OHCA), Oklahoma Department of Human Services (OKDHS), Oklahoma State Department of Health (OSDH), Oklahoma Insurance Department (OID), EDS, University of Oklahoma (OU), the Oklahoma State Legislature, the State Chamber of Oklahoma, Blue Cross Blue Shield (BCBS) of Oklahoma, Agent Partners from EDS and OID, Lawton Community Health Center (an FQHC), Insurance Agents/Brokers, insured businesses, and the Cherokee Nation.

The initial list of interviewees was identified from participants in the large working group that helped develop the Insure Oklahoma model. Additional stakeholders were added based upon recommendations from the original list and from the OHCA. Each constituent brought a particular perspective to the successes and challenges of implementing the Insure Oklahoma program. A full list of those interviewed in these sessions appears in Appendix A.

General Comments

Overall, the feedback was very positive. Oklahomans are passionate about the success of the Insure Oklahoma program and universally would like to see it expanded to cover more of Oklahoma's uninsured. Each person interviewed felt proud to be connected to the program. One insurance agent said, "It's one of the best things I have ever done. It's rewarding—people have good health care coverage and at a great price." She added that several of her clients tell her that Insure Oklahoma is "an answer to their prayers."

As mentioned earlier, in 2007 the Legislature authorized population expansions that are under final consideration by CMS. Additionally, in 2008 the Legislature passed HB 2713 to expand Insure Oklahoma coverage to the foster care parents who work in businesses with greater than 250 employees who are otherwise qualified[28]. Representative Kris Steele, who sponsored this bill, stated that Insure Oklahoma is "a tremendous model for expanding health care through public/private partnerships."

Several stakeholders stated that the program's success makes it a solid foundation and support for the State Coverage Initiative (SCI) currently led by the OID in partnership with many of the stakeholders interviewed for this evaluation. Specifically, it is the Insure Oklahoma ESI program that stakeholders see as a foundation for expansion because future efforts appear to continue to leverage the private sector for solutions.

Positive reviews were not limited to the impact on the number of uninsured, but also on its impact on business opportunities for the health care industry. One insurance agent stated that his revenues have quadrupled since he began promoting the program to new customers. Another agent also stated that her revenues have increased significantly by promoting Insure Oklahoma. They said that they were fortunate to recognize a significant business opportunity that also provides a benefit to people they serve.

Negative views were principally regarding the initial application and especially the renewal process. The Insure Oklahoma implementation timeframe was short by standard timeframes which led to establishing cumbersome processes that required workarounds on an ad hoc basis. Efforts have been made to institutionalize the temporary measures through formal system enhancements. Comments on the application and renewal processes are described more fully below in the Feedback on Program Operations section.

There were mixed reviews on the IP program. Senator Adelson, a champion of Insure Oklahoma, expressly stated that the IP program could be an effective vehicle for expanding health care coverage to all Oklahomans through Medicaid expansions and other means. There was more skepticism regarding the IP program from health care industry and business stakeholders and some opposed the concept at the beginning of the process. While these stakeholders view the ESI

[28] Note that the business size of 250 or greater assumed that CMS would approve the previous waiver request to expand to qualifying businesses with up to 250 employees.

program as a model for health care expansion, they view the IP program as a government-run program.

The following sections provide more detail on the perspectives of the stakeholders on Insure Oklahoma's program design, operations, and outreach and marketing efforts. As described in Chapter II, the ESI and IP programs have distinct program designs, operations and marketing strategies. Therefore, stakeholder feedback will be separated by program where necessary.

<u>Feedback on the Insure Oklahoma Program Design</u>

All stakeholders strongly agreed that the program should be expanded through increasing the qualifying income threshold. Representatives from the OHCA expressed that if done over they would have put the option to go to 250 percent FPL in the original waiver. However, there was less support for expanding employer qualification to larger businesses because stakeholders believe that the intent of the Insure Oklahoma program is to help small businesses increase health care coverage. Several of the interviewees wrote letters to CMS to support the proposed income expansion. However, subsidizing larger businesses has more mixed appeal. Opponents stated that it was not necessary due to their size and more favorable premium cost. One stakeholder group wrote a letter to CMS expressing their opposition to the business size expansion in the waiver request. Another industry stakeholder suggested that there be some middle ground, such as expanding Insure Oklahoma to businesses with less than 100 employees.

With respect to the design process itself, the stakeholders who were interviewed that participated in the Large Workgroup as part of the initial design of Insure Oklahoma all commended the OHCA on their efforts and approach. They cited the transparency of the process and the willingness on the OHCA's part to investigate competing alternative options as illustrations that enabled the Large Workgroup to come to consensus, even though there were some in the Large Workgroup that did not agree with every aspect of the final outcome.

Once the overall blueprint was decided upon, these stakeholders did express some dismay about the actions taken to implement the program. Insurance industry representatives said that many of the obstacles to completing the required operational tasks before implementation stemmed from a lack of awareness of private sector insurance practices and how they differ from government-sponsored programs. They indicated that it might have been better to proactively seek outside expertise as the original operational flows were being developed. The OHCA staff cited a lack of willing participation from the private sector forced them to move quickly on many implementation decisions due to the short deadline from CMS approval to the "go live" date. Stakeholders involved in the IT design of the program cited that the process occurred in a much faster timeframe than is normally planned for system changes of this type. The IT designers believed that, once again due to the short implementation timeframe, the initial system design process (e.g. requirements analysis, operational flows, etc.) was severely curtailed before programming needed to begin. There was also frustration that program experts were not involved in the IT system development.

Insure Oklahoma Employer Sponsored Insurance (ESI Program)

Since the implementation of the ESI program, there appears to be near universal support for the private insurance market approach to establishing a delivery system as opposed to other states' alternatives such as contracting with Medicaid managed care organizations to administer the program, or even Oklahoma's IP Medicaid expansion model. Part of this support for the private sector stems from the bad feelings left from the SoonerCare managed care program that was replaced with a primary care case management model. Leveraging the private sector for the ESI program was successful in securing the buy-in from health insurers and the State Chamber. Both of these stakeholder groups were critical to the success of the initiative—both at its inception and on an ongoing basis. Representatives from insurers, brokerage firms, and the State Chamber all voiced vigorous support for the ESI model.

There was both support and criticism voiced about the benefit packages. Some stated that it was great that Insure Oklahoma provided rich coverage to persons who could otherwise not afford any coverage. However, representatives from insurers and the OID felt that the benefit package could be too rich and hence have premiums that could drive away younger, healthier participants. There would be support for reduced benefits at lower premium prices to enroll more members. The SCI initiative to develop a basic plan in part addresses this concern. Insurance Commissioner Holland stated that she could see the basic plan that is being developed under SCI as a qualified health plan option in the ESI program of Insure Oklahoma.

Insure Oklahoma Individual Plan (IP)

As mentioned above, there were mixed reviews on the IP. However, the program was little mentioned in stakeholder interviews because the ESI program is the larger of the two and the most visible. Additionally, representatives connected with the insurance industry have little interaction with the program. The OHCA is monitoring the service utilization to ensure that the cost of the IP is budgeted appropriately and that there is the most cost effective mix of membership in the ESI and IP programs. The IP program uses the SoonerCare network for service provision. The OHCA staff indicated that the IP program has created some confusion in the physician community. Primary Care Physicians can contract with the OHCA to see only Insure Oklahoma enrollees, but this is not the case for specialists. Only SoonerCare-contracted specialty physicians are in the IP network.

The insurance industry believes that the IP premiums are too inexpensive and have concerns that they will attract more enrollees than intended. Even though they are critical of the program, there is little desire to cover the members through private insurance due to the uncertainly of risk. As mentioned earlier, many discussed the need to reduce risk such as insurance coverage bare periods in order to control for adverse risk selection.

Feedback on the Insure Oklahoma Program Operations

The Insure Oklahoma operations were the focus of concern expressed by most stakeholders interviewed who "touch" the system on a regular basis. None of the stakeholders felt that the problem areas should end the program, but that there have been and continue to be growing pains that will need to eventually be worked through.

Three key areas appeared to converge in B&A's discussions with stakeholders—OHCA oversight of the program, EDS operational protocols, and the application and renewal process. A summary of the items in these areas (often commented on by more than one interviewee) are shown in the table at the top of the next page.

Related to OHCA Oversight

- Information is not disseminated from OHCA and EDS in a transparent manner
- There is little flexibility in the system
- Mass media marketing is good, but more targeted marketing would also be helpful

Related to EDS Operational Protocols

- EDS is understaffed and some customer service reps are not knowledgable enough about the program
- The approval process on applications (sometimes up to 60 days) can mean a delay in premium assistance payments and sometimes the loss of qualification for businesses resulting in the need to reapply
- Automatic renewals are not happening and people are losing qualification because of this
- Every change to a business generates a letter which is confusing to employers
- There is no way to know if EDS got the monthly fax from the employer for the invoice from the carrier
- EDS's fax machines don't work well

Related to Applications and Renewals

- There is too much paperwork required overall
- The paper and online application forms are different which is causing confusion
- A business cannot change a health plan without going through an entirely new enrollment process
- Rate sheets from the carriers are required before an employer can be approved
- Business verifications with the OESC are inaccurate and take too long
- Retroactive enrollments cannot be done due to coordination issues with OKDHS
- Employer or employee information cannot be changed by the user online, meaning that complete re-enrollments are sometimes necessary
- Monitoring of the process is required to get an employee enrolled because it takes so long and brokers have to track this
- The renewal process is worse than the initial enrollment process

As a result of these issues, the large producing agents have hired dedicated staff to complete the application for their groups and have managed the groups through the renewal process. In essence, this has become an outsourced government function to assist qualifying businesses and individuals with the enrollment process. Rather than have government employees providing the function, the private sector has assumed the responsibility because the business opportunity is significant. Brokers stated that most small businesses do not have the staff to track the paperwork, timelines, and other requirements to become qualified. Therefore, the role of the insurance broker is much greater than for their non-Insure Oklahoma businesses. For this reason, there is a small estimated subset of brokers (20-30 is estimated by the agent partners) that actively market the program.

Stakeholders with ties to the insurance broker community stated that most brokers do not actively market the Insure Oklahoma program because of the administrative complexity in enrolling businesses and employees. However, one large national brokerage company found a creative solution for enrolling their businesses. The company pays a high-producing agent that was interviewed for this evaluation a one-time percentage of their annual commission to get the business signed up and their employees enrolled. The one-time commission is 20 to 25 percent of the annual commission paid by the insurer. This creative solution may help more brokers expand qualified businesses.

It should be noted that four large producing insurance brokers all have the highest regard for the EDS staff. One broker stated, “Don’t let anyone tell you that EDS is not a good organization. They were fantastic since day one.” Two other brokers commented that they receive emails from EDS’ staff late at night and on the weekends. They feel that they are very dedicated but overworked. The EDS Contract Coordinator was cited by three brokers for her excellent work.

<u>Feedback on the Insure Oklahoma Outreach and Marketing</u>

Universally, stakeholders believe that marketing efforts were not robust enough in the early phases of the Insure Oklahoma program. The lack of outreach was a result from the clear direction that the OHCA received from the Executive and Legislative offices to ensure that initial growth could be handled appropriately. They did not want growth to exceed the available budget thereby creating waiting lists early in the program. This fear also drove the decision to limit the initial phase of the program to persons at or below 185 percent of the FPL for businesses with 25 or fewer employees.

Unbeknownst to all, the conservative approach taken to market Insure Oklahoma actually resulted in enrollment much less than anticipated after the first year. Therefore, in addition to a new strategy employed by the OHCA, other stakeholders that were interviewed developed their own techniques to boost both awareness and enrollment. Many of these have been discussed in previous chapters, but the majority of stakeholders cited these specific actions as positive enhancements to the program:

- The television and radio campaign implemented by Griffin Communications
- The change in the name of the program from O-EPIC to Insure Oklahoma
- Increasing the size for qualifying businesses and the income level for individuals
- The introduction of Agent Partners

Some stakeholders stated that the media campaign was effective, particularly in the Oklahoma City and Tulsa areas where the commercials are broadcast. However, the Griffin campaign doesn’t reach many rural areas. One interviewee from Lawton suggested that the advertising campaign be extended to billboards because that is the most visible media in rural areas. Other suggestions from stakeholders include sending brochures home with school age children at the beginning of the school year and tapping into faith-based communities and large church congregations.

One area for potential print advertising will be local newspapers, many of which have recently become Insure Oklahoma qualified businesses. The newspapers have told one Agent Partner that they will write articles about Insure Oklahoma to “get the word out.”

Most stakeholders mentioned that the term “O-EPIC” was an awkward and confusing term and that the new name of Insure Oklahoma helps to give the public some idea of what the program is about and elicits inquiries to seek more information.

Representative Kris Steele stated that there has been increased excitement for the Insure Oklahoma program as time goes on. He also believes that ongoing outreach should also include education on the value of receiving health care early. These educational efforts may help convince younger, healthier employees to participate in the program.

From the private sector perspective, some brokers on their own saw the business opportunity as the program was being developed. One broker spent $60,000 in an initial statewide mailing offering to help small businesses and their employees enroll into the program. This same broker bought air time immediately following state-paid television and radio commercials for Insure Oklahoma to promote his agency. These costs are partially reimbursed by the state. In an effort to increase broker involvement in marketing the programs, the OHCA reimburses brokers 50 percent of their marketing costs up to $5,000 per month for print and media costs. According to the OHCA staff, 41 ads were place and partially reimbursed in the quarter ended March 2008.

BCBS has also hired two dedicated staff and pay brokers a $100 bonus for each new group that they write. While this is a business strategy for BCBS, it has provided free marketing for the program.

The State and Tulsa Chambers' BCBS health plans are attractive to many businesses because they are community rated. One broker stated that she sells a lot of the State Chamber packages to older individuals who couldn't afford health coverage otherwise. One large producing broker has created Insure Oklahoma informational packets with only the State Chamber health plan shown for simplicity. He stated that it reduces the complexity of underwriting and speeds the enrollment process.

From the public sector perspective, the OKDHS staff interviewed reported that their department has not been fully integrated into a marketing plan even though the parents of SoonerCare qualifying children may qualify for Insure Oklahoma. There was an initial training conducted and the OKDHS field liaisons have a packet for periodic education. One reason cited by OKDHS for the lack of integration is the philosophy of It's Health Care Not Welfare. The effort to brand the Insure Oklahoma program as a private sector solution to reducing the uninsured is viewed by some as problematic to be associated with other welfare programs if the OKDHS actively marketed the program.

A spokesperson for the OSDH mentioned that their staff has not had consistent education regarding the Insure Oklahoma program. They oversee 88 county health departments and would be interested in having training sessions for their staff to get the word out to persons accessing health care services in their county clinics.

Insure Oklahoma Individual Plan

The OHCA has not pursued outreach for the IP program specifically due to the desire to have higher enrollment in the ESI program. The OHCA staff stated that they didn't want to expand enrollment into the IP program quickly until they understood the medical costs of the enrollees. Enrollment in the IP is also somewhat disincentivized by having a four percent cap on monthly household income on out of pocket expenditures as opposed to three percent for the ESI program. Despite this, enrollment is growing quickly in IP--over 230 percent since January 2008. While there is no active marketing of the IP program, the IP program is included in the Insure Oklahoma brand, which may be contributing to the growth. The OHCA did create a separate brochure for the IP; however, the ESI brochure makes no reference to the IP.

Other avenues of marketing, such as the broker community and insurance companies, do not actively promote the IP because the private insurance market does not have an active role in the program. One broker stated that she kept IP brochures in her office in the event someone requested information on the program; however, they do not take an active role in assisting individuals with becoming qualified. It should be noted that the OHCA does create a minimal incentive for brokers to help enroll persons into the IP. A broker can receive one point toward their qualified agent status (up to four points, total) for enrolling an individual into the IP.

Insure Oklahoma ESI Member Survey Results and Analysis

As part of this independent evaluation, B&A conducted a survey of the Insure Oklahoma members who are enrolled in the ESI portion of the program. The University of Oklahoma has conducted three surveys of Insure Oklahoma employers to gain their feedback on the program (see page VI-24)[27] and they are also currently conducting a survey of the IP members to be published in February 2009.

Because members enrolled through ESI have limited choice in the health plan selected for them by their employer, the B&A survey instrument was focused on asking questions about members' health insurance status before and after enrolling in Insure Oklahoma and their perceptions about the enrollment process. They were also asked about their use of health care services and whether or not they have foregone receiving services due to cost. The survey instrument is provided in Appendix B.

Survey Process

B&A was provided a current listing of ESI members effective as of June 2008 by EDS All 8,723 individuals listed were targeted to be surveyed. Of these, six were removed due to an incomplete mailing address. B&A sent out surveys to the members during the week of June 23, 2008 and requested responses back by July 31. After surveys were mailed out, 392 (5%) of the total were returned to B&A due to "no forwarding address". Because members only have to maintain their current address with EDS at the point of renewal, it is to be expected that some of the addresses on file at EDS are no longer current. Therefore, the final number for use in calculating our response rate is 8,325.

Each survey was given a unique identifier. This was done to tie the survey to an individual enrolled in the ESI program. By doing this, B&A did not have to ask demographic data of the respondent since this information was already available on the enrollment file provided to us.

On July 31, B&A assessed the response rate overall and by region throughout the state. In an effort to increase the overall response rate as well as to gain additional feedback from regions with proportionally lower responses, B&A performed a targeted re-survey of 3,000 enrolled members. Because B&A had coded each survey, we first removed from consideration any members who had already responded. The re-surveys were mailed out the week of August 4 and were labeled "Second Request". The requested due date was extended to August 25, 2008. B&A continued to receive responses from both the original survey and the re-survey throughout August. We accepted responses for our tabulations through September 12, 2008.

[27] Splinter GL, Hyden SD, McCarthy LH, Brown DM, Crawford DS. Small Business Employer Feedback as Part of a Continuous Quality Improvement Process November 2005-August 2007. Oklahoma City: Department of Family & Preventive Medicine, University of Oklahoma Health Sciences Center. Prepared for the Oklahoma Health Care Authority; January 11, 2008.

Response Rate

Of the 8,325 surveys in our sample, B&A received 2,283 back for an overall response rate of 27 percent. The response rate for this population did not significantly vary by geographic region for the state. The response count and rate, by geographic region, is displayed in Exhibit VI.1.

Exhibit VI.1
Surveys Returned by Geographic Region

Region	Members Surveyed	Surveys Received	Percent
Southwest OK	1,145	315	28%
Northwest OK	643	187	29%
Oklahoma City Metro	2,223	585	26%
Tulsa Metro	1,858	506	27%
Northeast OK	1,589	432	27%
Southeast OK	867	258	30%
Total	**8,325**	**2,283**	**27%**

Response Demographics

B&A also reviewed the response rate by demographic features such as the members' income (FPL) level, age group and gender. In general,

- The response rate by FPL did not significantly differ from the FPL of the total population surveyed.
- The response rate among older members (over age 40) was disproportionate to the total sample (51% respondents versus 39% of surveyed).
- The response rate among females was higher than males.

Detail for the responses compared to the members surveyed is displayed in Exhibits VI.2 through VI.4 on the next page.

Exhibit VI.2
Distribution of Respondents to Total Surveyed by Income (FPL)

Income as a Percent of the Federal Poverty Level	Members Surveyed	Percent of Surveyed	Members Responded	Percent of Responded
Up to 100%	1,699	20%	432	19%
101-125%	1,563	19%	413	18%
126-150%	1,757	21%	497	22%
151-185%	2,508	30%	709	31%
186-200%	798	10%	232	10%
Total	**8,325**	**100%**	**2,283**	**100%**

Exhibit VI.3
Distribution of Respondents to Total Surveyed by Age

Age Group	Members Surveyed	Percent of Surveyed	Members Responded	Percent of Responded
Age 19 - 25	1,439	17%	277	12%
Age 26 - 40	3,670	44%	854	37%
Age 41 - 55	2,496	30%	835	37%
Age 56 - 64	711	9%	315	14%
Age Not Specified on File	9	0%	2	0%
Total	**8,325**	**100%**	**2,283**	**100%**

Exhibit VI.4
Distribution of Respondents to Total Surveyed by Gender

Gender	Members Surveyed	Percent of Surveyed	Members Responded	Percent of Responded
Male	3,774	45%	903	40%
Female	4,551	55%	1,380	60%
Total	**8,325**	**100%**	**2,283**	**100%**

<u>Survey Responses</u>

There were 19 questions on the ESI member survey. B&A used a combination of questions including pre-set multiple choice and Likert scale questions to gain feedback from members. The final question was open-ended to allow the respondent to offer personal feedback. Specific questions inquired about awareness of the Insure Oklahoma program, feedback on the application process, the impact on the member's insurance coverage both now and prior to Insure Oklahoma, health insurance coverage of other family members, and utilization of services covered by the member's health plan. The feedback from each of these questions is reported on in the exhibits in the remainder of this section.

Responses Related to Type of Employment & Knowledge of Program Marketing

Members enrolled in Insure Oklahoma are not concentrated in any single industry, but represent a diverse range of occupations including Administrative/Office workers, Retail/Sales workers and Construction. There were 10 pre-set industries listed on the survey with the option available to the member to self-report their occupation. One-third of the respondents selected Other, with key categories in this group listed as Other Health Care (5%), Unemployed/Student/Homemaker (5%), Manufacturing (4%) and Transportation (4%). The distribution of responses by industry is displayed in the exhibit below.

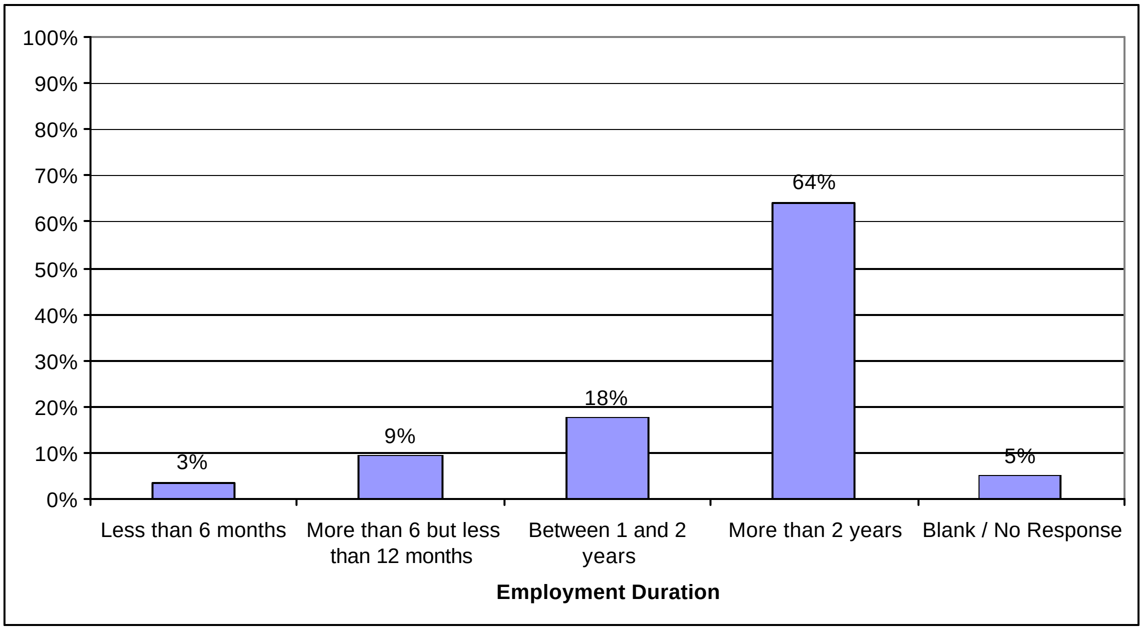
Exhibit VI.5
Occupational Category Reported

	Members Responded	Percent of Responded
Administrative/Office Work	465	20%
Retail/Sales	307	13%
Construction/Home Improvement incl. trades	189	8%
Food Service/Restaurants	130	6%
Nursing, Home Health	118	5%
Day Care	102	4%
Cleaning or Maintenance Services	79	3%
Agriculture	50	2%
Personal Care Hair, Beauty, Fitness	17	1%
Landscaping	11	0%
Other	786	34%
Blank / No Response	29	1%
Total	**2,283**	**100%**

Members were asked to report the duration of employment with their current employer. As Exhibit VI.6 shows, more than 60 percent of those members responding have been employed by their current employer for more than two years.

Exhibit VI.6

How long have you worked for your current employer? (n= 2,283)



Because television and radio advertising did not begin in earnest until October 2007, B&A asked members how they first became aware of Insure Oklahoma as well as other ways that they have heard of the program since then. Over 60 percent of the respondents indicated that their employer first informed them of the program. Approximately 30 percent of the respondents indicated they first learned of the program through either television, family (friend or co-worker) or an insurance broker. The television and radio ads were originally broadcast on specific stations that were not available in all areas of the state. To determine the geographic penetration of the top sources of awareness, B&A compared the statewide responses to the geographic regional responses. Exhibit IV.7 on the next page illustrates that there were not significant differences by region in awareness.

Exhibit VI.7

How did you first hear about the Insure Oklahoma/O-EPIC program? (n =2,283)

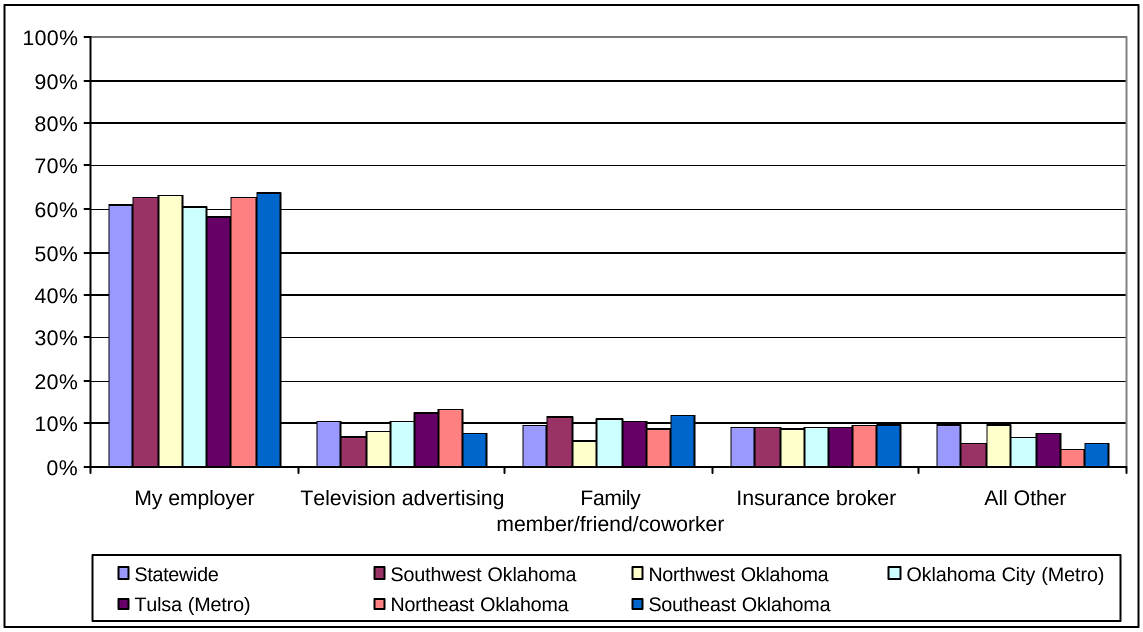


Exhibit VI.8

How else have your heard about Insure Oklahoma/O-EPIC? Please check all that apply. (n=2,283)

Percentages reflect the number of unduplicated members who selected the option.

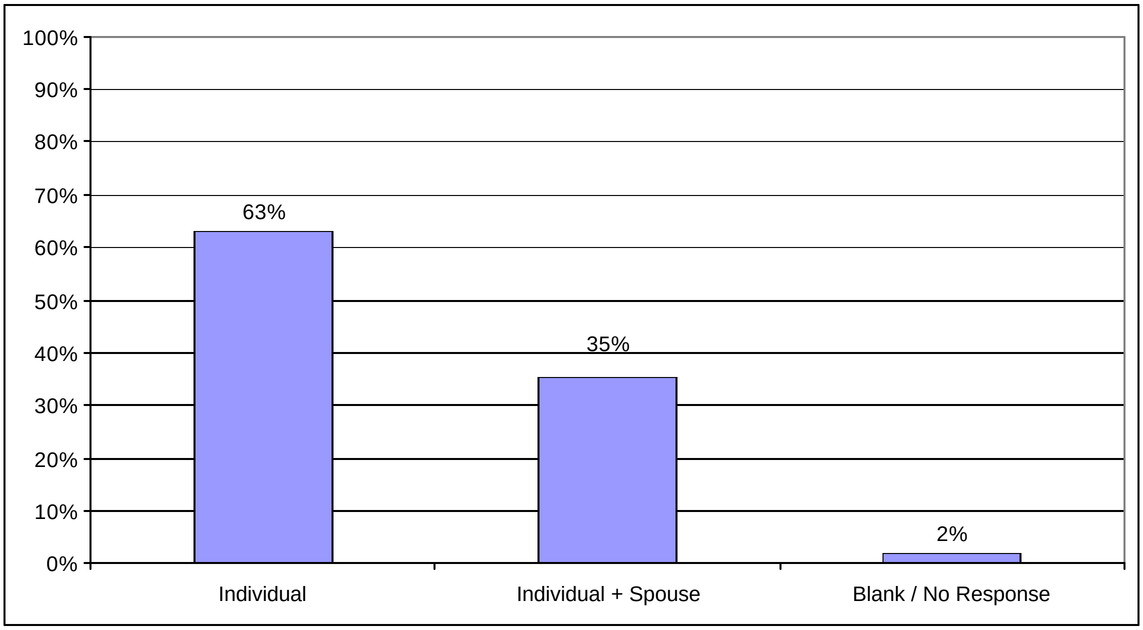
Response	Members Responded	Percent of Responded
My employer	836	37%
Television advertising	772	34%
Written advertising/brochure	237	10%
Insurance broker	232	10%
Radio advertising	181	8%
Family member/friend/coworker	362	16%
Internet	121	5%
Other	128	6%
Blank / No Response	206	9%
Unduplicated Total	**2,283**	

Responses Related to Health Care Coverage and Current Cost of Coverage

Questions were included in the survey to determine the type of coverage the enrolled membership opted for under their employer-sponsored plan (either individual or individual plus spouse), as well as whether there were other members in the household not covered by the employer-sponsored coverage. The majority of respondents indicated that they are enrolled as an individual on their employer's plan (see Exhibit IV.9 on the next page).

Exhibit VI.9

Which health coverage policy do you have? (n = 2,283)



Over 50 percent of the respondents indicated living with other individuals not covered under the Insure Oklahoma program. For these other household members, the majority are covered under a state-sponsored plan (e.g. SoonerCare). However, it is noteworthy that approximately 20 percent of these other individuals remain uninsured. Exhibits IV.10 and IV.11, beginning below, display the responses on other household member's insurance status.

Exhibit VI.10

Are there other members of your household that are not on your Insure Oklahoma/O-EPIC policy? (n = 2,283)

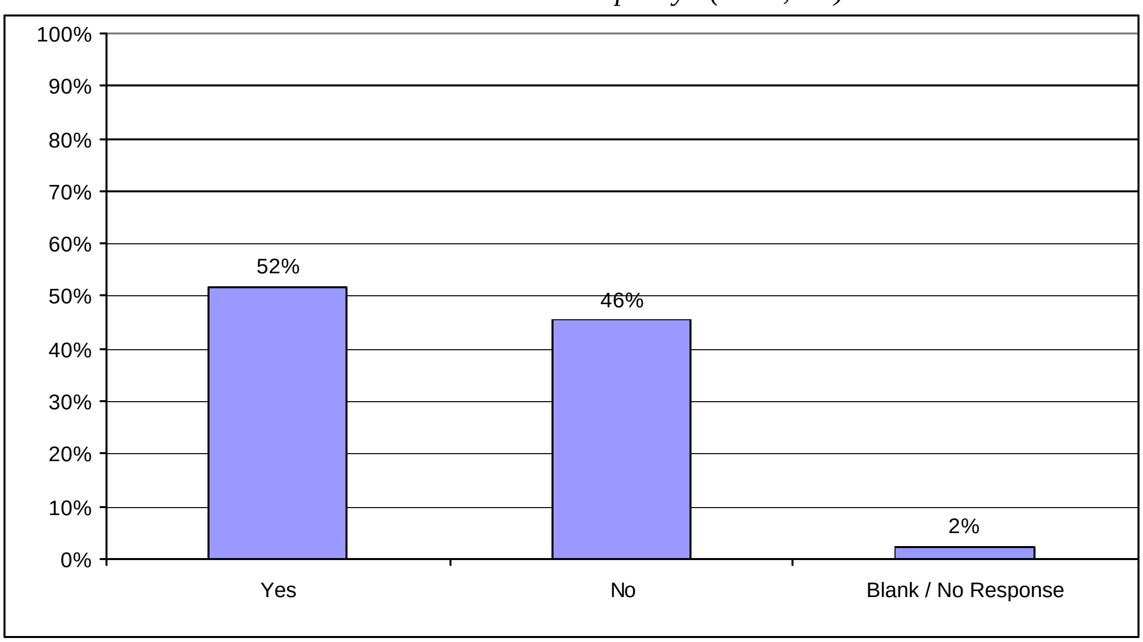
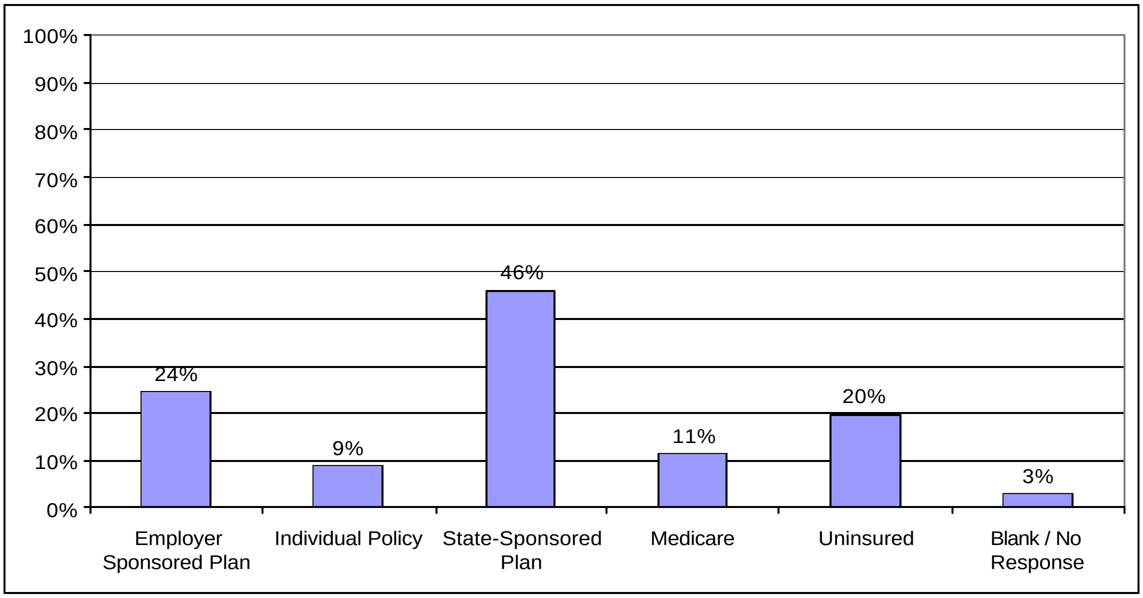


Exhibit VI.11

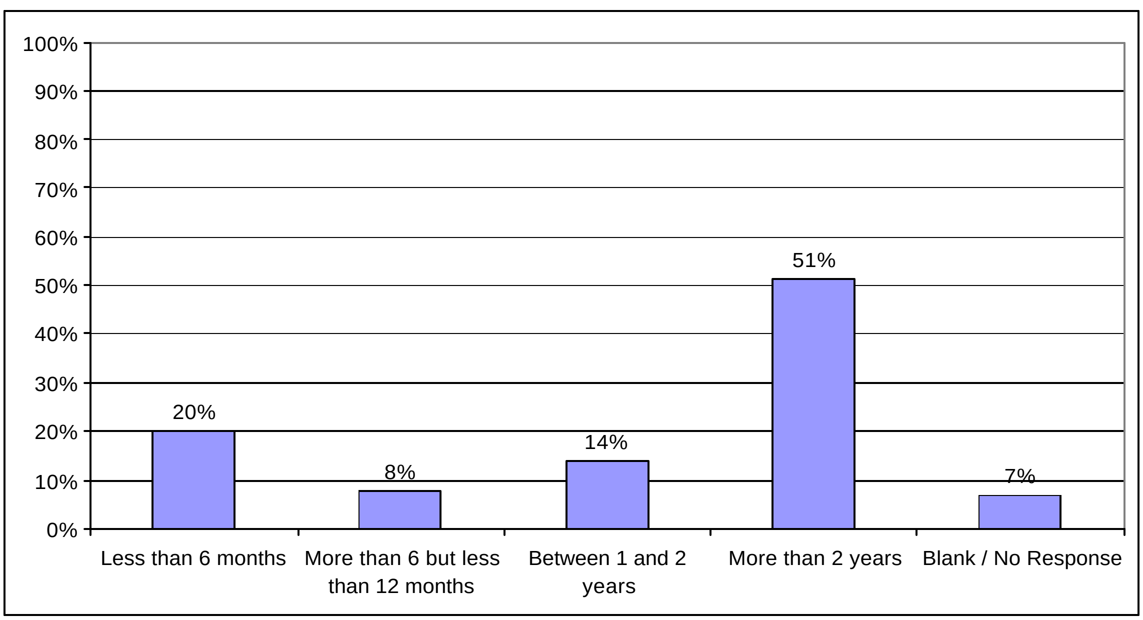
Other individuals in my household have health insurance through: (n = 1,186)



Additional questions related to coverage prior to the Insure Oklahoma program were asked of the members to review the impact of the product on the uninsured population when the program was put into place. Approximately 49 percent (1,123 members) were not enrolled in their employer-sponsored plan prior to their participation in Insure Oklahoma. Of these individuals, more than 50 percent had been uninsured for a period of more than two years. Figure VI.12 below displays the responses of the members that indicated that they were not enrolled in their employer plan prior to participation in Insure Oklahoma.

Exhibit VI.12

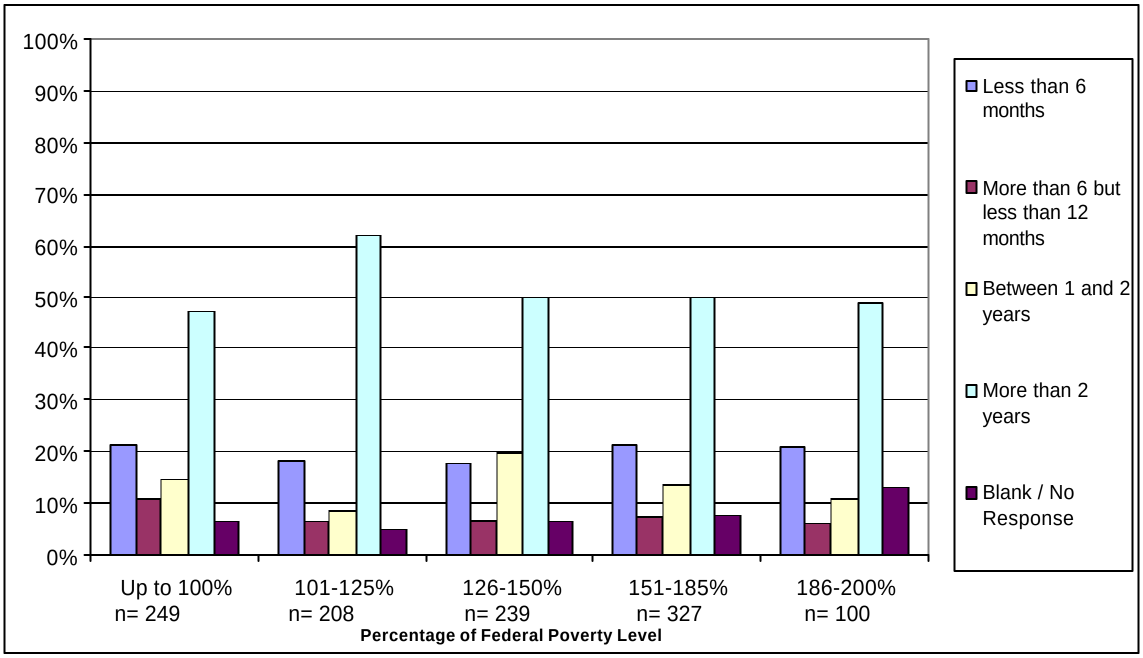
How long had you been uninsured before participating in your employer's health plan? (n= 1123)



For the individuals reported to be previously uninsured, the variation of the period of non-coverage did not significantly vary by income level. Typically, 45 to 60 percent of respondents were uninsured for more than two years while approximately 20 percent were uninsured for a period of less than six months. Exhibit VI.13 below displays the responses by income level.

Exhibit VI.13

How long had you been uninsured before participating in your employer's health plan? (Displayed by Federal Poverty Level)

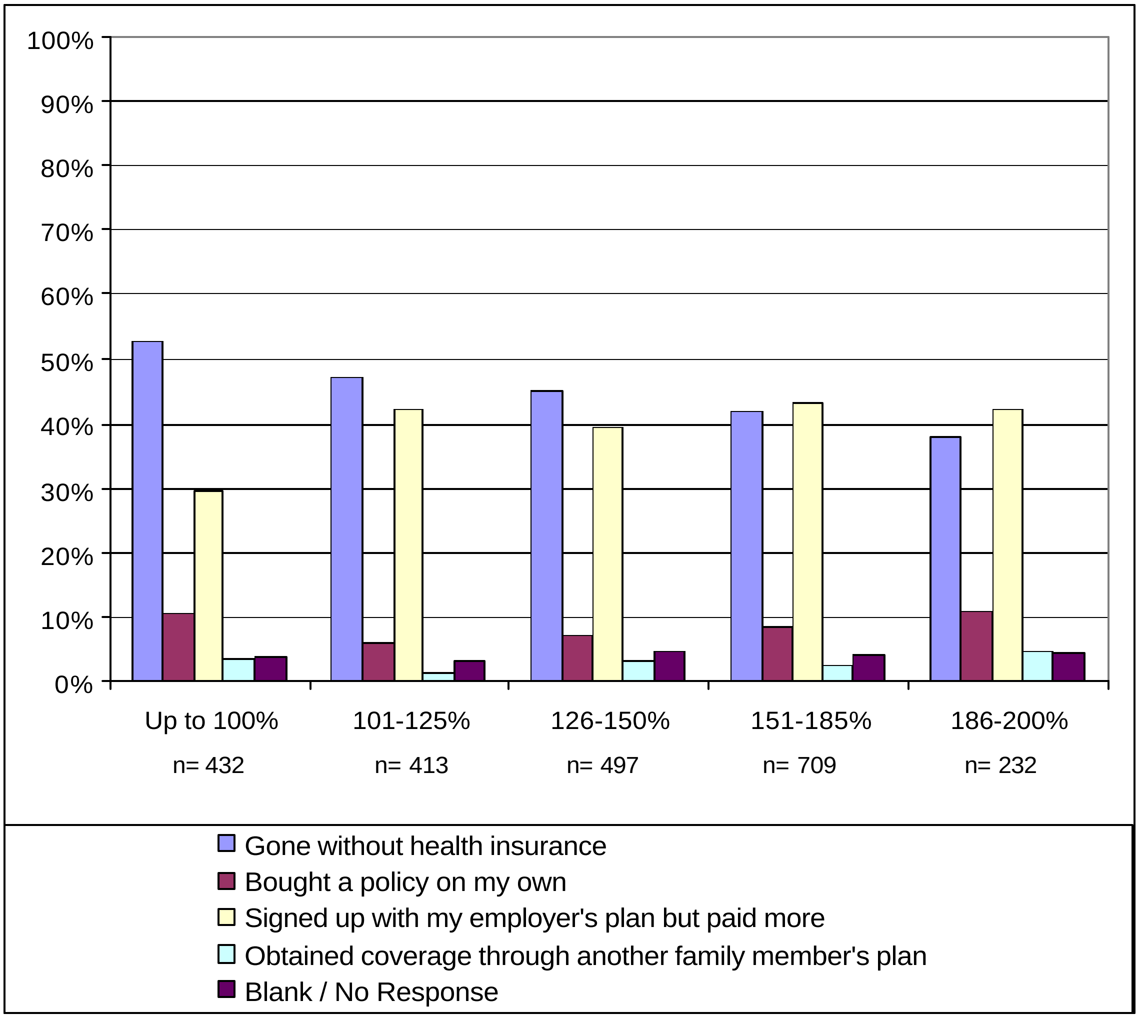


When asked what the enrollee would do for insurance if the Insure Oklahoma program did not exist, 45 percent definitively responded that they would go without health insurance while less than ten percent stated that they would buy insurance on their own. The remaining 45 percent stated they would seek insurance through another means, most notably through their employer. However, given the previous studies conducted by the OHCA in the development of Insure Oklahoma which asked the price point that individuals are willing to pay for health insurance premiums, B&A could not ascertain from the survey data if in fact the individuals would actually take up their employer's health insurance offering, especially considering the wide range of premiums charged by carriers in Oklahoma.

When the responses to the survey question were matched against income level, the population at less than 100 percent of the FPL was most likely to go without health insurance. Exhibit VI.14, beginning on the next page, displays the results of this comparison.

Exhibit VI.14

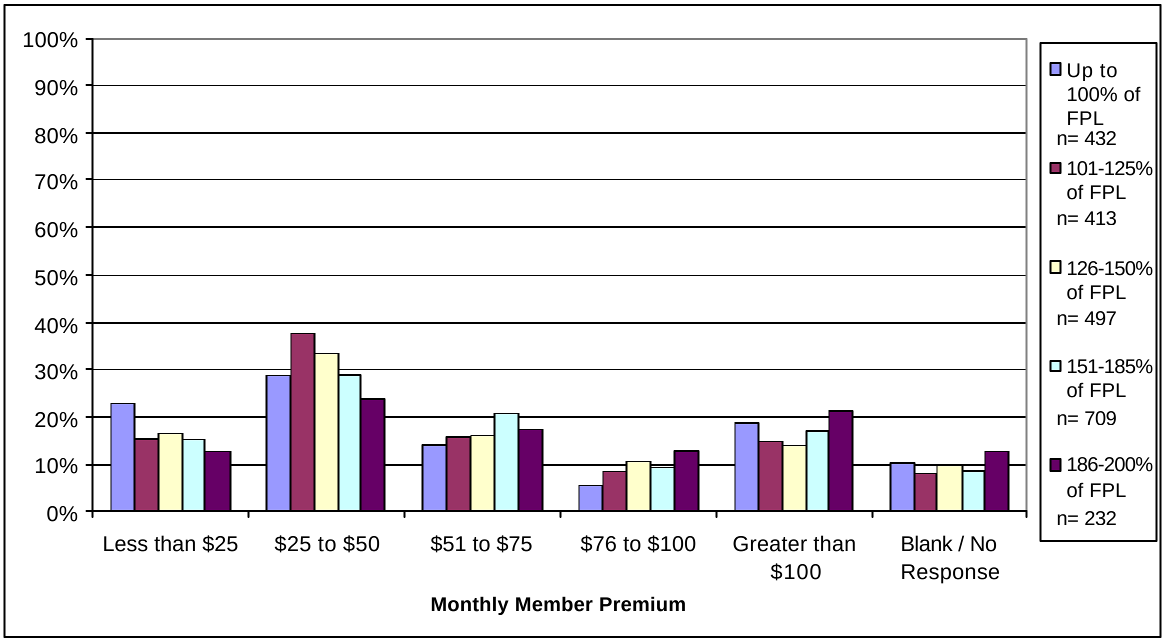
If you had not signed up for Insure Oklahoma/O-EPIC, you would have:
(Displayed by Federal Poverty Level)



Members were asked to either self-report the amount they pay monthly towards their health insurance premium or to select from one of the cost ranges provided. Members earning less than 100 percent of the FPL reported the highest percentage of premiums '*Less than $25'* while members at the highest income level (186-200% of FPL) reported the highest percentage of premiums of '*Greater than $100'*. Exhibit VI.15 on the next page displays the results for the question on premium amount. It should be noted, however, that the amounts reported do not necessarily reflect the amounts paid for just an Insure Oklahoma policy. For example, some ESI members may be paying for other family members' insurance outside of Insure Oklahoma.

Exhibit VI.15

How much do you pay monthly for the cost of your health insurance?

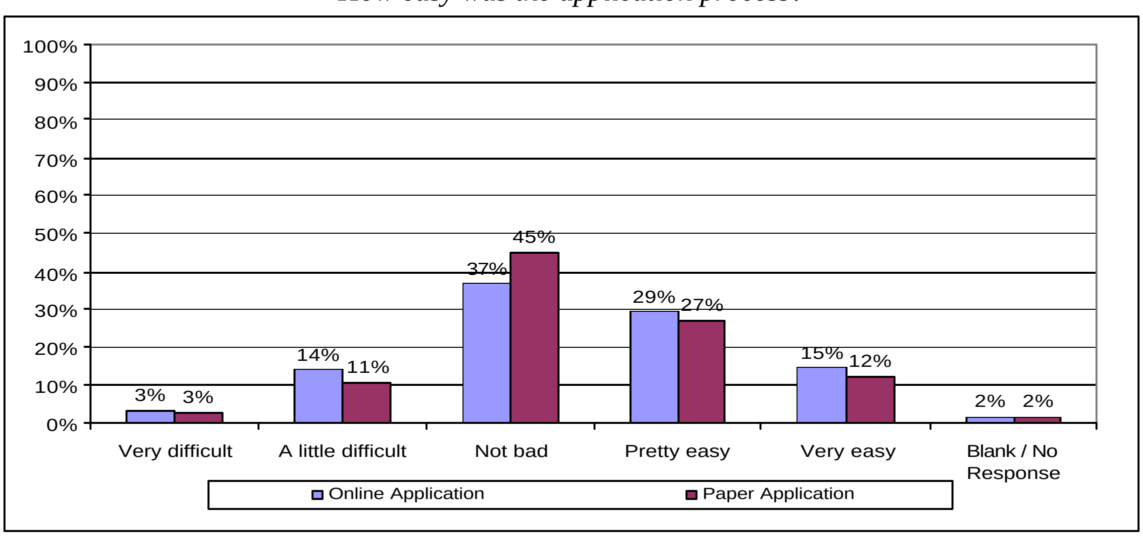


Responses Related to the Enrollment Process, Services Utilized, and Health Plan Satisfaction

To measure the efficacy of administrative processes in the Insure Oklahoma program, questions related to the application process were included in the survey. Slightly more than half of the respondents completed the application process online. When gauging the ease of the application process, more than 40 percent of individuals indicating using either the online application or the paper application reported the process to be '*Pretty Easy*' or '*Very Easy*'. Conversely, less than 20 percent who utilized either application process reported the process to be '*Very Difficult*' or '*A Little Difficult*'. Exhibit VI.16 below displays the responses for both methods of applying for the program.

Exhibit VI.16

How easy was the application process?



The Insure Oklahoma program offers ESI members the option to get out-of-pocket expenses reimbursed after they have incurred more than five percent of their annual gross income on medical expenses (including premiums, co-pays and deductibles). When asked about their awareness of this benefit, 943 (41%) of respondents were aware of this option. Only 21 (2% of 943) of these members have submitted out-of-pocket expenses for reimbursement.

Members were also asked to indicate the types of services they have utilized under their health plan in the last year. The question allowed for multiple types of services to be indicated and an individual could indicate all types of services if applicable as well as no services. The majority of members have utilized their health coverage benefit to obtain a prescription (56%) while nearly 20 percent have not used any services yet. Exhibit VI.17 displays the results from this question.

Exhibit VI.17
Services Utilized in the Past Year
Indicate all that apply or indicate "Used no services"
Percentages reflect the number of unduplicated members who selected the option

Service Used	**Members Responded**	**Percent of Responded**
Obtained a prescription	1,282	56%
Doctor's visit for a general physical/wellness check	1,128	49%
Doctor's visit because I was sick	1,099	48%
Emergency Room	471	21%
Outpatient hospital service	322	14%
Inpatient hospital stay	171	7%
Used no services	405	18%
Blank / No Response	39	2%
*For women: Visit to an OB/GYN	548	40%
Unduplicated Total	**2,283**	

* Calculated % based upon the number of women who responded to survey (n=1,380)

When the utilization data were tabulated by age group, the members aged 56-64 had the least percentage of 'non-users' while this age group also had the largest percentage of routine physician visits ('*Doctor's visit for a general physical/wellness check*'). The younger members, age 40 or less, were more likely to visit a physician due to illness than for a general physical/wellness check. The responses by age group are displayed in Exhibit VI.18 on the next page.

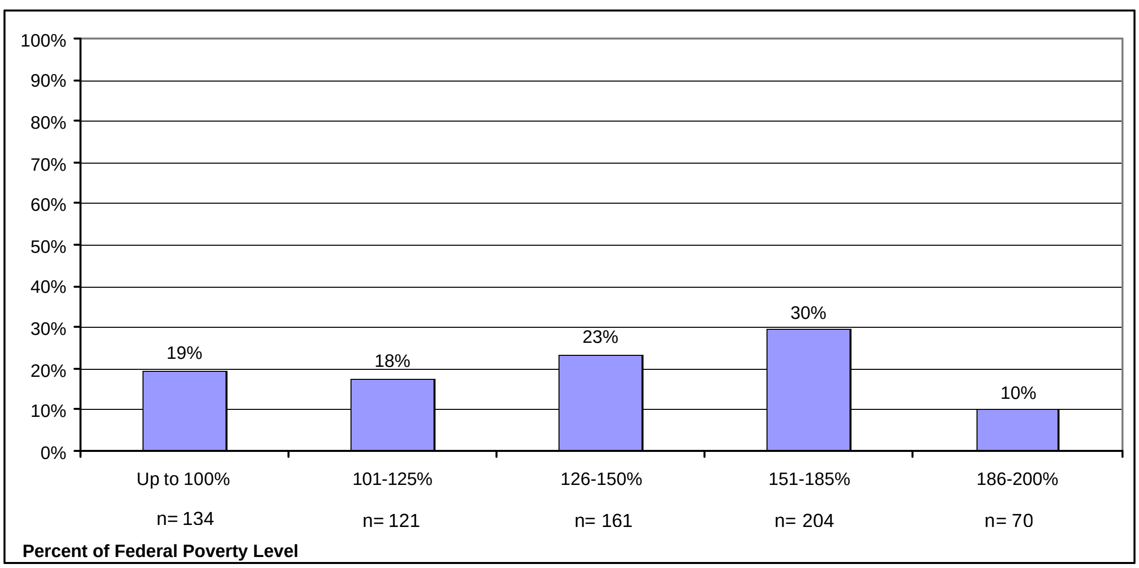
Exhibit VI.18
Services Utilized in the Past Year, Displayed by Age Group
Percentages reflect the number of unduplicated members who selected the option

Service Used	**Aged 19-25**	**Aged 26-40**	**Aged 41-55**	**Aged 56-64**
Obtained a prescription	49%	58%	58%	63%
Doctor's visit for a general physical/wellness check	41%	49%	51%	62%
Doctor's visit because I was sick	46%	53%	48%	47%
Emergency Room	21%	27%	18%	16%
Outpatient hospital service	10%	15%	15%	17%
Inpatient hospital stay	8%	8%	7%	9%
Used no services	21%	18%	19%	15%
Blank / No Response	2%	1%	3%	1%
*For women: Visit to an OB/GYN	53%	49%	30%	27%
Unduplicated Total	**277**	**854**	**835**	**315**

* Calculated % based upon the number of women who responded to survey (n=1,380)

When the members were asked if they had forgone services due to the fact that co-pays or deductibles were not affordable, approximately 22 percent indicated that they had. Of this population, approximately ten percent were over 185 percent of the FPL income level while approximately 20 percent were less than 100 percent of FPL. The results of this are displayed in Exhibit VI.19.

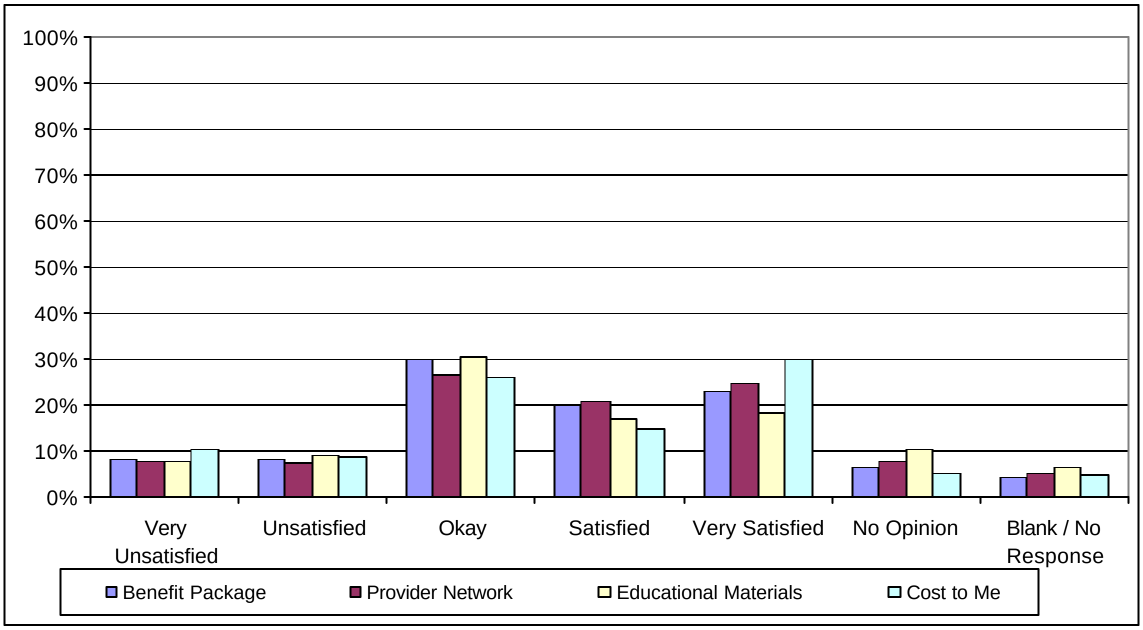
Exhibit VI.19
Have you delayed getting a service or just not gotten one because the co-pay or deductible was unaffordable? Percentage responding 'Yes'



Respondents were asked their satisfaction level about various aspects of their employer-sponsored health plan. Generally, members reported favorable impressions. Less than 20 percent reported *'Very Unsatisfied'* or *'Unsatisfied'* for any aspect inquired about the health plan. The tabulated responses by aspect are displayed in Exhibit VI.20 below.

Exhibit VI.20

How satisfied are you with the following features of your employer-sponsored health plan?
(n = 2,283)



Responses Related to Overall Satisfaction with Insure Oklahoma

The final question on the survey was an open-ended question that asked for any other comments that the member may have about their experience with the Insure Oklahoma program. Of the 2,283 respondents, 37 percent of members included comments and/or complaints regarding the program. Of these, approximately 40 percent of the comments were positive and appreciative of the program. Approximately eight percent of the comments were neutral in nature, noting that the member had not used the health plan and/or were new to the program.

Of the balance of the comments, the most numerous issues raised were related to:

- Costs of coverage
- Expansion to include children
- General expansion (increasing qualifying levels)
- Lack of information

Exhibit VI.21 on the next page displays the number of qualitative comments submitted by members by category. About five percent of the respondents contained comments on more than one of categories listed.

Exhibit VI.21

Please tell us anything else, good or bad, we should know about your experience with Insure Oklahoma/O-EPIC.

Comments	Members Responded	Percent of Responded
Appreciative of Program	334	39.7%
Costs too High	85	10.1%
New to Program/Have Not Used Insurance Yet	71	8.4%
Lack of Information	66	7.8%
Application/Reapplication Process Complaints	53	6.3%
Other Complaints/Comments	51	6.1%
Multiple Complaints	39	4.6%
Expansion Requests	34	4.0%
Children Expansion Requests	33	3.9%
Reimbursement Process Issues	31	3.7%
Adminsitrative Issues	30	3.6%
Proof of Citizenship Complaints	14	1.7%
TOTAL	**841**	

The statements below reflect actual or abbreviated quotes from members.

Overall Satisfaction or Appreciation

"Thank you for offering this plan. Without your help, I would not have coverage and I have kids to take care of."

"Without this insurance, my wife Tanya would have died with cancer."

"I am very happy that O-EPIC was offered at my husband's job. It has saved us a lot of money both in premiums and medical cost. Thanks!"

"This is the best program to help those of us who could not afford insurance/healthcare. I hate to think where I would be without the help."

"Very helpful Customer Services people. Have spoken with them several times, always satisfied."

"This plan was a life saver, before it came along we could not pay our bills and had to take bankruptcy."

"Happy that you are supporting small businesses. Thank you for your thoughtfulness."

"Greatest thing ever that Oklahoma has done to help the working people."

Concern over costs, particularly co-pays and deductibles

> "Out of pocket deductible is high. We have to pay too much before insurance pays any money."
>
> "Employee costs have gone up. Used to be affordable. Now not so much."
>
> "They are constantly changing the amount they are willing to pay so myself or my employer never knows how much she will have to take out of my pay check. I wish they would settle on some amount on my pay check to live on."
>
> "I cannot afford my prenatal care because O-EPIC won't allow additional Soonercare supplemental during my pregnancy."

Related to the Application/Renewal process

> "Applying online was horrible, some questions are not explained very well and questions were bad."
>
> "I tried to add my wife, but was given the wrong dates as which I could apply and now have to wait another year. She is still uninsured at this time."
>
> "When applying, application was lost, had to reapply 2 or 3 times since the delay. Was told could not be reimbursed for three months of services. It was like pulling teeth to get signed up for O-EPIC. Very bad experience!"
>
> "We had much difficulty applying for the program. We had to submit three times because of confusion on salary limit."
>
> "Took a long time to get it going. Had to fax same paperwork more than once."
>
> "Had to try 3 times (online) before application went through."
>
> "The transition to O-EPIC was very confusing. I received 9-10 notices from O-EPIC over the course of a month alternating between stating I was covered and stating that my coverage was terminated."

Other Comments

> "Increase business size."
>
> "Wonderful program! Very helpful customer service agents. Would like to see it expand to individual coverage and would like income requirement to be higher."
>
> "Wish I could include dependent children who are in college and not working."
>
> "We make too much money for our children to qualify for Medicaid, but they do not qualify for O-EPIC. HELP!"
>
> "I would like to take my daughter off Soonercare and add her to our insurance."

Insure Oklahoma Employer Survey Results and Analysis

As part of the Insure Oklahoma program evaluation, B&A reviewed the results of the small employer survey that was conducted by the University of Oklahoma (OU) on behalf of the OHCA[28]. In May 2008, OU surveyed all 2,446 employers that were participating in Insure Oklahoma as of April 2008. The results from the survey were compared to the survey that OU conducted in 2007. OU received a 44 percent response rate from the 2008 survey. Half of the respondents were based in a city in Oklahoma, 36 percent were located in a town, and 14 percent were in a rural location. The average firm size among respondents was 15 employees. The average tenure enrolled in Insure Oklahoma was 10.7 months.

The following are some of the findings described in OU's report:

- 38 percent of responding employers were new to offering health insurance coverage upon applying to the Insure Oklahoma ESI program. Of these employers, the majority cited the Insure Oklahoma program as their incentive to now offer health insurance as a benefit.

- 79 percent of small businesses that were insured prior to Insure Oklahoma did not have to change health plans to qualify (a slight increase from the previous year's survey). This is a sign that Insure Oklahoma successfully leveraged the current insurance market without significant changes to benefit structure.

- On a scale of one to five with five being the most positive, the respondents ranked program materials an average score of 3.75, the EDS call center staff an average score of 4.03, the level of paperwork required an average score of 3.61, and the rating of their insurance broker an average of 4.25.

- Employers responded that, to their knowledge, two-thirds of employees that qualify for Insure Oklahoma actually enroll with the employer's health plan. The most common reason cited for non-participation was coverage from another source.

OU developed specific recommendations based upon the survey results. Some of the recommendations from small business owners dove-tail recommendations made to B&A by stakeholders in our one-on-one interviews:

- Although mass marketing has been beneficial, additional target marketing to small businesses currently not offering or to employees currently not taking up insurance should be considered.

- EDS needs to add more fax lines to accept the monthly carrier's invoice from employers.

- Improve the navigation capabilities on the Insure Oklahoma website.

- Consider ways to streamline the paperwork required in the program.

[28] Splinter GL, Hyden SD, McCarthy LH, Brown DM, Crawford DS. Small Business Employer Feedback as Part of a Continuous Quality Improvement Process November 2005-July 2008. Oklahoma City: Department of Family & Preventive Medicine, University of Oklahoma Health Sciences Center. Prepared for the Oklahoma Health Care Authority; October 1, 2008.

Insure Oklahoma Broker Survey Results and Analysis

Another part of B&A's evaluation activities was to conduct a survey of insurance brokers that participate in the Insure Oklahoma program. It is important to get their input because the insurance brokerage industry has a lot of influence on the success or failure of Insure Oklahoma. Businesses usually enroll into Insure Oklahoma through their brokers; therefore, brokers are the best or worst marketers of the program. As front line representatives of the program, information from brokers can help inform the OHCA and EDS on both challenges and successes which can ultimately be incorporated into improvements to the operational processes.

Survey Process

B&A chose to focus on obtaining information from brokers that presented interest in the program early on by obtaining status on the Insure Oklahoma website who have been deemed "qualified agents". To become a qualified agent, the broker must earn ten points. Points can be earned in the following ways:

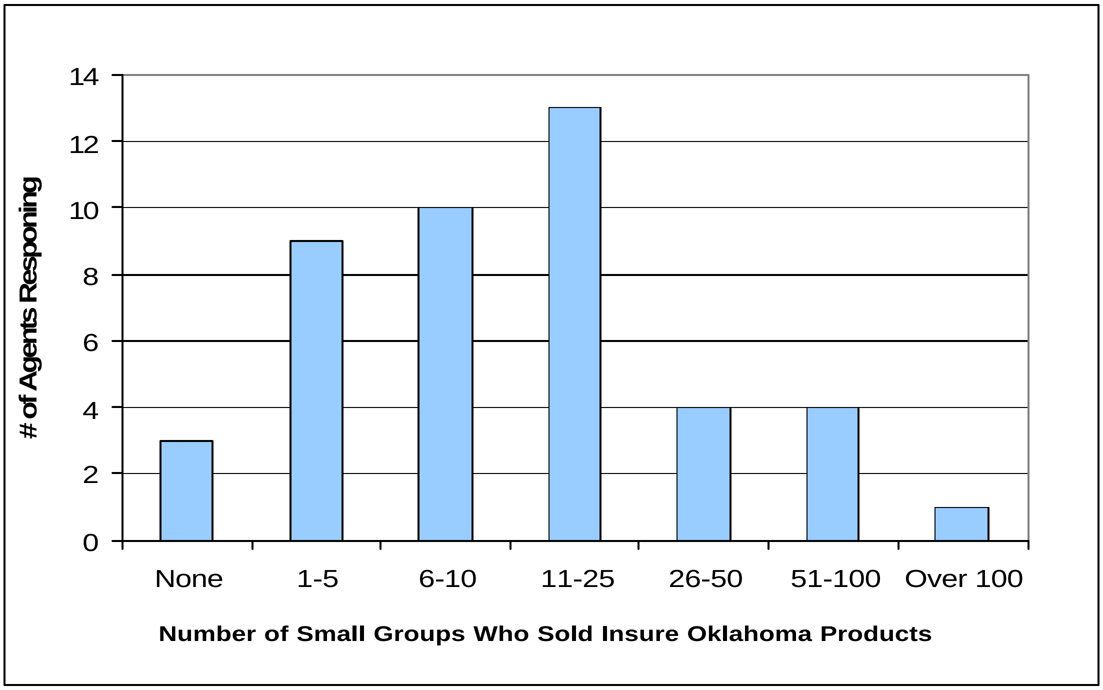
3 points	Attend a 3-hour continuing education course
3 points	Enroll the first successful qualified employer
2 points	Enroll each additional qualified employer
2 points (max 4)	Attend a Brown Bag session
1 point (max 1)	Attend one Insure Oklahoma Presents session
1 point (max 1)	Host an Insure Oklahoma meeting with Insure Oklahoma staff (with other minimum qualifications)
1 point (max 1)	Host an agency training presented by an Agent Partner
1 point (max 4)	Successfully sign up a person in the IP program

As of July 1, 2007, there were 125 brokers on the qualified agents list. B&A sent out e-mail questionnaires to all 125 brokers. There were 44 submissions for an overall response rate of 33 percent.

There was a fair balance among the brokers who replied based on the number of small businesses they insured through Insure Oklahoma. Half of the respondents (22 of 44) insured more than ten businesses. Surprisingly, three brokers have not enrolled any small businesses even though they are qualified agents. Exhibit VI.22 shows the distribution of respondents based on number of Insure Oklahoma contracts sold.

Exhibit VI.22

How many small group plans have you sold since Insure Oklahoma began? (n=44)



Recognizing their important role in the promotion of Insure Oklahoma, the OHCA offered financial and non-financial incentives to encourage brokers to participate in the program. The incentives include the following:

- Offering continuing education credits for attendance at the Insure Oklahoma training sessions
- Publication of broker's contact information and designation as a qualified agent on the Insure Oklahoma website
- Reimbursement of 50 percent of advertising costs for the Insure Oklahoma program up to $5,000 per month (the co-op program)

The survey contained nine questions that appear in Exhibit VI.23 on the next page. Questions focused on the brokers' knowledge, opinion, and utilization of supportive resources that the OHCA provides to them including brown bag informational sessions, continuing education training sessions, agent partner resources, and reimbursement of advertising expenses. These questions were asked to provide the OHCA with feedback on the value of the resources and incentives that the OHCA provides to participating brokers. Additionally, there was one open ended question that solicited any type of feedback that the broker felt was important to communicate to the OHCA. The questionnaire offered examples of areas the broker may include, e.g. roadblocks in getting applications approved, barriers to selling the product, dealings with State staff, dealings with EDS staff, etc. This question was to specifically elicit feedback on the operations of Insure Oklahoma for process improvement purposes.

Exhibit VI.23
Broker Survey Tool and Number of Respondents to Each Question

Survey question	Number of Responses
1) How many small group plans have you sold since Insure Oklahoma began in late 2005?	44
2) Have you attended an Agent Brown Bag session in the last year (since July 2007)?	43
3) The 3-hour initial training session I attended on the Insure Oklahoma/O-EPIC was……(choice of provided answers)	43
4) The shorter Brown Bag sessions are……(choice of provided answers)	44
5) Are you aware that there are three Agent Partners available for you to use as a resource to help in selling the Insure Oklahoma product or to help in navigating through the application/eligibility process for small groups?	43
6) Have you used the Agent Partners as a resource?	43
7) Are you aware that the State offers a co-op program where you can be reimbursed for 50% of your print and broadcast ads related to Insure Oklahoma (up to $5,000 per month per agent?)	42
8) Have you utilized the co-op program?	44
9) Please tell us anything else you think we should know in the space below.	27

Quantitative Survey Responses

In general, respondents are aware of the supportive opportunities and incentives that the OHCA provides. However, utilization of those resources was mixed even when they are available. The responses to each question appear in Exhibits VI.24 through VI.30 beginning on the next page. The following were key findings from these responses:

- 26 (59%) of the respondents attended a brown bag session the prior year. Of those who attended, 88 percent reported that the brown bag sessions were either very helpful (14) or somewhat helpful (9).

- 33 (94%) of the respondents who attended the initial 3-hour training found it either very helpful (25) or somewhat helpful (8). Eight respondents reported not attending the training.

- 27 (63%) of the respondents are aware that there are Agent Partners to assist them with enrolling small groups. Of the 27 who are aware, 16 (62%) have used the Agent Partners as a resource.

- 38 (91%) of the respondents are aware of the co-op program which reimburses brokers for 50 percent of their Insure Oklahoma advertising costs. Of those who are aware of the co-op program, 21 (55%) have utilized it.

Exhibit VI.24

Have you attended an Agent Brown Bag session in the last year (since July 2007)?

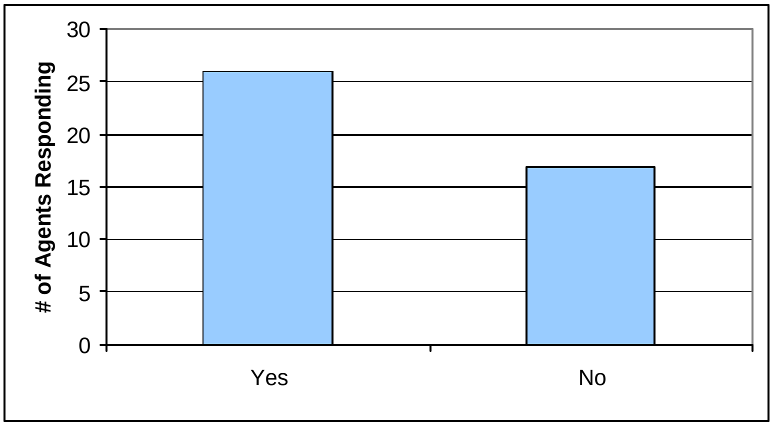


Exhibit VI.25

The 3-hour initial training session I attended on the Insure Oklahoma/O-EPIC was….

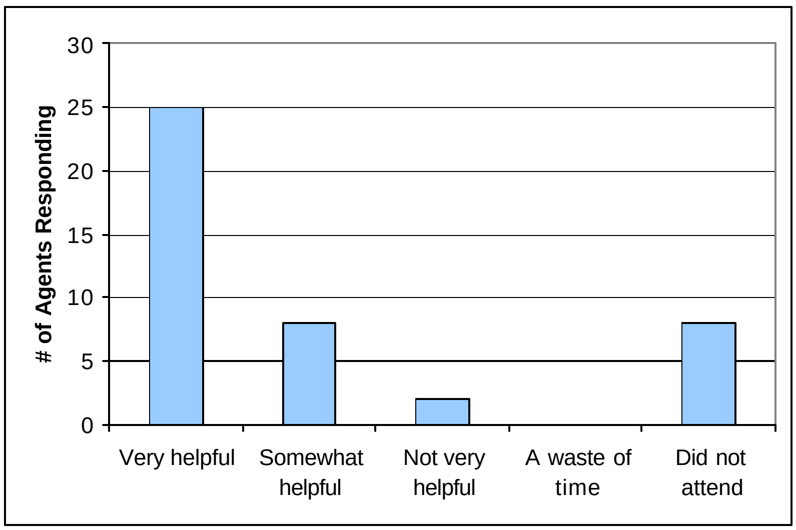


Exhibit VI.26

The shorter Brown Bag sessions are...

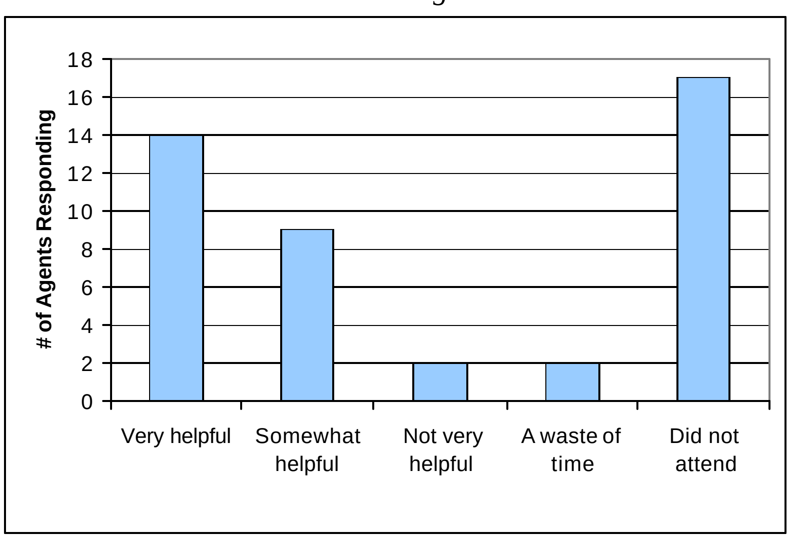


Exhibit VI.27

Are you aware that there are three Agent Partners available for you to use as a resource to help in selling the Insure Oklahoma product?

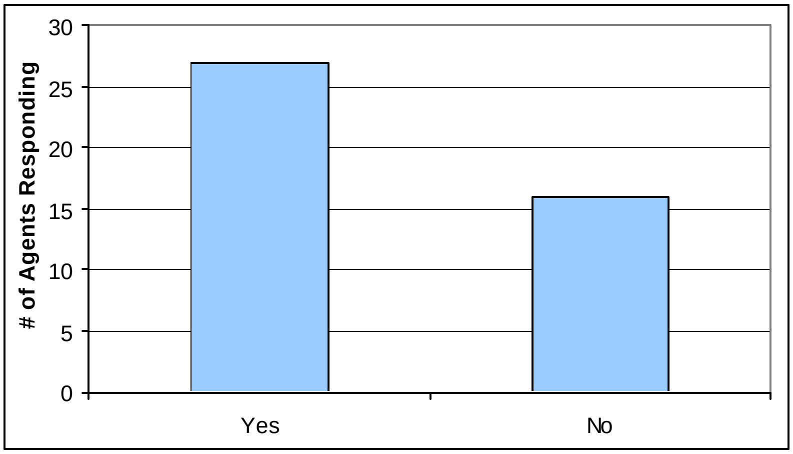


Exhibit VI.28

Have you used the Agent Partners as a resource?

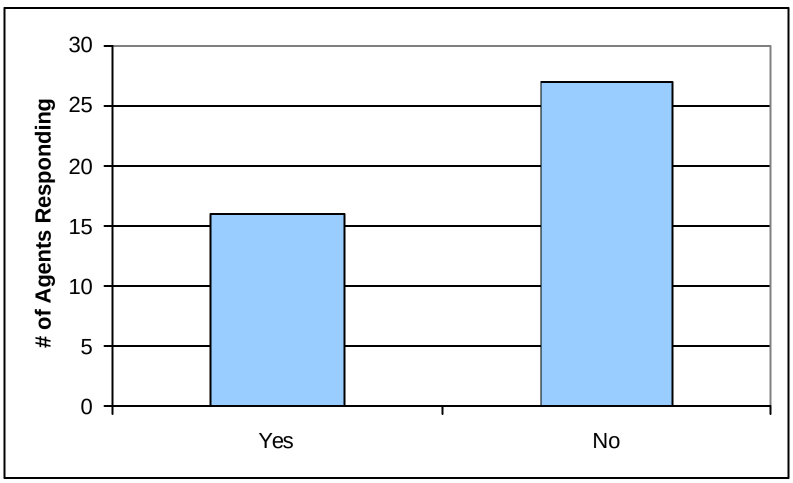


Exhibit VI.29

Are you aware that the State offers a co-op program where you can be reimbursed for 50% of your print and broadcast ads related to Insure Oklahoma (up to $5,000 per month per agent)?

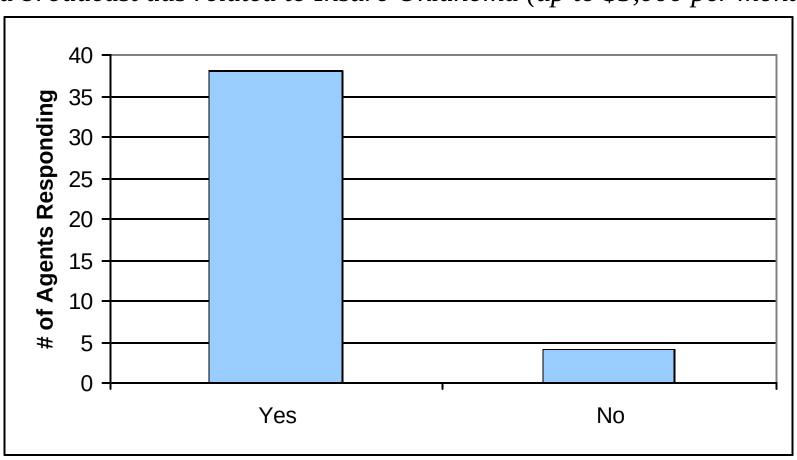
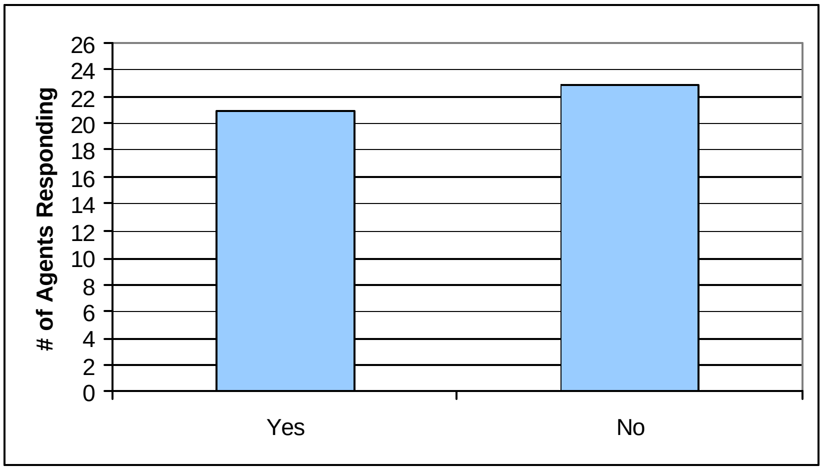


Exhibit VI.30

Have you utilized the Co-op program?



Qualitative Survey Responses

Exhibit VI.31 summarizes the types of comments submitted by the 27 brokers who added comments in the qualitative question.

Exhibit VI.31

Please tell us anything else you think we should know. (n=27)

Topic Mentioned	**Number of Responses**
Too much paperwork and hassles	9
Auto-renewal process is not working	5
State/EDS Staff have been helpful	4
Delays on payment of premium assistance until final insurer invoices are submitted	4
Problems with EDS Customer Service	4
Increase the qualifying group size to bring in more groups	3
Brokers should be the gatekeepers and utilized more	2
Need information from EDS on why applications pend or deny	2
Pleased with Insure Oklahoma	2
Don’t increase qualifying group size	1
Expand enrollment to county health clinics, doctor’s office, OSU Extension Offices, DHS Offices, etc.	1
Agent Partners are not helpful	1

Note: Total responses do not add up to 27 because some brokers commented on more than one topic.

The statements on the next page reflect actual or abbreviated quotes from brokers responding to this question.

Positive Comments

> "I think that the State staff have done a great job at keeping the broker/agent community posted on the changes and updates. They have been most helpful when issues arise. I have no complaints."

> "I am pleased with the program and I hope the funding stays consistent."

> "Would like to see the minimum number of full time employees increased from 50 to 100."

> "I have had little to no problems with EDS. Most have been helpful and seem to be trained well. I have several groups on the subsidy program and all is well so far."

> "Staff, etc have been fantastic!"

Negative Comments

> "The whole process needs to be more automated with more things being on the website and completed online. Paper and original signatures slow down the process."

> "There needs to be a functional and cohesive paperwork tracking system."

> "Too many roadblocks to list them all, but we have recommended that a broker's committee be utilized in order for EDS to understand how we must work with the carriers with rates, deadlines, changes, etc. The carriers have been as flexible as possible with getting groups and individuals insured through the program, but O-EPIC hasn't been flexible in working with the carriers or brokers in getting groups enrolled timely. Yes, in a perfect world we would love to work three months in advance, but we don't live in a perfect world."

> "One very large problem is that Insure Oklahoma does not reimburse until an invoice has been generated. When I enroll a group I enroll them both in the O-EPIC and with the carrier at the same time. The carrier does not generate an invoice in the first month. The first month's premium is paid to insurance company off of their quote, not off of an invoice. Therefore, the employer does not get the reimbursement in the first month."

> "The auto annual and auto-renew DOES NOT WORK! I have an employer that should have auto renewed July 1, 2008 that still has not been approved. This employer will not receive reimbursements for July and August and no one can get this fixed. The renewal process HAS to be addressed! HELP!"

> "I have problems with processors approving individuals for reimbursement when there are unusual circumstances in income. Employees making less than the income requirements but do not have a wage and tax report cannot get approved even when tax records are available."

CHAPTER VII
SUCCESSES, CHALLENGES AND LESSONS LEARNED

Early Successes

There continues to be high enthusiasm across all stakeholders to expand and improve upon what has already been built in the Insure Oklahoma program. Feedback from multiple stakeholders as well as observations from the evaluators identified early successes for Oklahoma that other states could use in their own development process.

1. Transparency in the design process. The initial workgroup was large and very well represented across state stakeholders. There was no chairperson of the workgroup and thus no bias was felt by participants. Options were put forth to guide the public discussions but they were not presented as "all or nothing" options. There were no formal votes so no one "went on record". Many stakeholders had reservations about the design at first and changes in program design were considered and others explained were more fully to alleviate the concerns of these stakeholders. All stakeholders that were interviewed who were on the large or small workgroups were very complimentary to the OHCA about the process and thought that it worked well.

2. Strong consensus gained across state stakeholders early in the process (legislative and executive branch champions, Chamber of Commerce, insurance carriers, the medical society). Blue Cross Blue Shield wrote a letter to CMS on behalf of the OHCA in support of the waiver amendment. The Chamber of Commerce has also met with CMS to support increasing the federal poverty level for eligibility. There is continued legislative support today for program expansion.

3. A dedicated funding source was established for the program with a reserve built in for unexpected costs. Although some funds have been removed because the program started slowly, the OHCA knows that it has a dedicated funding source with the tobacco tax initiative approved.

4. The Insure Oklahoma program has continually seen month over month increases in enrollment in both the ESI portion and the IP portion of the program, with significant increases occurring in Calendar Year 2008.

5. The number of small business owners participating in the program has also increased month to month since inception. Since many of these business owners had previously not offered insurance to their employees, the Insure Oklahoma is actually leveraging insurance coverage to employees beyond those that qualify for Insure Oklahoma.

6. The concept of Agent Partners that serve as a liaison between insurance brokers and the Insure Oklahoma program was universally praised. These representatives also serve as a strong peer-to-peer method of marketing Insure Oklahoma.

7. Other than the application and renewal processes, there is little burden to the enrolled members in the ESI portion of the program. Once approved, employees have their 15% contribution taken out of their payroll check like any other private business health plan. They do not need to correspond with the OHCA, EDS or their carrier.

8. There is little to no burden on carriers except for the requirement that they apply to become a "qualified plan" in Insure Oklahoma. This minimizes disruption in the private sector and promotes the program more as a private sector rather than a government-run initiative.

Challenges and Lessons Learned

There were many operational challenges in the beginning of the program. Many of them have been alleviated while others remain a concern. These experiences can offer lessons learned to Oklahoma going forward as well as to other states.

1. Despite pressure to move forward as quickly as possible, increased planning can prevent problems later in post-implementation. Because of the delay in seeking approval from CMS, the OHCA felt rushed to implement as soon as possible. Planning for implementation did occur during the CMS negotiation process, but many stakeholders cited the push to implement as barriers to taking a more thorough approach to developing operational protocols. One example was an intended data file sharing agreement that would be developed between the OHCA and private carriers for the ESI program. Because of apprehensions by the insurance industry on the nuts and bolts of how this would become operational, there was not enough time to resolve these issues and the project was abandoned by the OHCA.

2. Develop contingency plans. New programs need to balance the ability to be nimble with making decisions that contradict previous assumptions. Many decisions made in Oklahoma's design approach assumed only one model for how things would be handled. When this did not always occur, many workarounds to the original process had to occur, some of which are still being implemented today. For example, the number of paper applications that were expected in the program was minimal. Brokers in particular prefer to submit by paper since they are meeting with the small business owners directly and complete the application by hand while in the office with their client. The volume of paper applications, especially in the beginning of implementation, far exceeded everyone's expectations. The infrastructure at EDS was built around a system that was less paper-dependent. Applications received by paper are still entered by EDS through the web-based system to simulate the online application. This may not be the most effective way to capture the data necessary for eligibility.

3. Leverage the private sector more with respect to operational aspects of the program, specifically related to an ESI program (e.g. design of the application, initial and ongoing marketing, role of insurance brokers, operational screens). Ensure that there are key staff that are well-versed in private sector insurance who can "talk the language" with the private sector. Whereas the OHCA leveraged a variety of stakeholders on program design, many felt that there was less input on operations.

   A critique of a number of individuals interviewed outside of the OHCA was the OHCA's lack of understanding of how private insurance works with respect to selling the product, the eligibility process, and features of the application. Comments centered around the fact that Medicaid is a very different program than private insurance and the OHCA was making this product more in Medicaid-speak than private-speak. The OHCA stated that it did seek outside advice, but it was only offered by BCBS whereas other carriers chose not to participate. As a result, development of items such as data entry screens used by EDS for eligibility follow a BCBS protocol which EDS has learned after-the-fact is unique to BCBS. Workarounds had to be developed to fit other carrier's information into the BCBS mold.

4. Low marketing = low take-up. The concern that an intense advertising campaign too early can cause disruptions upon implementation is valid. But once it became evident that take-up was moving slowly after six months, a media campaign could have taken place earlier than the 18th month after the program began. Now Insure Oklahoma is reaping the benefits of its media campaign with rapid growth.

5. Don't underestimate the amount of program education required. Some of the key areas that the OHCA and EDS staff have needed to confront have been continuous and greater-than-anticipated education to insurance brokers selling Insure Oklahoma to small businesses and to applicants related to information required (e.g. pay stubs, proof of citizenship). As a result, the number of applicants who qualify but never enroll due to "failure to comply" remains high. There was also a concentrated effort with primary care doctors with respect to proper billing procedures since the rates paid for Insure Oklahoma in the IP program are different than those paid under SoonerCare. Providers must use different billing IDs to receive the enhanced Insure Oklahoma rates.

6. Pilot test the web-based application process before releasing it program-wide to ensure that unintended results are alleviated before they escalate. In the meantime, publicize and make clear an eligibility wizard tool for potential enrollees to use online to try to avoid a high percentage of applicants that do not qualify due to high income.

7. If program operations are outsourced, there needs to be strong and continuous oversight by state staff responsible for the program. Build an initial level of monitoring into program operations, conduct the monitoring, and report results to those affected by it. The level of monitoring will undoubtedly vary as the program matures. For example, some items such as applications received and turnaround time will be assessed daily in the beginning, then weekly, and ultimately monthly. Call center statistics will always be measured daily. Other areas will be monitored less frequently such as program expenditures (monthly or quarterly). Regardless of the periodicity, the items to be monitored should be identified upfront and followed through on. Where applicable, targets should be established based on the baseline data collected.

8. Although Oklahoma ultimately did not seek a voucher-like program in its design, other states may want to consider capping the state premium assistance towards private health insurance rather than paying a percentage of the private sector premium. This model offers better budget predictability to the state.

APPENDIX A
STAKEHOLDERS INTERVIEWED AND PROGRAM INFORMANTS

Burns & Associates, Inc. would like to thank each of the following individuals for their time and insights into the Insure Oklahoma program. Individuals with an asterisk indicate those interviewed by Burns & Associates for this evaluation.

Tom Adelson*
Oklahoma State Legislature
Senator

Dene Alford
Oklahoma Health Care Authority
Outreach Field Representative, Insure Oklahoma

Nicole Altobello*
Oklahoma Health Care Authority
Operations Manager, Insure Oklahoma

Debbie Case*
Bomford, Couch & Wilson
Insurance Agent

Tanya Case*
Lawton Community Health Center
Executive Director

James Conway*
Oklahoma Department of Human Services
Programs Administrator, Family Support Services Division

Keela Dewey*
Community Crisis Center
Former Insure Oklahoma Enrollee

Kathy Dillon*
Electronic Data Systems
Programmer

Kelly Freeman*
Electronic Data Systems
Operations Manager

John Giles*
Oklahoma Health Care Authority
Research Analyst, Insure Oklahoma

Dale Goodwin
Mills Machine
Chief Financial Officer

Raymond Haddock*
Oklahoma Department of Human Services
Chief Coordinating Officer

Buffy Heater*
Oklahoma Health Care Authority
Manager, Planning & Development

Kim Holland*
Oklahoma Insurance Department
Insurance Commissioner & Former OHCA Board Member

Sarah D. Hyden*
University of Oklahoma
Department of Family & Preventative Medicine
Health Policy Research Coordinator

Craig R. Knutson*
Oklahoma Insurance Department
Chief of Staff

Tyler LaReau*
LaReau & Associates, Inc.
Insurance Agent

Derek Lieser*
Oklahoma Health Care Authority
Manager, Project/Planning

Matt Lucas*
Oklahoma Health Care Authority
Director, Insure Oklahoma

Rachel McAlwain*
Cherokee Tribe
Direct of Health Policy

Yvonne Marsh*
Electronic Data Systems
Agent Partner

Rhonda Mitchell
Oklahoma Health Care Authority
Research Analyst, Insure Oklahoma

Marisha Moore*
Blue Cross Blue Shield of Oklahoma
Senior Marketing Strategy Consultant

Yvonne Myers*
Chief of Federal Funds Development
Oklahoma Department of Health Services

Sharon Neuwald*
Oklahoma Department of Human Services
Coordinator, Legislative Relations and Policy

Becky Pasternik-Ikard
Oklahoma Health Care Authority
Director, SoonerCare Program Operations & Benefits

Marshall Petty*
Oklahoma Insurance Department
Agent Partner

Melissa Pratt*
Oklahoma Health Care Authority
Outreach Manager, Insure Oklahoma

Angela Ritchie*
Creative Insurance Solutions, LLC
Insurance Agent

Cindy Roberts*
Oklahoma Health Care Authority
Director of Program Integrity & Planning

Matt Robison*
State Chamber of Oklahoma
Vice President, Small Business and Workforce Development

Rebecca Ross*
Oklahoma Insurance Department
Agent Partner

Connie Schlittler*
Oklahoma Department of Human Services
Chief Information Officer

Sarjoo Shah*
Oklahoma Department of Human Services
Director, Data Services Division

Lisa Spain*
Electronic Data Systems
Contract Coordinator

Garth L. Splinter, MD, MBA*
University of Oklahoma
Department of Family & Preventative Medicine
Associate Professor and Division Director

Kris Steele *
Oklahoma State Legislature
Representative

Marq Youngblood*
Oklahoma Department of Human Services
Chief Operating Officer

APPENDIX B
ESI MEMBER SURVEY INSTRUMENT

The Member Survey instrument mailed out to all Insure Oklahoma ESI members as of June 2008 appears on the following two pages.

SURVEY OF INSURE OKLAHOMA/O-EPIC MEMBERS

The State of Oklahoma hired Burns & Associates, Inc. to survey individuals enrolled in Insure Oklahoma, also known as O-EPIC, to measure their satisfaction with the program and to identify program strengths and opportunities for improvement. You have been identified as someone who is currently enrolled in Insure Oklahoma/O-EPIC through your employer's health plan. You pay a portion of the premium, your employer pays a portion, and the State pays the rest.

This is a short survey that will take about 5 minutes to complete. We would appreciate it if you would take the time to participate in this survey and return your comments in the enclosed self-addressed stamped envelope. We appreciate your input. ***All responses are kept strictly confidential.*** Please return your completed survey form by ***July 31, 2008***. If the envelope that has been included with this survey gets lost, please send your response back to "Insure Oklahoma Member Survey", P.O. Box 5158, Santa Fe, NM 87502.

1. Please put a check (v) next to your current occupation or write in under "Other" if it is not listed.
   - ❑ Retail/Sales
   - ❑ Day Care
   - ❑ Nursing, Home Health
   - ❑ Personal Care Hair, Beauty, Fitness
   - ❑ Agriculture
   - ❑ Construction/Home Improvement incl. trades
   - ❑ Landscaping
   - ❑ Food Service/Restaurants
   - ❑ Cleaning or Maintenance Services
   - ❑ Administrative/Office Work
   - ❑ Other *(please specify)* ______________________________

2. How long have you worked for your current employer?
   - ❑ Less than 6 months
   - ❑ More than 6 but less than 12 months
   - ❑ Between 1 and 2 years
   - ❑ More than 2 years

3. How did you first hear about the Insure Oklahoma/O-EPIC program? *(Please check only one.)*
   - ❑ My employer
   - ❑ Television advertising
   - ❑ Radio advertising
   - ❑ Written advertising/brochure
   - ❑ Family member/friend/coworker
   - ❑ Insurance broker
   - ❑ Internet
   - ❑ Other (specify) ___________________________

4. Since then, how else have you heard about Insure Oklahoma/O-EPIC? *(Please check all that apply.)*
   - ❑ My employer
   - ❑ Television advertising
   - ❑ Radio advertising
   - ❑ Written advertising/brochure
   - ❑ Family member/friend/coworker
   - ❑ Insurance broker
   - ❑ Internet
   - ❑ Other (specify) ___________________________

5. Which health coverage policy do you have?
   - ❑ Individual
   - ❑ Individual + Spouse

6. Are there other members of your household that are not on your Insure Oklahoma/O-EPIC policy?
   - ❑ Yes (*please go to Question 7*)
   - ❑ No (*please go to Question 8*)

7. Other individuals in my household have health insurance through: *(Please check all that apply)*
   - ❑ An employer-sponsored health plan
   - ❑ An individual policy with a health plan
   - ❑ A state-sponsored program (e.g. SoonerCare)
   - ❑ Medicare
   - ❑ There are other members in my household and they do not have health insurance

8. Prior to enrolling in Insure Oklahoma/O-EPIC, were you enrolled with your employer's health plan?
   - ❑ Yes (*please go to Question 10*)
   - ❑ No (*please go to Question 9*)

9. How long had you been uninsured before participating in your employer's health plan?
   - ❑ Less than 6 months
   - ❑ More than 6 but less than 12 months
   - ❑ Between 1 and 2 years
   - ❑ More than 2 years

Please turn to the other side to complete the survey

10. If you had not signed up for Insure Oklahoma/O-EPIC, you would have: *(Please check only one option)*
    - ❑ Gone without health insurance
    - ❑ Signed up with my employer's plan but paid more
    - ❑ Bought a policy on my own
    - ❑ Obtained coverage through another family member's plan

11. How much do you pay monthly for the cost of your health insurance?
    If you know the exact amount, enter it here: _______________ Otherwise, put a check next to your best estimate:
    - ❑ Less than $25
    - ❑ $51 to $75
    - ❑ Greater than $100
    - ❑ $25 to $50
    - ❑ $76 to $100

12. Which application process did you use to sign up with Insure Oklahoma/O-EPIC?
    - ❑ Filled out paper application
    - ❑ Filled out online application

13. How easy was the application process?
    - ❑ Very difficult
    - ❑ Not bad
    - ❑ Pretty easy
    - ❑ A little difficult
    - ❑ Very easy

14. Did you know that you may be eligible to get reimbursed for out-of-pocket medical expenses in the Insure Oklahoma/O-EPIC program?
    - ❑ Yes (*please go to Question 15*)
    - ❑ No (*please go to Question 16*)

15. Have you submitted out-of-pocket expenses to get reimbursed since you enrolled with Insure Oklahoma/O-EPIC?
    - ❑ Yes
    - ❑ No

16. Please check which services you have used in the past year (*check all that apply or check "Used no services")*.
    - ❑ Emergency room
    - ❑ Doctor's visit for a general physical/wellness check
    - ❑ Inpatient hospital stay
    - ❑ Doctor's visit because I was sick
    - ❑ Outpatient hospital service
    - ❑ *For women* Visit to an OB/GYN
    - ❑ Obtained a prescription
    - ❑ Used no services

17. Have you delayed getting a service or just not gotten one because the co-pay or deductible was unaffordable?
    - ❑ Yes
    - ❑ No

18. How satisfied are you with the following features of your employer-sponsored health plan? (*Circle your rating*)

	(Very Unsatisfied)		*(Okay)*		*(Very Satisfied)*	
Benefit Package	1	2	3	4	5	No opinion
Provider Network	1	2	3	4	5	No opinion
Educational Materials	1	2	3	4	5	No opinion
Cost to me	1	2	3	4	5	No opinion

19. Please tell us anything else, good or bad, we should know about your experience with Insure Oklahoma/O-EPIC.

    ____

    ____

The survey ends here. Thank you for participating. Please return your survey form in the stamped return envelope that has been provided.