

OKLAHOMA HEALTH CARE AUTHORITY  
REGULARLY SCHEDULED BOARD MEETING  
November 1, 2012 at 1:00 P.M. (AMENDED)  
The Oklahoma Health Care Authority  
Ponca Conference Room  
2401 NW 23<sup>rd</sup>, Suite 1A  
Oklahoma City, Oklahoma

**AGENDA**

**Items to be presented by Tony Armstrong, Vice-Chairman**

1. Call to Order / Determination of Quorum
2. Action Item – Approval of September 13, 2012 OHCA Board Minutes
3. Discussion Item – Reports to the Board by Board Committees
  - a) Audit/Finance Committee – Member Miller
  - b) Nominating Committee – Ed McFall

**Item to be presented by Mike Fogarty, Chief Executive Officer**

4. Discussion Item – Chief Executive Officer's Report
  - a) Financial Update – Carrie Evans, Chief Financial Officer
  - b) Medicaid Director's Update – Garth Splinter, State Medicaid Director
  - c) All Stars Introduction – Mike Fogarty, CEO  
July – Ernest Chiang, Accountant II, Accounting/Finance

**Item to be presented by Jerry Scherer, Chief Information Officer**

5. Discussion Item – Information Services Update and Review of Security Audit Results

**Item to be presented by Howard Pallotta, Director of Legal Services**

6. Announcements of Conflicts of Interest Panel Recommendations for all action items regarding this board meeting.

**Item to be presented by Cindy Roberts, Chairperson of State Plan Amendment Rate Committee**

7. Action Item – Consideration and Vote Upon the Recommendations of the State Plan Amendment Rate Committee
  - a) Medicaid Developmental Disabilities Services Division Waiver
    1. Consideration and Vote of a Rate Increase for the following 55 specific services effective November 1, 2012:  
  
Homemaker, HTS (Habilitation Training Specialist), Intensive Personal Supports, Daily Living Supports, Community Based Individual Services, Center Based Prevocational Services, Community Based Prevocational Services, Employment Specialist, Enhanced Community Based Prevocational, Enhanced Job Coaching Services, Job Coaching Individual Services, Job Coaching Services, Job Stabilization/Extended Services, Prevocational HTS, Group Home Alternate Living Home, Group Home, Group Home Community Living Home, Respite in Group Home, Respite in Community Living Home.
  - b) Medicaid Advantage Home and Community Based Waiver Services
    2. Consideration and Vote of a Rate Increase for the following 13 specific services effective November 1, 2012:  
  
Case Management, Transition Case Management, OHCA Personal Care, Supportive/Restorative Assistance, In-Home Respite, Personal Services Assistance (PSA), Advanced PSA, Physical Therapy, Occupational Therapy, Respiratory Therapy, Speech/Language Therapy.

c) Oklahoma HealthCare Authority Living Choice and Waivers

3. Consideration and Vote of a Rate Increase for the following 16 specific services effective November 1, 2012:

Case Management (CM), Transition CM, Advantage Personal Care, Supportive/Restorative Assistances, In-Home Respite, Personal Services Assistance (PSA), Advanced PSA, Physical Therapy, Occupational Therapy, Speech/Language Therapy, Assisted Living Low, Assisted Living Medium Assisted Living High, State Plan Personal Care.

**Item to be presented by Cindy Roberts, Deputy CEO – Planning, Policy & Integrity Division**

8. Action Item – Consideration and Vote of Agency Recommended Rulemaking Pursuant to Article I of the Administrative Procedures Act

AMENDING Agency rules at OAC 35-5-41.6 to increase the income cap for the Medicaid Income Pension Trust (or Miller Trust) to the average monthly cost of nursing home care. This change affects financial eligibility rules for all long term care programs, including the 1915(c) waiver programs for Home and Community Based Services. (Reference APA WF # 12-06)

**Item to be presented by Beth VanHorn, Director of Legal Operations**

9. Action Item - Consideration and Vote for Authorization for Expenditure of Funds for Recovery Audit Contractor.

**Item to be presented by Nancy Nesser, Director of Pharmacy**

10. Action Item – Consideration and Vote Regarding Recommendations Made by the Drug Utilization Review Board Under 63 Oklahoma Statutes § 5030.3.

- a) Consideration and vote to add Select Gonadotropin-Releasing Hormone Products to the product-based prior authorization program under OAC 317:30-5-77.3.
- b) Consideration and vote to add Neupro® (rotigotine) to the utilization and scope prior authorization program under OAC 317:30-5-77.2(e).

**Item to be presented by Vice-Chairman Armstrong**

11. Discussion Item – Proposed Executive Session as Recommended by the Director of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B) (1), (4) and (7)

- a) Discussion of Pending Litigation and Claims
- b) Discussion of CEO Employment

12. Action Item – Election of the Oklahoma Health Care Authority 2013 Board Officers

13. New Business

14. ADJOURNMENT

NEXT BOARD MEETING  
December 13, 2012  
Location TBD

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING  
OF THE HEALTH CARE AUTHORITY BOARD  
September 13, 2012  
Held at The Children's Center  
Bethany, Oklahoma

Manner and Time of Notice of Meeting: A statutorily required public meeting notice was placed on the front door of the Oklahoma Health Care Authority as well as on the conference room door at the Children's Center on September 12, 2012, 8:00 a.m. Advance public meeting notice is provided to the Oklahoma Secretary of State. In addition to the posting of the statutory public notice, the agency placed its agenda on its website on September 12, 2012, 12:30 p.m.

Pursuant to a roll call of the members, a quorum was declared to be present, and Chairman Roggow called the meeting to order at 1:00 p.m.

BOARD MEMBERS PRESENT:

Chairman Roggow, Vice-Chairman Armstrong, Member Miller, Member Robison, Member McFall, Member McVay, Member Bryant

OTHERS PRESENT:

David Branson, OHCA  
Will Widman, HP  
Billie Fogarty  
Charles Brodt, HP

OTHERS PRESENT:

Carrie Evans, OHCA  
Shirley Russell, OKDHS  
R.D. Dickens, OCAITHB

**DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULARLY SCHEDULED BOARD RETREAT HELD AUGUST 22-24, 2012.**

The Board routinely reviews and approves a synopsis of all its meetings. The full-length recordings of the meetings of the Board are retained at the Board Offices and may be reviewed upon written request.

MOTION:

Member McFall moved for approval of the August 22-24, 2012 board minutes as published. Vice-Chairman Armstrong seconded.

FOR THE MOTION:

Chairman Roggow, Member Miller, Member Robison, Member Bryant, Member McVay

**ITEM 3 / REPORTS TO THE BOARD BY BOARD COMMITTEES**

Personnel Committee

Member McVay reported that the Personnel Committee met and discussed the agency's Hay study report on OHCA's job compensation and ratings.

Strategic Planning Committee

Vice-Chairman Armstrong reported that the Strategic Planning Committee met and also discussed the personnel report with no other major issues.

Member Miller introduced Albert Gray, CEO of The Children's Center, and commented on the exceptional services they provide.

Mr. Gray reported that the OHCA staff is wonderful to work with. He stated that The Children's Center will get kids off of a ventilator with an average of one year. They discharged 22 kids off of ventilators in the last 24 months, which he contributed to collaboration with OU and The Children's Center. He thanked OHCA for their work.

**ITEM 4 / CHIEF EXECUTIVE OFFICER'S REPORT**

Mike Fogarty, Chief Executive Officer

**4a. MEDICAID DIRECTOR'S UPDATE**

Garth Splinter, State Medicaid Director

Dr. Splinter reviewed the Medicaid Director's Report and noted a small growth at the end of July with a total of 797,753 members enrolled. The dual eligibles continue to grow with a total of just under 108,000 and long-term care total at 15,743 and cost running about \$3,200 a month. The total providers are down about 2,000 because of double counting but we now have a more accurate count for a total of 38,258 enrolled. It has not affected our growth, with a ten percent increase in capacity. He reported that the electronic health records continues to grow with \$1.7 million payment go out for a total of \$82.5 million. He noted the EHR chart that shows a steady growth. For more detailed information, see Item 4a in the board packet.

Connie Steffee and Alison Martinez

Alison and Connie presented motion charts, which is a new way to visualize healthcare data. Ms. Martinez explained in detail how to view and maneuver the charts once the data is entered. She noted that this tool was developed by a small company that got bought by Google. The OHCA does its own processing of the data to get it in a form that can be recognized by this tool. She stated that the Reporting and Statistics division would be responsible for providing these charts. The hope is to get more of the motion charts out there and used.

Mike stated that he, Dr. Splinter, Becky Pasternik-Ikard and Dr. Sylvia Lopez attended the Bi-Regional State Medicaid Director's meeting in Dallas on Tuesday and Wednesday. This meeting is an attempt to get the federal regional and central people together to address unique issues. He noted that ACA and IT Consolidation, among other topics, were discussed.

**ITEM 5 / HIGHLIGHT OF MEDICAID SERVICES OF THE CHILDREN'S CENTER**

David Branson, Reimbursement Manager & Dr. Sylvia Lopez, Chief Medical Officer

Mr. Branson stated that in 1976 The Children's Center became certified by the Health Department as a skilled nursing facility and certified by CMS under our state plan as a skilled pediatric nursing facility, being the only one in the state of Oklahoma. They were paid the same way as nursing homes and Intermediate Care Facilities for the Mentally Retarded (ICFMR's). There was a periodic rate that was established every year after the cost report information. In 1998 the facility added 20 beds, a pediatric minimal rehabilitation unit and they got re-certified as a sub-acute long term care children's hospital. He discussed the rates and reasons, stabilizing their cash flow along with monitoring cost report process.

Dr. Lopez reported that there are two inpatient units and several outpatient clinics. There is one inpatient unit that is a 100 bed long term facility that provides 24 hour nursing care with approximately twenty five percent of the infants are ventilator dependent. Most of the patients come from OU Children's Hospital as well as some other facilities. She noted that the ultimate goal is to get the patients home, so discharge planning begins on the day of admission. Approximately every 90 days, there is a detailed patient evaluation. The other inpatient facility is a 20 bed pediatric rehabilitation unit. Most of the children admitted to the facility are because of a spinal cord injury or a type of traumatic brain injury. Parents are highly encouraged to remain with their children and there is ongoing physical, speech and occupational therapy and educational services are provided on an as needed basis. She stated that there are several outpatient clinics at this facility. She thanked Mr. Gray and The Children's Center for all that they do to make a positive impact on our children's lives.

**ITEM 6 / ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FOR ALL ACTION ITEMS**

Howard Pallotta, General Counsel

Mr. Pallotta stated that there were no conflicts.

**ITEM 7a / CONSIDERATION AND VOTE REGARDING RECOMMENDATIONS MADE BY THE DRUG UTILIZATION REVIEW BOARD**

Nancy Nesser, Pharmacy Director

Consideration and Vote to Add Botulinum Toxin Products to the Utilization and Scope Prior Authorization Program Under OAC 317:30-5-77.2(e).

MOTION:

Member McFall moved for approval of Item 7a as presented. Member Bryant seconded.

FOR THE MOTION:

Member Miller, Member Armstrong, Member Robison, Chairman Roggow, Member McVay

**ITEM 8 / PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE DIRECTOR OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLAHOMA STATUTES §307(B) (1), (4) AND (7)**

Howard Pallotta, General Counsel

Director of Legal Services advised that there was a need for Executive Session for this Board meeting.

Discussion Item – Proposed Executive Session as Recommended by the Director of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B) (1), (4) and (7)

- a) Status of Pending Litigation and Claims
- b) Employment of Public Officers

**MOTION:**

Vice-Chairman Armstrong moved for approval to go into Executive Session. Member Bryant seconded.

**FOR THE MOTION:**

Member McFall, Member Miller, Member Robison, Chairman Roggow, Member McVay

**9 / NEW BUSINESS**

Chairman Roggow announced the retirement of Mike Fogarty as the CEO of the Oklahoma Health Care Authority in March 2013. He noted that Mike has empowered the employees, staff and agency to be creative and to nurture and grow in a positive direction for our state. He said that we appreciate his tireless effort at always looking at how we can improve a system of delivery. Chairman Roggow thanked Mike for his years of service and with that noted that they continue to work with him as we will go through a process to take the next step forward as we attempt to make a smooth transition to take care of the Oklahoma Health Care Authority.

Mike said that the purest form of public service are the seven board members that do what they do out of commitment and love without compensation. Mike thanked everyone and stated that he looks forward to the next six months as we continue to do some great work.

**10 / ADJOURNMENT**

**MOTION:**

Vice Chairman Armstrong moved for adjournment. Member McFall seconded.

**FOR THE MOTION:**

Member Miller, Chairman Roggow, Member McVay, Member Robison, Member Bryant

Meeting adjourned at 2:09 p.m., 9/13/2012

NEXT BOARD MEETING  
October 11, 2012  
Oklahoma Health Care Authority  
Ponca Conference Room  
2401 NW 23<sup>rd</sup>, Suite 1A  
Oklahoma City, OK 73107

*Lindsey Bateman*  
*Board Secretary*

Minutes Approved: \_\_\_\_\_

Initials: \_\_\_\_\_



## FINANCIAL REPORT

For the Two Months Ended August 31, 2012

Submitted to the CEO & Board

October 24, 2012

- Revenues for OHCA through August, accounting for receivables, were **\$704,245,460** or **(1.4%) under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$620,975,044** or **2.4% under** budget.
- The state dollar budget variance through August is **\$4,875,959 positive**.
- The budget variance is primarily attributable to the following (in millions):

<b>Expenditures:</b>	
Medicaid Program Variance	4.9
Administration	1.0
<b>Revenues:</b>	
Taxes and Fees	(.5)
Drug Rebate	(.3)
Overpayments/Settlements	(.2)
<b>Total FY 13 Variance</b>	<b>\$ 4.9</b>

### ATTACHMENTS

Summary of Revenue and Expenditures: OHCA	1
Medicaid Program Expenditures by Source of Funds	2
Other State Agencies Medicaid Payments	3
Fund 205: Supplemental Hospital Offset Payment Program Fund	4
Fund 230: Quality of Care Fund Summary	5
Fund 245: Health Employee and Economy Act Revolving Fund	6
Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund	7

**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures: OHCA**  
Fiscal Year 2013, For the Two Months Ended August 31, 2012

REVENUES	FY13 Budget YTD	FY13 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 193,955,502	\$ 193,955,502	\$ -	0.0%
Federal Funds	313,485,935	305,021,696	(8,464,239)	(2.7)%
Tobacco Tax Collections	10,663,036	10,181,242	(481,794)	(4.5)%
Quality of Care Collections	8,462,482	8,462,482	-	0.0%
Prior Year Carryover	43,075,735	43,075,735	-	0.0%
Federal Deferral - Interest	27,451	27,451	-	0.0%
Drug Rebates	39,452,556	38,661,161	(791,395)	(2.0)%
Medical Refunds	8,071,823	7,479,190	(592,633)	(7.3)%
SHOPP	93,513,235	93,513,235	-	0.0%
Other Revenues	3,838,770	3,867,766	28,996	0.8%
<b>TOTAL REVENUES</b>	<b>\$ 714,546,525</b>	<b>\$ 704,245,460</b>	<b>\$ (10,301,065)</b>	<b>(1.4)%</b>

EXPENDITURES	FY13 Budget YTD	FY13 Actual YTD	Variance	% (Over)/ Under
<b>ADMINISTRATION - OPERATING</b>	<b>\$ 7,761,512</b>	<b>\$ 6,601,209</b>	<b>\$ 1,160,303</b>	<b>14.9%</b>
<b>ADMINISTRATION - CONTRACTS</b>	<b>\$ 20,326,770</b>	<b>\$ 18,618,070</b>	<b>\$ 1,708,700</b>	<b>8.4%</b>
<b>MEDICAID PROGRAMS</b>				
<u>Managed Care:</u>				
SoonerCare Choice	5,811,525	5,749,713	61,812	1.1%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	145,615,830	137,437,839	8,177,991	5.6%
Behavioral Health	3,541,945	3,350,823	191,122	5.4%
Physicians	78,008,600	77,988,764	19,835	0.0%
Dentists	25,424,655	25,600,731	(176,076)	(0.7)%
Other Practitioners	11,426,318	11,232,519	193,799	1.7%
Home Health Care	3,963,007	3,839,247	123,760	3.1%
Lab & Radiology	10,309,615	9,968,742	340,872	3.3%
Medical Supplies	8,347,791	8,439,238	(91,447)	(1.1)%
Ambulatory/Clinics	20,599,949	20,355,294	244,655	1.2%
Prescription Drugs	64,501,955	62,063,033	2,438,922	3.8%
OHCA TFC	539,124	481,677	57,448	0.0%
<u>Other Payments:</u>				
Nursing Facilities	85,043,846	84,691,304	352,542	0.4%
ICF-MR Private	9,893,300	9,929,113	(35,813)	(0.4)%
Medicare Buy-In	21,571,464	21,425,739	145,725	0.7%
Transportation	10,999,466	10,940,720	58,746	0.5%
EHR-Incentive Payments	3,437,298	3,437,298	-	0.0%
Part D Phase-In Contribution	12,978,565	12,863,819	114,746	0.9%
SHOPP payments	85,960,153	85,960,153	-	0.0%
<b>Total OHCA Medical Programs</b>	<b>607,974,404</b>	<b>595,755,765</b>	<b>12,218,639</b>	<b>2.0%</b>
OHCA Non-Title XIX Medical Payments	89,382	-	89,382	0.0%
<b>TOTAL OHCA</b>	<b>\$ 636,152,068</b>	<b>\$ 620,975,044</b>	<b>\$ 15,177,024</b>	<b>2.4%</b>

<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>\$ 78,394,457</b>	<b>\$ 83,270,416</b>	<b>\$ 4,875,959</b>	
---	----------------------	----------------------	---------------------	--

**OKLAHOMA HEALTH CARE AUTHORITY**  
**Total Medicaid Program Expenditures**  
**by Source of State Funds**  
**Fiscal Year 2013, For the Two Months Ended August 31, 2012**

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	Medicaid Program Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 5,822,766	\$ 5,746,309	\$ -	\$ 73,053	\$ -	\$ 3,403	\$ -
Inpatient Acute Care	103,509,858	83,329,715	81,114	1,521,889	8,620,744	279,242	9,677,153
Outpatient Acute Care	46,896,653	44,473,078	6,934	1,769,631	-	647,010	-
Behavioral Health - Inpatient	3,359,043	2,158,063	-	-	-	-	1,200,980
Behavioral Health - Psychiatrist	1,192,760	1,192,760	-	-	-	-	-
Behavioral Health - Outpatient	4,075,565	-	-	-	-	-	4,075,565
Behavioral Health Facility- Rehab	40,426,250	(22,127)	-	114,812	-	22,127	40,311,439
Behavioral Health - Case Management	1,284,319	-	-	-	-	-	1,284,319
Behavioral Health - PRTF	15,934,596	-	-	-	-	-	15,934,596
Residential Behavioral Management	3,613,660	-	-	-	-	-	3,613,660
Targeted Case Management	6,609,410	-	-	-	-	-	6,609,410
Therapeutic Foster Care	481,677	481,677	-	-	-	-	-
Physicians	86,918,732	66,152,835	9,683	2,403,691	10,547,017	1,279,229	6,526,277
Dentists	25,611,237	24,168,651	-	10,505	1,425,777	6,303	-
Mid Level Practitioners	674,537	655,572	-	17,704	-	1,261	-
Other Practitioners	10,606,743	10,330,032	74,394	31,057	169,415	1,845	-
Home Health Care	3,839,247	3,836,851	-	-	-	2,397	-
Lab & Radiology	10,544,048	9,844,955	-	575,305	-	123,787	-
Medical Supplies	8,591,199	8,000,232	430,402	151,961	-	8,603	-
Clinic Services	19,707,881	18,452,333	-	258,287	-	52,089	945,172
Ambulatory Surgery Centers	1,949,709	1,848,291	-	98,837	-	2,580	-
Personal Care Services	2,184,238	-	-	-	-	-	2,184,238
Nursing Facilities	84,691,304	54,311,390	23,403,517	-	6,974,055	2,342	-
Transportation	10,878,961	9,914,623	427,534	-	523,868	12,936	-
GME/IME/DME	34,687,799	-	-	-	-	-	34,687,799
ICF/MR Private	9,929,113	8,196,184	1,594,560	-	138,369	-	-
ICF/MR Public	9,129,723	-	-	-	-	-	9,129,723
CMS Payments	34,289,558	33,838,395	451,162	-	-	-	-
Prescription Drugs	65,466,063	54,184,095	-	3,403,030	7,621,337	257,601	-
Miscellaneous Medical Payments	61,758	61,758	-	-	-	-	-
Home and Community Based Waiver	27,708,136	-	-	-	-	-	27,708,136
Homeward Bound Waiver	14,767,809	-	-	-	-	-	14,767,809
Money Follows the Person	643,892	-	-	-	-	-	643,892
In-Home Support Waiver	3,981,449	-	-	-	-	-	3,981,449
ADvantage Waiver	30,334,117	-	-	-	-	-	30,334,117
Family Planning/Family Planning Waiver	1,562,378	-	-	-	-	-	1,562,378
Premium Assistance*	8,547,962	-	-	8,547,962	-	-	-
EHR Incentive Payments	3,437,298	3,437,298	-	-	-	-	-
SHOPP Payments**	85,960,153	85,960,153	-	-	-	-	-
<b>Total Medicaid Expenditures</b>	<b>\$ 829,911,600</b>	<b>\$ 444,592,972</b>	<b>\$ 26,479,302</b>	<b>\$ 18,977,723</b>	<b>\$ 36,020,583</b>	<b>\$ 2,702,756</b>	<b>\$ 215,178,111</b>

\* Includes \$8,492,758.81 paid out of Fund 245 and \*\*\$85,960,152.56 paid out of Fund 205



**OKLAHOMA HEALTH CARE AUTHORITY**  
**Summary of Revenues & Expenditures:**  
**Other State Agencies**  
**Fiscal Year 2013, For the Two Months Ended August 31, 2012**

<b>REVENUE</b>	<b>FY13 Actual YTD</b>
Revenues from Other State Agencies	\$ 91,389,395
Federal Funds	137,977,420
<b>TOTAL REVENUES</b>	<b>\$ 229,366,815</b>
<b>EXPENDITURES</b>	<b>Actual YTD</b>
<b>Department of Human Services</b>	
Home and Community Based Waiver	\$ 27,708,136
Money Follows the Person	643,892
Homeward Bound Waiver	14,767,809
In-Home Support Waivers	3,981,449
ADvantage Waiver	30,334,117
ICF/MR Public	9,129,723
Personal Care	2,184,238
Residential Behavioral Management	2,693,758
Targeted Case Management	4,508,474
<b>Total Department of Human Services</b>	<b>95,951,595</b>
<b>State Employees Physician Payment</b>	
Physician Payments	6,526,277
<b>Total State Employees Physician Payment</b>	<b>6,526,277</b>
<b>Education Payments</b>	
Graduate Medical Education	-
Graduate Medical Education - PMTC	193,168
Indirect Medical Education	30,449,271
Direct Medical Education	4,045,360
<b>Total Education Payments</b>	<b>34,687,799</b>
<b>Office of Juvenile Affairs</b>	
Targeted Case Management	574,026
Residential Behavioral Management - Foster Care	-
Residential Behavioral Management	919,902
<b>Total Office of Juvenile Affairs</b>	<b>1,493,929</b>
<b>Department of Mental Health</b>	
Case Management	1,284,319
Inpatient Psych FS	1,200,980
Outpatient	4,075,565
PRTF	15,934,596
Rehab	40,311,439
<b>Total Department of Mental Health</b>	<b>62,806,899</b>
<b>State Department of Health</b>	
Children's First	392,528
Sooner Start	348,416
Early Intervention	603,022
EPSDT Clinic	424,144
Family Planning	10,480
Family Planning Waiver	1,544,805
Maternity Clinic	6,199
<b>Total Department of Health</b>	<b>3,329,593</b>
<b>County Health Departments</b>	
EPSDT Clinic	122,301
Family Planning Waiver	7,094
<b>Total County Health Departments</b>	<b>129,395</b>
<b>State Department of Education</b>	
Public Schools	6,200
Medicare DRG Limit	569,271
Native American Tribal Agreements	9,000,000
Department of Corrections	-
JD McCarty	677,153
<b>Total OSA Medicaid Programs</b>	<b>\$ 215,178,111</b>
<b>OSA Non-Medicaid Programs</b>	<b>\$ 12,739,889</b>
<b>Accounts Receivable from OSA</b>	<b>\$ (1,448,815)</b>

**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
**Fund 205: Supplemental Hospital Offset Payment Program Fund**  
**Fiscal Year 2013, For the Two Months Ended August 31, 2012**

<b>REVENUES</b>	<b>FY 13 Revenue</b>	
SHOPP Assessment Fee	\$	38,601,890
Federal Draws		54,911,345
Penalties		-
State Appropriations		(7,500,000)
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>86,013,235</b>

<b>EXPENDITURES</b>	<b>Quarter</b>	<b>FY 13 Expenditures</b>	
	<b>7/1/12 - 9/30/12</b>		
<b>Program Costs:</b>			
Hospital - Inpatient Care	76,857,805	\$	76,857,805
Hospital -Outpatient Care	3,224,900	\$	3,224,900
Psychiatric Facilities-Inpatient	5,660,381	\$	5,660,381
Rehabilitation Facilities-Inpatient	217,066	\$	217,066
<b>Total OHCA Program Costs</b>	<b>85,960,153</b>	<b>\$</b>	<b>85,960,153</b>
<b>Total Expenditures</b>		<b>\$</b>	<b>85,960,153</b>

<b>CASH BALANCE</b>	<b>\$</b>	<b>53,083</b>
---------------------	-----------	---------------

**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
**Fund 230: Nursing Facility Quality of Care Fund**  
**Fiscal Year 2013, For the Two Months Ended August 31, 2012**

REVENUES	Total Revenue	State Share
Quality of Care Assessment	\$ 8,595,248	\$ 8,595,248
Interest Earned	5,235	5,235
<b>TOTAL REVENUES</b>	<b>\$ 8,600,483</b>	<b>\$ 8,600,483</b>

EXPENDITURES	FY 13 Total \$ YTD	FY 13 State \$ YTD	Total State \$ Cost
<b>Program Costs</b>			
NF Rate Adjustment	\$ 22,739,198	\$ 8,192,933	
Eyeglasses and Dentures	49,579	17,863	
Personal Allowance Increase	614,740	221,491	
Coverage for DME and supplies	430,402	155,074	
Coverage of QMB's	172,126	62,017	
Part D Phase-In	451,162	451,162	
ICF/MR Rate Adjustment	770,700	277,683	
Acute/MR Adjustments	823,861	296,837	
NET - Soonerride	427,534	154,041	
<b>Total Program Costs</b>	<b>\$ 26,479,302</b>	<b>\$ 9,829,101</b>	<b>\$ 9,829,101</b>
<b>Administration</b>			
OHCA Administration Costs	\$ 88,223	\$ 44,112	
DHS - 10 Regional Ombudsman	-	-	
OSDH-NF Inspectors	-	-	
Mike Fine, CPA	-	-	
<b>Total Administration Costs</b>	<b>\$ 88,223</b>	<b>\$ 44,112</b>	<b>\$ 44,112</b>
<b>Total Quality of Care Fee Costs</b>	<b>\$ 26,567,525</b>	<b>\$ 9,873,213</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 9,873,213</b>

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are transferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

**OKLAHOMA HEALTH CARE AUTHORITY**  
**SUMMARY OF REVENUES & EXPENDITURES:**  
**Fund 245: Health Employee and Economy Improvement Act Revolving Fund**  
**Fiscal Year 2013, For the Two Months Ended August 31, 2012**

REVENUES	FY 12 Carryover	FY 13 Revenue	Total Revenue
Prior Year Balance	\$ 27,390,790	\$ -	\$ 19,048,779
State Appropriations			
Tobacco Tax Collections	-	8,373,763	8,373,763
Interest Income	-	121,948	121,948
Federal Draws	108,222	5,425,174	5,425,174
All Kids Act	(7,238,067)	44,454	44,454
<b>TOTAL REVENUES</b>	<b>\$ 20,260,945</b>	<b>\$ 13,965,339</b>	<b>\$ 32,969,664</b>

EXPENDITURES	FY 12 Expenditures	FY 13 Expenditures	Total \$ YTD
<b>Program Costs:</b>			
Employer Sponsored Insurance		\$ 8,390,433	\$ 8,390,433
College Students		55,203	55,203
All Kids Act		102,326	102,326
<b>Individual Plan</b>			
SoonerCare Choice		\$ 70,593	\$ 25,435
Inpatient Hospital		1,517,414	546,724
Outpatient Hospital		1,750,902	630,850
BH - Inpatient Services-DRG		-	-
BH -Psychiatrist		-	-
Physicians		2,376,486	856,248
Dentists		6,608	2,381
Mid Level Practitioner		17,422	6,277
Other Practitioners		30,264	10,904
Home Health		-	-
Lab and Radiology		568,992	205,008
Medical Supplies		146,271	52,702
Clinic Services		253,029	91,166
Ambulatory Surgery Center		98,539	35,504
Prescription Drugs		3,348,868	1,206,597
Miscellaneous Medical		-	-
Premiums Collected		-	(405,497)
<b>Total Individual Plan</b>		<b>\$ 10,185,389</b>	<b>\$ 3,264,298</b>
<b>College Students-Service Costs</b>		<b>\$ 108,507</b>	<b>\$ 39,095</b>
<b>All Kids Act- Service Costs</b>		<b>\$ 21,053</b>	<b>\$ 7,585</b>
<b>Total OHCA Program Costs</b>		<b>\$ 18,862,912</b>	<b>\$ 11,858,941</b>
<b>OSA-DMHSAS Rehab</b>		<b>\$ 114,812</b>	<b>\$ -</b>
<b>Total Medicaid Program Costs</b>		<b>\$ 18,977,723</b>	<b>\$ 11,858,941</b>
<b>Administrative Costs</b>			
Salaries	\$ 30,135	\$ 253,348	\$ 283,483
Operating Costs	28,814	42,743	71,557
Health Dept-Postponing	-	-	-
Contract - HP	1,153,217	-	1,153,217
<b>Total Administrative Costs</b>	<b>\$ 1,212,166</b>	<b>\$ 296,091</b>	<b>\$ 1,508,257</b>
<b>Total Expenditures</b>			<b>\$ 13,367,198</b>
<b>NET CASH BALANCE</b>	<b>\$ 19,048,779</b>	<b>\$</b>	<b>19,602,466</b>

**OKLAHOMA HEALTH CARE AUTHORITY  
SUMMARY OF REVENUES & EXPENDITURES:**

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund  
Fiscal Year 2013, For the Two Months Ended August 31, 2012**

<b>REVENUES</b>	<b>FY 13 Revenue</b>	<b>State Share</b>
Tobacco Tax Collections	\$ 167,113	\$ 167,113
<b>TOTAL REVENUES</b>	<b>\$ 167,113</b>	<b>\$ 167,113</b>

<b>EXPENDITURES</b>	<b>FY 13 Total \$ YTD</b>	<b>FY 13 State \$ YTD</b>	<b>Total State \$ Cost</b>
<b>Program Costs</b>			
SoonerCare Choice	\$ 3,403	\$ 858	
Inpatient Hospital	279,242	70,425	
Outpatient Hospital	647,010	163,176	
Inpatient Services-DRG	-	-	
Psychiatrist	0	-	
TFC-OHCA	0	-	
Nursing Facility	2,342	591	
Physicians	1,279,229	322,621	
Dentists	6,303	1,590	
Mid-level Practitioner	1,261	318	
Other Practitioners	1,845	465	
Home Health	2,397	604	
Lab & Radiology	123,787	31,219	
Medical Supplies	8,603	2,170	
Clinic Services	52,089	13,137	
Amulatory Surgery Center	2,580	651	
Prescription Drugs	257,601	64,967	
Transportation	12,936	3,262	
Miscellaneous Medical	0	-	
<b>Total OHCA Program Costs</b>	<b>\$ 2,680,629</b>	<b>\$ 676,055</b>	
<b>OSA-DMHSAS Rehab</b>	<b>\$ 22,127</b>	<b>\$ 5,581</b>	
<b>Total Medicaid Program Costs</b>	<b>\$ 2,702,756</b>	<b>\$ 681,635</b>	
<b>TOTAL STATE SHARE OF COSTS</b>			<b>\$ 681,635</b>

Note: Expenditure amounts are for informational purposes only. Actual payments are made from Fund 340. Revenues deposited into the fund are transferred to Fund 340 to support the costs, not to exceed the calculated state share amount.

# SoonerCare Programs

## August 2012 Data for October 2012 Board Meeting

### SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System	Monthly Enrollment Average SFY2012	Enrollment August 2012	Total Expenditures August 2012	Average Dollars Per Member Per Month August 2012
<b>SoonerCare Choice Patient-Centered Medical Home</b>	468,268	<b>467,096</b>	<b>\$153,590,786</b>	
<i>Lower Cost</i> (Children/Parents/Other)		422,581	\$108,974,160	\$258
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC)		44,515	\$44,616,627	\$1,002
<b>SoonerCare Traditional</b>	241,278	<b>256,970</b>	<b>\$175,029,706</b>	
<i>Lower Cost</i> (Children/Parents/Other)		148,582	\$25,253,320	\$170
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)		108,388	\$149,776,386	\$1,382
<b>SoonerPlan</b>	41,378	<b>45,437</b>	<b>\$1,210,230</b>	\$27
<b>Insure Oklahoma</b>	31,502	<b>29,914</b>	<b>\$10,645,902</b>	
<i>Employer-Sponsored Insurance</i>	17,728	16,589	\$4,920,421	\$297
<i>Individual Plan</i>	13,773	13,325	\$5,725,481	\$430
<b>TOTAL</b>	<b>782,425</b>	<b>799,417</b>	<b>\$340,476,624</b>	

The enrollment totals above include all members enrolled during the report month; therefore, some members may not have expenditure data. Custody expenditures are excluded. Non-member specific expenditures of \$64,969,021 are excluded.

<b>Net Enrollee Count Change from Previous Month Total</b>	<b>1,664</b>
--	--------------

<b>New Enrollees</b>	<b>24,221</b>
----------------------	---------------

### Opportunities for Living Life (OLL) (subset of data above)

Qualifying Group	Age Group	Enrollment
Aged/Blind/Disabled	<i>Child</i>	19,483
Aged/Blind/Disabled	<i>Adult</i>	132,087
Other	<i>Child</i>	190
Other	<i>Adult</i>	20,693
PACE	<i>Adult</i>	109
TEFRA	<i>Child</i>	438
Living Choice	<i>Adult</i>	99
<b>OLL Enrollment</b>		<b>173,099</b>

The "Other" category includes DDS/D State, PKU, Q1, Q2, Refugee, SLMB, Soon-to-be-Sooner (STBS) and TB members.

Medicare and SoonerCare	Monthly Average SFY2012	Enrolled August 2012
<b>Dual Enrollees</b>	<b>107,504</b>	<b>108,252</b>

	Monthly Average SFY2012	Enrolled August 2012
<b>Long-Term Care Members</b>	<b>15,770</b>	<b>15,763</b>
<i>Child</i>	87	74
<i>Adult</i>	15,683	15,689

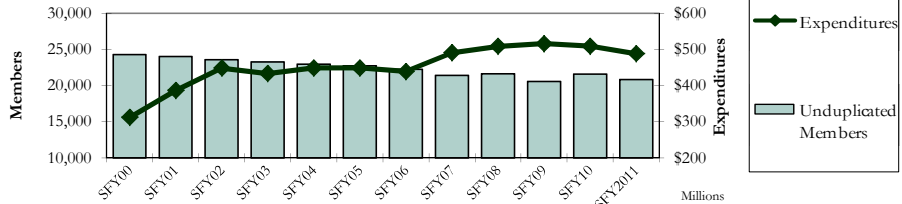
FACILITY PER MEMBER PER MONTH

### SFY2011 Long-Term Care

Statewide LTC Occupancy Rate - 71.0%  
SoonerCare funded LTC Bed Days 68.2%

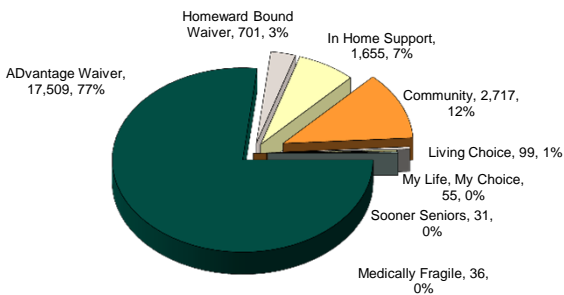
Data as of October 2011

Standard SoonerCare Nursing Facility - Unduplicated Members and Total Expenditure Trends



Data as of Aug. 8, 2011. Figures do not include intermediate care facilities for the intellectually disabled (ICF/ID).

### Waiver Enrollment Breakdown Percent



- Advantage Waiver** - Serves frail elderly individuals age 65 or older and adults age 21 and older with physical disabilities who would otherwise require placement in a nursing facility.
- Community** - serves individuals 3 years of age and older who have intellectual disabilities and certain persons with related conditions who would otherwise require placement in an intermediate care facility for the intellectually disabled (ICF/ID).
- Homeward Bound Waiver** - Designed to serve the needs of individuals with intellectual disabilities or "related conditions" who are also members of the Plaintiff Class in Homeward Bound et al. v. The Hisson Memorial Center, et al, who would otherwise qualify for placement in an ICF/ID.
- In Home Support** - Serves the needs of individuals 3 years of age and older with intellectual disabilities who would otherwise require placement in an ICF/ID.
- Living Choice** - Promotes community living for people of all ages who have disabilities or long-term illnesses.
- Medically Fragile** - This program serves qualifying individuals who meet hospital or skilled nursing facility level of care.
- My Life, My Choice** - This program is for adults with physical disabilities who transitioned to the community under the Living Choice program.
- Sooner Seniors** - This program is for adults 65 and older with long term illnesses who transitioned to community-based services in the Living Choice program.

# SoonerCare Programs

## SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts	Monthly Average SFY2012	Enrolled August 2012*
<b>Total Providers</b>	<b>29,723</b>	<b>38,716</b>
<i>In-State</i>	20,881	28,309
<i>Out-of-State</i>	8,842	10,407

\*Effective July 2012, the methodology for counting providers has changed to count provider network. Previous counts will include group practice and its members; the current count will include members only. Provider Network is providers who are contracted to provide health care services by locations, programs, types, and specialties. Providers are being counted multiple times if they have multiple locations, programs, types,

Program	% of Capacity Used
SoonerCare Choice	42%
SoonerCare Choice I/T/U	14%
Insure Oklahoma IP	3%

Select Provider Type Counts	In-State		Totals	
	Monthly Average SFY2012	Enrolled August 2012*	Monthly Average SFY2012	Enrolled August 2012
Physician	7,497	8,754	13,790	15,508
Pharmacy	874	889	1,153	1,190
Mental Health Provider**	3,395	5,126	3,449	5,192
Dentist	986	1,177	1,124	1,343
Hospital	194	199	934	1,050
Optometrist	550	596	587	632
Extended Care Facility	375	367	375	367

Above counts are for specific provider types and are not all-inclusive.

Total Primary Care Providers	4,915	5,286	6,955	7,307
Patient-Centered Medical Home	1,711	1,939	1,739	1,976

Including Physicians, Physician Assistants and Advance Nurse Practitioners.

\*Items shaded above represent a 10% or more increase (green) or decrease (red) from the previous fiscal year's average.

\*\*Due to federal regulations, OHCA must have an approved agreement on file for all providers providing care to our members. To meet this requirement OHCA is directly contracting with providers that had previously billed through a group or agency. This contributed to the increase in the provider counts for Mental Health Providers.

## ELECTRONIC HEALTH RECORDS (EHR) INCENTIVE STATISTICS

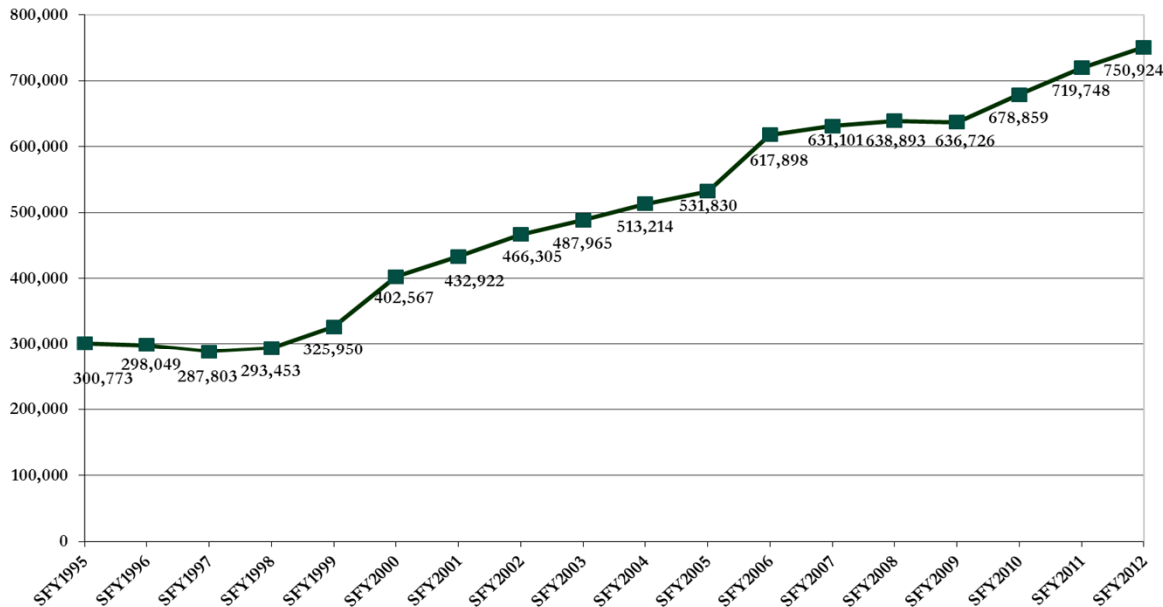
The Electronic Health Records Incentive Program is a federal program that offers major financial support to assist certain providers to adopt (acquire and install), implement (train staff, deploy tools, exchange data), upgrade (expand functionality or interoperability) or meaningfully use certified EHR technology.

As Of 10/4/2012	September 2012		Since Inception	
	Number of Payments	Payment Amount	Total Number of Payments	Total Payment Amount
Eligible Professionals	79	\$1,462,000	1,408	\$30,346,417
Eligible Hospitals	1*	\$626,500	81	\$54,891,968
Totals	80	\$2,088,500	1,489	\$85,238,385

\*Current Eligible Hospitals Paid  
MEMORIAL HOSPITAL

## HISTORIC SOONERCARE ENROLLMENT

Historic Average Monthly SoonerCare Enrollment Per State Fiscal Year



State Fiscal Year (SFY) is July - June. Data prior to SFY2000 is from the OKDHS County Summary Report. During SFY1998 Title 19 expansion and CHIP were implemented. SoonerPlan and Oklahoma Cares enrollment began in the last half of SFY2005. In SFY2006 OHCA implemented 12 month certifications and TEFRA.

Figures do not include Insure Oklahoma enrollees.

# SoonerCare Programs

## September 2012 Data for November 2012 Board Meeting

### SOONERCARE ENROLLMENT/EXPENDITURES

Delivery System	Monthly Enrollment Average SFY2012	Enrollment September 2012	Total Expenditures September 2012	Average Dollars Per Member Per Month September 2012
<b>SoonerCare Choice Patient-Centered Medical Home</b>	468,268	<b>478,690</b>	<b>\$121,739,149</b>	
<i>Lower Cost</i> (Children/Parents/Other)		434,030	\$85,914,205	\$198
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC)		44,660	\$35,824,943	\$802
<b>SoonerCare Traditional</b>	241,278	<b>249,896</b>	<b>\$171,664,723</b>	
<i>Lower Cost</i> (Children/Parents/Other)		141,245	\$45,560,486	\$323
<i>Higher Cost</i> (Aged, Blind or Disabled; TEFRA; BCC & HCBS Waiver)		108,651	\$126,104,237	\$1,161
<b>SoonerPlan</b>	41,378	<b>46,198</b>	<b>\$958,796</b>	\$21
<b>Insure Oklahoma</b>	31,502	<b>30,219</b>	<b>\$9,151,848</b>	
<i>Employer-Sponsored Insurance</i>	17,728	16,525	\$4,158,910	\$252
<i>Individual Plan</i>	13,773	13,694	\$4,992,938	\$365
<b>TOTAL</b>	<b>782,425</b>	<b>805,003</b>	<b>\$303,514,516</b>	

The enrollment totals above include all members enrolled during the report month; therefore, some members may not have expenditure data. Custody expenditures are excluded. Non-member specific expenditures of \$56,227,020 are excluded.

<b>Net Enrollee Count Change from Previous Month Total</b>	<b>5,586</b>
--	--------------

<b>New Enrollees</b>	<b>21,004</b>
----------------------	---------------

### Opportunities for Living Life (OLL) (subset of data above)

Qualifying Group	Age Group	Enrollment
Aged/Blind/Disabled	Child	19,574
Aged/Blind/Disabled	Adult	132,366
Other	Child	176
Other	Adult	20,736
PACE	Adult	110
TEFRA	Child	440
Living Choice	Adult	97
<b>OLL Enrollment</b>		<b>173,499</b>

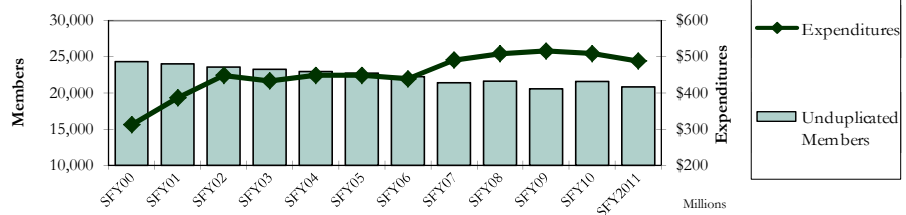
The "Other" category includes DDS/D State, PKU, Q1, Q2, Refugee, S/M/B, Soon-to-be-Sooner (S/TBS) and TB members.

Medicare and SoonerCare	Monthly Average SFY2012	Enrolled September 2012
<b>Dual Enrollees</b>	<b>107,504</b>	<b>108,415</b>

	Monthly Average SFY2012	Enrolled September 2012
<b>Long-Term Care Members</b>	<b>15,770</b>	<b>15,866</b>
Child	87	69
Adult	15,683	15,797

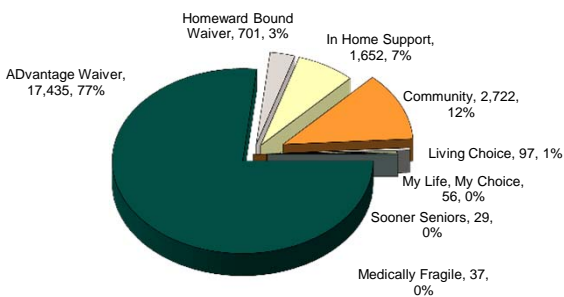
STATEWIDE LTC OCCUPANCY RATE - 71.0%
<b>SoonerCare funded LTC Bed Days 68.2%</b>
Data as of October 2011

Standard SoonerCare Nursing Facility - Unduplicated Members and Total Expenditure Trends



Data as of Aug. 8, 2011. Figures do not include intermediate care facilities for the intellectually disabled (ICF/ID).

### Waiver Enrollment Breakdown Percent



- Advantage Waiver** - Serves frail elderly individuals age 65 or older and adults age 21 and older with physical disabilities who would otherwise require placement in a nursing facility.
- Community** - serves individuals 3 years of age and older who have intellectual disabilities and certain persons with related conditions who would otherwise require placement in an intermediate care facility for the intellectually disabled (ICF/ID).
- Homeward Bound Waiver** - Designed to serve the needs of individuals with intellectual disabilities or "related conditions" who are also members of the Plaintiff Class in Homeward Bound et al. v. The Hissom Memorial Center, et al, who would otherwise qualify for placement in an ICF/ID.
- In Home Support** - Serves the needs of individuals 3 years of age and older with intellectual disabilities who would otherwise require placement in an ICF/ID.
- Living Choice** - Promotes community living for people of all ages who have disabilities or long-term illnesses.
- Medically Fragile** - This program serves qualifying individuals who meet hospital or skilled nursing facility level of care.
- My Life, My Choice** - This program is for adults with physical disabilities who transitioned to the community under the Living Choice program.
- Sooner Seniors** - This program is for adults 65 and older with long term illnesses who transitioned to community-based services in the Living Choice program.



# SoonerCare Programs

## SOONERCARE CONTRACTED PROVIDER INFORMATION

Provider Counts	Monthly Average SFY2012	Enrolled September 2012*
<b>Total Providers</b>	<b>29,723</b>	<b>39,314</b>
<i>In-State</i>	20,881	28,798
<i>Out-of-State</i>	8,842	10,516

\*Effective July 2012, the methodology for counting providers has changed to count provider network. Previous counts will include group practice and its members; the current count will include members only. Provider Network is providers who are contracted to provide health care services by locations, programs, types, and specialties. Providers are being counted multiple times if they have multiple locations, programs, types,

Program	% of Capacity Used
SoonerCare Choice	42%
SoonerCare Choice I/T/U	14%
Insure Oklahoma IP	3%

Select Provider Type Counts	In-State		Totals	
	Monthly Average SFY2012	Enrolled September 2012*	Monthly Average SFY2012	Enrolled September 2012
Physician	7,497	8,818	13,790	15,639
Pharmacy	874	894	1,153	1,197
Mental Health Provider**	3,395	5,373	3,449	5,440
Dentist	986	1,183	1,124	1,351
Hospital	194	200	934	1,068
Optometrist	550	597	587	634
Extended Care Facility	375	365	375	365

Above counts are for specific provider types and are not all-inclusive.

Total Primary Care Providers	4,915	5,321	6,955	7,366
Patient-Centered Medical Home	1,711	1,953	1,739	1,991

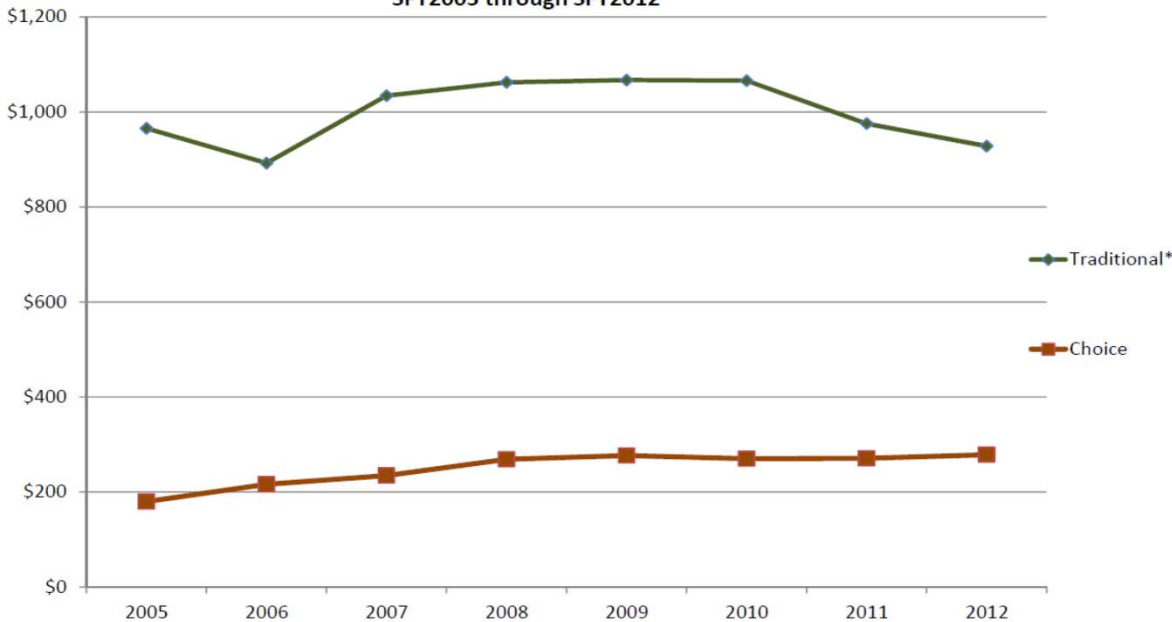
Including Physicians, Physician Assistants and Advance Nurse Practitioners.

\*Items shaded above represent a 10% or more increase (green) or decrease (red) from the previous fiscal year's average.

\*\*Due to federal regulations, OHCA must have an approved agreement on file for all providers providing care to our members. To meet this requirement OHCA is directly contracting with providers that had previously billed through a group or agency. This contributed to the increase in the provider counts for Mental Health Providers.

## SOONERCARE PER MEMBER PER MONTH SFY 2005 - SFY 2012

SoonerCare Per Member Per Month by Benefit Plan  
SFY2005 through SFY2012



Source: Member months from monthly Fast Facts reports. Total expenditures from SFY 2007-SFY2012 OHCA Annual Reports; SFY2005-SFY2006 extracted August 2012.  
\*Traditional includes Home and Community-Based Services waiver and SoonerCare Supplemental. Choice and Traditional include supplemental payments. To maintain comparability SHOPP payments (\$342,365,712) were removed from SFY2012 Traditional.

## ELECTRONIC HEALTH RECORDS (EHR) INCENTIVE STATISTICS

The Electronic Health Records Incentive Program is a federal program that offers major financial support to assist certain providers to adopt (acquire and install), implement (train staff, deploy tools, exchange data), upgrade (expand functionality or interoperability) or meaningfully use certified EHR technology.

As Of 10/24/2012	October 2012		Since Inception	
	Number of Payments	Payment Amount	Total Number of Payments	Total Payment Amount
Eligible Professionals	71	\$1,139,000	1,446	\$31,383,417
Eligible Hospitals	1*	\$300,000	82	\$55,191,968
Totals	72	\$1,439,000	1,528	\$86,575,385

\*Current Eligible Hospitals Paid  
HARMON MEM HSP

Oklahoma Health Care Authority  
Information Technology  
Annual Risk Assessments Review

Board of Directors Briefing  
October 2012

# IT Risk Assessments Project Background

- HP Enterprise Services SSAE 16 Audit
  - Examination of HPES Oklahoma Data Center Supporting the Oklahoma Medicaid Management Information Systems Hosting Infrastructure and Claims processing services.
  - Conducted by Clifton Larson Allen
- OHCA Independent Risk Assessment
  - Examination of OHCA state, standards, HIPAA and HITECH compliance
  - Conducted by True Digital

# IT Annual Risk Assessments

- Based on:
  - OSF (state) requirements
  - ISO/IEC 27001/27002 standards
  - HIPAA/HITECH regulatory requirements
- Reviews all aspects of IS, including relationships with OSF, HP, and other vendors

# Risk Assessment Methodology

- Information Gathering
  - Interviews conducted
  - Documentation reviewed
- Analysis
  - ISO 27002 Capability maturity model
    - Gap analysis with HIPAA/HITECH requirements
  - Technical vulnerability assessment (scanning)
- Reporting
  - Written Reports
  - Briefings

**Procedural Security Defenses**

**Physical Security Defenses**

**Technical Security Defenses**

*Network Security*

Perimeter

Internal Network

*Host Security*

Server Hardening

Host Based Firewall

Virus Protection

Intrusion Detection

Patch Management

*Data Security*

Application and Data

# Key Areas of Assessment

- Information Security Policy
- Organization of Information Security
- Asset Management
- Human Resource Security
- Physical and Environmental Security
- Communications and Operations Management
- Access Control

# Key Areas of Assessment

- Information Systems Acquisition, Development, and Maintenance
- Information Security Incident Management
- Business Continuity Management
- Compliance

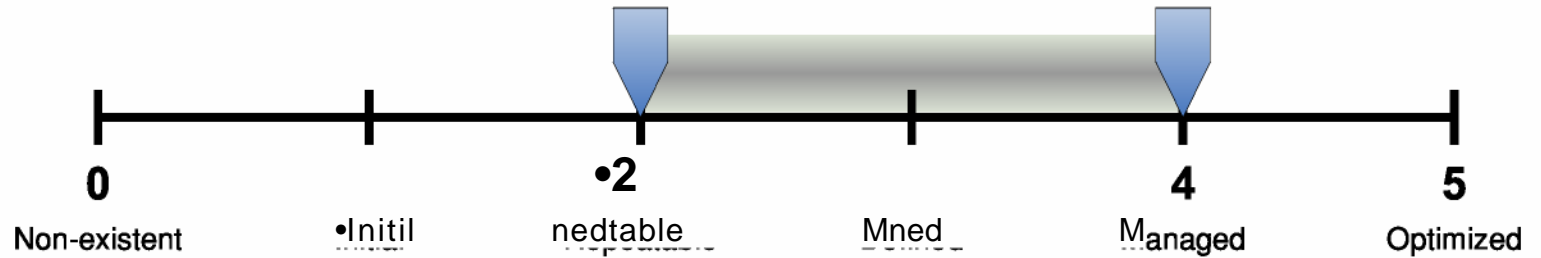


# Capability Maturity Model

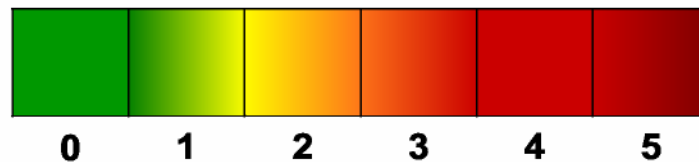
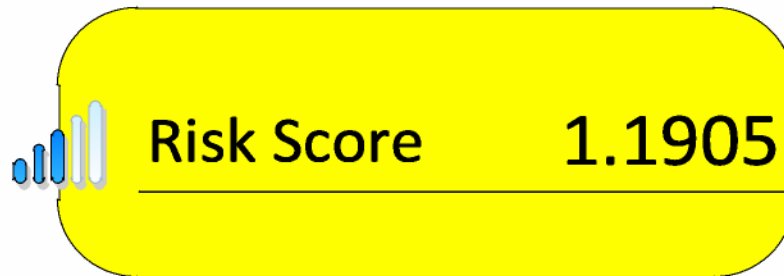
Value	Maturity Level	Definition
0	Non-existent	Complete lack of any recognizable processes. The organization has not even recognized that there is an issue to be addressed.
1	Initial	There is evidence that the organization has recognized that the issues exist and need to be addressed. There are, however, no standardized processes; instead there are ad hoc approaches that tend to be applied on an individual or case-by-case basis. The overall approach to management is disorganized.
2	Repeatable	Processes have developed to the stage where similar procedures are followed by different people undertaking the same task. There is no formal training or communication of standard procedures, and responsibility is left to the individual. There is a high degree of reliance on the knowledge of individuals and, therefore, errors are likely.
3	Defined	Procedures have been standardized and documented, and communicated through training. It is, however, left to the individual to follow these processes, and it is unlikely that deviations will be detected. The procedures themselves are not sophisticated but are the formalization of existing practices. Metrics are not in place to measure gradients of success, but the process is periodically reviewed.
4	Managed	It is possible to monitor and measure compliance with procedures and to take action where processes appear not to be working effectively. Processes are under constant improvement and provide good practice. Automation and tools are used in a limited or fragmented way.
5	Optimized	Processes have been refined to a level of best practice, based on the results of continuous improvement and maturity modeling with other organizations. IT is used in an integrated way to automate the workflow, providing tools to improve quality and effectiveness, making the organization quick to adapt.

# Sample Gap Indicator Quantitative Risk Assessment

- Sample Gap Indicator:



- Sample Risk Score and Priority



# Security Control Area Results

Risk	Control Area	Section	Gap Indicator
 Risk Score <b>3.3359</b>	Technical Vulnerability Management	3.3.3.9	
 Risk Score <b>2.3176</b>	Compliance with Security Policies and Technical Compliance	3.3.1.6.b	
 Risk Score <b>2.2959</b>	Information Classification and Handling	3.3.2.2.b	
 Risk Score <b>2.2959</b>	Mobile Computing and Teleworking	3.3.2.2.e	
 Risk Score <b>2.0849</b>	Cryptographic Controls	3.3.3.8	
 Risk Score <b>1.4239</b>	Correct Processing in Applications	3.3.3.7.b	
 Risk Score <b>1.1905</b>	Inventory	3.3.2.2.a	
 Risk Score <b>1.1905</b>	Environmental Security	3.3.2.2.d	
 Risk Score <b>1.0811</b>	User Access Management	3.3.3.5	

# OHCA Risk Factor: 26.18

- Acceptable as compared with similar organizations
- Opportunities for Improvement

# Opportunities

- **Technical Vulnerabilities Management**
- **Compliance with Security Policies and Technical Compliance**
- **Information Classification and Handling**
- **Mobile Computing and Teleworking**
- **Cryptographic Controls**

# Next Steps

- **IT Organization changes with greater focus on data security and compliance**
- **Risk Assessment Remediation Initiative**

# IT Risk Remediation Activities

Information Security, Assurance, and Compliance							
IT Risk Assessment Report 2012 - Remediation Workplan							
Core Categories							
Control Area	Ref. Compliance Standard	HIPPA References	Weighted Risk	Remediation Plan	Status	Owner	
Recommendation							
Physical Controls							
Secure Areas	ISO 3.3.2.1	§164.308(a)(7)-Contingency Plan §164.310(a)(1)-Facility Access Controls §164.310(a)(2)(ii)-Facility Security Plan §164.310(a)(2)(iii)-Access Control and Validation Procedures §164.310(a)(2)(iv)-Maintenance Records §164.310(c)-Workstation Security §164.310(d)-Device and Media Controls	0.3673				
	Perform a penetration test of physical perimeter.						
	Enhance monitoring of access rights and usage of OHCA space by service providers, including OMES and HP personnel. Miantain visitor logs and periodically review to better manage access to secure areas.						
	Include reminders to look for appropriate visitor badges and escort non-employees in the office space at all times during security training for all personnel; challenge unescorted personnel.						

Questions?



DEVELOPMENTAL DISABILITIES SERVICES DIVISION					
SERVICE DESCRIPTION	CODE	RATE	PROPOSED RATE	INCREASE	% INCREASE
HOMEMAKER	S5130	\$2.25	\$3.14	\$0.89	39.6%
HOMEMAKER - SF	S5130 SE	\$2.25	\$3.14	\$0.89	39.6%
HOMEMAKER RESPITE	S5150	\$2.25	\$3.14	\$0.89	39.6%
HTS - HABILITATION TRAINING SPECIALIST	T2017	\$3.63	\$3.69	\$0.06	1.7%
HTS - HABILITATION TRAINING SPECIALIST - SF	T2017 SE	\$3.63	\$3.69	\$0.06	1.7%
HTS - SELF DIRECTED SERVICE	T2017 U1 TF	\$14.52	\$14.76 **	\$0.24	1.7%
INTENSIVE PERSONAL SUPPORTS	T2017 TF	\$3.63	\$3.69	\$0.06	1.7%
INTENSIVE PERSONAL SUPPORTS - SF	T2017 TF SE	\$3.63	\$3.69	\$0.06	1.7%
DAILY LIVING SUPPORTS	T2033	\$139.91	\$141.83	\$1.92	1.4%
DAILY LIVING SUPPORTS - THER LEAVE	T2033 TV	\$139.91	\$141.83	\$1.92	1.4%
ES - COMMUNITY BASED INDIVIDUAL SERVICES	T2015 U4	\$14.52	\$14.76	\$0.24	1.7%
ES - COMMUNITY BASED INDIVIDUAL SERVICES - SF	T2015 U4 SE	\$14.52	\$14.76	\$0.24	1.7%
ES - CENTER BASED PREVOCATIONAL SVS	T2015 U1	\$4.50	\$4.56	\$0.06	1.3%
ES - CENTER BASED PREVOCATIONAL SVS - SF	T2015 U1 SE	\$4.50	\$4.56	\$0.06	1.3%
ES - COMMUNITY BASED PREVOC SERVICES	T2015 TF	\$9.00	\$9.12	\$0.12	1.3%
ES - COMMUNITY BASED PREVOC SERVICES - SF	T2015 TF SE	\$9.00	\$9.12	\$0.12	1.3%
ES - EMPLOYMENT SPECIALIST	T2019	\$5.46	\$5.53	\$0.07	1.3%
ES - ENHANCED COMMUNITY BASED PREVOC	T2015	\$12.00	\$12.16	\$0.16	1.3%
ES - ENHANCED COMMUNITY BASED PREVOC - SF	T2015 SE	\$12.00	\$12.16	\$0.16	1.3%
ES - ENHANCED JOB COACHING SVS	T2019 TG	\$3.50	\$3.54	\$0.04	1.1%
ES - JOB COACHING INDIVIDUAL SVS	T2019 U4	\$4.00	\$4.05	\$0.05	1.3%
ES - JOB COACHING INDIVIDUAL SVS - SF	T2019 U4 SE	\$4.00	\$4.05	\$0.05	1.3%
ES - JOB COACHING SERVICE	T2019 TF	\$3.00	\$3.04	\$0.04	1.3%
ES - JOB STABILIZATION / EXTENDED SVS	T2019 U1	\$1.25	\$1.26	\$0.01	0.8%
ES - PRE-VOC. HTS - SUPP. SUPPORTS	T2015 TG	\$11.33	\$11.48	\$0.15	1.3%
ES - PRE-VOC. HTS - SUPP. SUPPORTS - SF	T2015 TG SE	\$11.33	\$11.48	\$0.15	1.3%
GROUP HOME ALT. LIVING HOME, 4 BED	T1020	\$265.00	\$268.65 *	\$3.65	1.4%
GROUP HOME, 6 BED	T1020	\$65.75	\$66.65 *	\$0.90	1.4%
GROUP HOME, 7 BED	T1020	\$56.25	\$57.02 *	\$0.77	1.4%
GROUP HOME, 8 BED	T1020	\$49.25	\$49.92 *	\$0.67	1.4%
GROUP HOME, 9 BED	T1020	\$45.00	\$45.61 *	\$0.61	1.4%
GROUP HOME, 10 BED	T1020	\$41.50	\$42.07 *	\$0.57	1.4%
GROUP HOME, 11 BED	T1020	\$38.75	\$39.28 *	\$0.53	1.4%
GROUP HOME, 12 BED	T1020	\$36.50	\$37.00 *	\$0.50	1.4%
GROUP HOME COMM. LIVING HOME, 6 BED	T1020	\$121.50	\$123.17 *	\$1.67	1.4%
GROUP HOME COMM. LIVING HOME, 7 BED	T1020	\$117.75	\$119.37 *	\$1.62	1.4%
GROUP HOME COMM. LIVING HOME, 8 BED	T1020	\$108.00	\$109.48 *	\$1.48	1.4%
GROUP HOME COMM. LIVING HOME, 9 BED	T1020	\$100.50	\$102.00 *	\$1.50	1.5%

DEVELOPMENTAL DISABILITIES SERVICES DIVISION					
SERVICE DESCRIPTION	CODE	RATE	PROPOSED RATE	INCREASE	% INCREASE
GROUP HOME COMM. LIVING HOME, 10 BED	T1020	\$94.50	\$95.80 *	\$1.30	1.4%
GROUP HOME COMM. LIVING HOME, 11 BED	T1020	\$89.50	\$90.73 *	\$1.23	1.4%
GROUP HOME COMM. LIVING HOME, 12 BED	T1020	\$84.50	\$85.66 *	\$1.16	1.4%
RESPIRE IN - GROUP HOME, 6 BED	S5151	\$65.75	\$66.65 *	\$0.90	1.4%
RESPIRE IN - GROUP HOME, 7 BED	S5151	\$56.25	\$57.02 *	\$0.77	1.4%
RESPIRE IN - GROUP HOME, 8 BED	S5151	\$49.25	\$49.92 *	\$0.67	1.4%
RESPIRE IN - GROUP HOME, 9 BED	S5151	\$45.00	\$45.61 *	\$0.61	1.4%
RESPIRE IN - GROUP HOME, 10 BED	S5151	\$41.50	\$42.07 *	\$0.57	1.4%
RESPIRE IN - GROUP HOME, 11 BED	S5151	\$38.75	\$39.28 *	\$0.53	1.4%
RESPIRE IN - GROUP HOME, 12 BED	S5151	\$36.50	\$37.00 *	\$0.50	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 6 BED	S5151	\$121.50	\$123.17 *	\$1.67	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 7 BED	S5151	\$117.75	\$119.37 *	\$1.62	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 8 BED	S5151	\$108.00	\$109.48 *	\$1.48	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 9 BED	S5151	\$100.50	\$102.00 *	\$1.50	1.5%
RESPIRE IN - COMMUNITY LIVING HOME, 10 BED	S5151	\$94.50	\$95.80 *	\$1.30	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 11 BED	S5151	\$89.50	\$90.73 *	\$1.23	1.4%
RESPIRE IN - COMMUNITY LIVING HOME, 12 BED	S5151	\$84.50	\$85.66 *	\$1.16	1.4%

\* Manual priced

\*\* Manual priced not to exceed rate

**Developmental Disabilities Services Division – September 12, 2012**

1. IS THIS A “RATE CHANGE” OR A “METHOD CHANGE”?

Rate Change

IS THIS CHANGE AN INCREASE, DECREASE OR NO IMPACT?

Increase

2. PRESENTATION OF ISSUE – WHY IS CHANGE BEING MADE?

The Developmental Disabilities Services Division (DDSD) has not increased rates since 2009; however, the bulk of the rates have not been increased since 2006. The average Consumer Price Index (CPI) has increased at an annual rate of 2.2% since 2006, and the Federal Minimum Wage Rate has increased 40% during this same period. SB1979 authorized \$1.5 million in appropriated funds for “an increase in reimbursement rates for the Developmental Disabilities Services (DDSD) programs”. The proposed rate increase honors this legislative intent.

3. CURRENT METHODOLOGY AND/OR RATE STRUCTURE

The current rate structure for which an increase is being requested is fixed and uniform, and established through the State Plan Amendment Rate Committee. The current service codes and rates are as follows:

SERVICE DESCRIPTION	CODE	UNIT	RATE	DATE ESTABLISHED
HOMEMAKER	S5130	15 Minutes	\$2.25	7/1/2009
HOMEMAKER – SF	S5130 SE	15 Minutes	\$2.25	7/1/2009
HOMEMAKER RESPITE	S5150	15 Minutes	\$2.25	7/1/2009
HTS - HABILITATION TRAINING SPECIALIST	T2017	15 Minutes	\$3.63	8/16/2006
HTS - HABILITATION TRAINING SPECIALIST - SF	T2017 SE	15 Minutes	\$3.63	8/16/2006
HTS - SELF DIRECTED SERVICE	T2017 U1 TF	15 Minutes	\$14.52	8/16/2006
INTENSIVE PERSONAL SUPPORTS	T2017 TF	15 Minutes	\$3.63	8/16/2006
INTENSIVE PERSONAL SUPPORTS - SF	T2017 TF SE	15 Minutes	\$3.63	8/16/2006
DAILY LIVING SUPPORTS	T2033	1 Day	\$139.91	8/16/2006
DAILY LIVING SUPPORTS - THER LEAVE	T2033 TV	1 Day	\$139.91	8/16/2006
ES - COMMUNITY BASED INDIVIDUAL SERVICES	T2015 U4	1 Hour	\$14.52	11/1/2006
ES - COMMUNITY BASED INDIVIDUAL SERVICES - SF	T2015 U4 SE	1 Hour	\$14.52	11/1/2006
ES - CENTER BASED PREVOCATIONAL SVS	T2015 U1	1 Hour	\$4.50	8/1/2005
ES - CENTER BASED PREVOCATIONAL SVS - SF	T2015 U1 SE	1 Hour	\$4.50	8/1/2005
ES - COMMUNITY BASED PREVOC SERVICES	T2015 TF	1 Hour	\$9.00	1/1/2004
ES - COMMUNITY BASED PREVOC SERVICES - SF	T2015 TF SE	1 Hour	\$9.00	1/1/2004
ES - EMPLOYMENT SPECIALIST	T2019	15 Minutes	\$5.46	1/1/2004
ES - ENHANCED COMMUNITY BASED PREVOC	T2015	1 Hour	\$12.00	1/1/2004
ES - ENHANCED COMMUNITY BASED PREVOC - SF	T2015 SE	1 Hour	\$12.00	1/1/2004
ES - ENHANCED JOB COACHING SVS	T2019 TG	15 Minutes	\$3.50	1/1/2004

**Developmental Disabilities Services Division – September 12, 2012**

<b>SERVICE DESCRIPTION</b>	<b>CODE</b>	<b>UNIT</b>	<b>RATE</b>	<b>DATE ESTABLISHED</b>
ES - JOB COACHING INDIVIDUAL SVS	T2019 U4	15 Minutes	\$4.00	1/1/2006
ES - JOB COACHING INDIVIDUAL SVS - SF	T2019 U4 SE	15 Minutes	\$4.00	1/1/2006
ES - JOB COACHING SERVICE	T2019 TF	15 Minutes	\$3.00	1/1/2004
ES - JOB STABILIZATION / EXTENDED SVS	T2019 U1	15 Minutes	\$1.25	1/1/2004
ES - PRE-VOC. HTS - SUPP. SUPPORTS	T2015 TG	1 Hour	\$11.33	1/1/2004
ES - PRE-VOC. HTS - SUPP. SUPPORTS - SF	T2015 TG SE	1 Hour	\$11.33	1/1/2004
GROUP HOME ALT. LIVING HOME, 4 BED	T1020	1 Day	\$265.00	3/9/2006
GROUP HOME, 6 BED	T1020	1 Day	\$65.75	11/1/2006
GROUP HOME, 7 BED	T1020	1 Day	\$56.25	11/1/2006
GROUP HOME, 8 BED	T1020	1 Day	\$49.25	11/1/2006
GROUP HOME, 9 BED	T1020	1 Day	\$45.00	11/1/2006
GROUP HOME, 10 BED	T1020	1 Day	\$41.50	11/1/2006
GROUP HOME, 11 BED	T1020	1 Day	\$38.75	11/1/2006
GROUP HOME, 12 BED	T1020	1 Day	\$36.50	11/1/2006
GROUP HOME COMM. LIVING HOME, 6 BED	T1020	1 Day	\$121.50	11/1/2006
GROUP HOME COMM. LIVING HOME, 7 BED	T1020	1 Day	\$117.75	1/1/2008
GROUP HOME COMM. LIVING HOME, 8 BED	T1020	1 Day	\$108.00	1/1/2008
GROUP HOME COMM. LIVING HOME, 9 BED	T1020	1 Day	\$100.50	1/1/2008
GROUP HOME COMM. LIVING HOME, 10 BED	T1020	1 Day	\$94.50	1/1/2008
GROUP HOME COMM. LIVING HOME, 11 BED	T1020	1 Day	\$89.50	1/1/2008
GROUP HOME COMM. LIVING HOME, 12 BED	T1020	1 Day	\$84.50	1/1/2008
RESPIRE IN - GROUP HOME, 6 BED	S5151	1 Day	\$65.75	1/1/2008
RESPIRE IN - GROUP HOME, 7 BED	S5151	1 Day	\$56.25	1/1/2008
RESPIRE IN - GROUP HOME, 8 BED	S5151	1 Day	\$49.25	1/1/2008
RESPIRE IN - GROUP HOME, 9 BED	S5151	1 Day	\$45.00	1/1/2008
RESPIRE IN - GROUP HOME, 10 BED	S5151	1 Day	\$41.50	1/1/2008
RESPIRE IN - GROUP HOME, 11 BED	S5151	1 Day	\$38.75	1/1/2008
RESPIRE IN - GROUP HOME, 12 BED	S5151	1 Day	\$36.50	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 6 BED	S5151	1 Day	\$121.50	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 7 BED	S5151	1 Day	\$117.75	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 8 BED	S5151	1 Day	\$108.00	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 9 BED	S5151	1 Day	\$100.50	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 10 BED	S5151	1 Day	\$94.50	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 11 BED	S5151	1 Day	\$89.50	1/1/2008
RESPIRE IN - COMMUNITY LIVING HOME, 12 BED	S5151	1 Day	\$84.50	1/1/2008

**Developmental Disabilities Services Division – September 12, 2012**

4. NEW METHODOLOGY OR RATE

The table below indicates the services and proposed rate increases to implement the legislative intent of SB1979. After reviewing cost indices, the recommended rates were developed by distributing the available funding across the services using the current utilization estimates.

SERVICE DESCRIPTION	CODE	RATE	PROPOSED RATE	INCREASE	% INCREASE
HOMEMAKER	S5130	\$2.25	\$3.14	\$0.89	39.6%
HOMEMAKER - SF	S5130 SE	\$2.25	\$3.14	\$0.89	39.6%
HOMEMAKER RESPITE	S5150	\$2.25	\$3.14	\$0.89	39.6%
HTS - HABILITATION TRAINING SPECIALIST	T2017	\$3.63	\$3.69	\$0.06	1.7%
HTS - HABILITATION TRAINING SPECIALIST - SF	T2017 SE	\$3.63	\$3.69	\$0.06	1.7%
HTS - SELF DIRECTED SERVICE	T2017 U1 TF	\$14.52	\$14.76 **	\$0.24	1.7%
INTENSIVE PERSONAL SUPPORTS	T2017 TF	\$3.63	\$3.69	\$0.06	1.7%
INTENSIVE PERSONAL SUPPORTS - SF	T2017 TF SE	\$3.63	\$3.69	\$0.06	1.7%
DAILY LIVING SUPPORTS	T2033	\$139.91	\$141.83	\$1.92	1.4%
DAILY LIVING SUPPORTS - THER LEAVE	T2033 TV	\$139.91	\$141.83	\$1.92	1.4%
ES - COMMUNITY BASED INDIVIDUAL SERVICES	T2015 U4	\$14.52	\$14.76	\$0.24	1.7%
ES - COMMUNITY BASED INDIVIDUAL SERVICES - SF	T2015 U4 SE	\$14.52	\$14.76	\$0.24	1.7%
ES - CENTER BASED PREVOCATIONAL SVS	T2015 U1	\$4.50	\$4.56	\$0.06	1.3%
ES - CENTER BASED PREVOCATIONAL SVS - SF	T2015 U1 SE	\$4.50	\$4.56	\$0.06	1.3%
ES - COMMUNITY BASED PREVOC SERVICES	T2015 TF	\$9.00	\$9.12	\$0.12	1.3%
ES - COMMUNITY BASED PREVOC SERVICES - SF	T2015 TF SE	\$9.00	\$9.12	\$0.12	1.3%
ES - EMPLOYMENT SPECIALIST	T2019	\$5.46	\$5.53	\$0.07	1.3%
ES - ENHANCED COMMUNITY BASED PREVOC	T2015	\$12.00	\$12.16	\$0.16	1.3%
ES - ENHANCED COMMUNITY BASED PREVOC - SF	T2015 SE	\$12.00	\$12.16	\$0.16	1.3%
ES - ENHANCED JOB COACHING SVS	T2019 TG	\$3.50	\$3.54	\$0.04	1.1%
ES - JOB COACHING INDIVIDUAL SVS	T2019 U4	\$4.00	\$4.05	\$0.05	1.3%
ES - JOB COACHING INDIVIDUAL SVS - SF	T2019 U4 SE	\$4.00	\$4.05	\$0.05	1.3%
ES - JOB COACHING SERVICE	T2019 TF	\$3.00	\$3.04	\$0.04	1.3%
ES - JOB STABILIZATION / EXTENDED SVS	T2019 U1	\$1.25	\$1.26	\$0.01	0.8%
ES - PRE-VOC. HTS - SUPP. SUPPORTS	T2015 TG	\$11.33	\$11.48	\$0.15	1.3%
ES - PRE-VOC. HTS - SUPP. SUPPORTS - SF	T2015 TG SE	\$11.33	\$11.48	\$0.15	1.3%
GROUP HOME ALT. LIVING HOME, 4 BED	T1020	\$265.00	\$268.65 *	\$3.65	1.4%
GROUP HOME, 6 BED	T1020	\$65.75	\$66.65 *	\$0.90	1.4%
GROUP HOME, 7 BED	T1020	\$56.25	\$57.02 *	\$0.77	1.4%
GROUP HOME, 8 BED	T1020	\$49.25	\$49.92 *	\$0.67	1.4%
GROUP HOME, 9 BED	T1020	\$45.00	\$45.61 *	\$0.61	1.4%
GROUP HOME, 10 BED	T1020	\$41.50	\$42.07 *	\$0.57	1.4%
GROUP HOME, 11 BED	T1020	\$38.75	\$39.28 *	\$0.53	1.4%
GROUP HOME, 12 BED	T1020	\$36.50	\$37.00 *	\$0.50	1.4%
GROUP HOME COMM. LIVING HOME, 6 BED	T1020	\$121.50	\$123.17 *	\$1.67	1.4%
GROUP HOME COMM. LIVING HOME, 7 BED	T1020	\$117.75	\$119.37 *	\$1.62	1.4%
GROUP HOME COMM. LIVING HOME, 8 BED	T1020	\$108.00	\$109.48 *	\$1.48	1.4%
GROUP HOME COMM. LIVING HOME, 9 BED	T1020	\$100.50	\$102.00 *	\$1.50	1.5%

**Developmental Disabilities Services Division – September 12, 2012**

SERVICE DESCRIPTION	CODE	RATE	PROPOSED RATE	INCREASE	% INCREASE
GROUP HOME COMM. LIVING HOME, 10 BED	T1020	\$94.50	\$95.80 *	\$1.30	1.4%
GROUP HOME COMM. LIVING HOME, 11 BED	T1020	\$89.50	\$90.73 *	\$1.23	1.4%
GROUP HOME COMM. LIVING HOME, 12 BED	T1020	\$84.50	\$85.66 *	\$1.16	1.4%
RESPITE IN - GROUP HOME, 6 BED	S5151	\$65.75	\$66.65 *	\$0.90	1.4%
RESPITE IN - GROUP HOME, 7 BED	S5151	\$56.25	\$57.02 *	\$0.77	1.4%
RESPITE IN - GROUP HOME, 8 BED	S5151	\$49.25	\$49.92 *	\$0.67	1.4%
RESPITE IN - GROUP HOME, 9 BED	S5151	\$45.00	\$45.61 *	\$0.61	1.4%
RESPITE IN - GROUP HOME, 10 BED	S5151	\$41.50	\$42.07 *	\$0.57	1.4%
RESPITE IN - GROUP HOME, 11 BED	S5151	\$38.75	\$39.28 *	\$0.53	1.4%
RESPITE IN - GROUP HOME, 12 BED	S5151	\$36.50	\$37.00 *	\$0.50	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 6 BED	S5151	\$121.50	\$123.17 *	\$1.67	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 7 BED	S5151	\$117.75	\$119.37 *	\$1.62	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 8 BED	S5151	\$108.00	\$109.48 *	\$1.48	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 9 BED	S5151	\$100.50	\$102.00 *	\$1.50	1.5%
RESPITE IN - COMMUNITY LIVING HOME, 10 BED	S5151	\$94.50	\$95.80 *	\$1.30	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 11 BED	S5151	\$89.50	\$90.73 *	\$1.23	1.4%
RESPITE IN - COMMUNITY LIVING HOME, 12 BED	S5151	\$84.50	\$85.66 *	\$1.16	1.4%

\* Manual priced

\*\* Manual priced not to exceed rate

HTS – Habilitation Training Specialist, Intensive Personal Supports, and Daily Living Supports represent 80% of the costs in the DDS program and the proposed rates maintain the parity between the waiver service programs for HTS and Personal Care. The proposed rates also bring the Homemaker services in line with the Advantage Personal Services Assistance (PSA).

5. BUDGET ESTIMATE

The effective date for the rate increases is November 1, 2012.

The estimated total annualized state share for the proposed rate increase is \$1,376,672 with a total federal plus state annualized cost for the rate increase of \$3,800,198.

6. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.

Under (a)(30)(A) of the Medicaid Act, the agency expects a minimal but increased impact on access for these services.

7. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.

The agency requests the State Plan Amendment Rate Committee to approve the proposed rate increase to be effective November 1, 2012 upon Board approval.

8. EFFECTIVE DATE OF CHANGE.

November 1, 2012 upon Board approval.

<b>OHCA ADVANTAGE WAIVER PROGRAM</b>					
<b>Service</b>	<b>Code</b>	<b>Current Rate</b>	<b>New Rate</b>	<b>Increase</b>	<b>% Increase</b>
Case Management-S	T1016	\$13.50	\$14.25	\$0.75	5.6%
Case Management-VR	T1016-TN	\$18.80	\$20.40	\$1.60	8.5%
Transition CM - S	T1016-U3	\$13.50	\$14.25	\$0.75	5.6%
Transition CM -VR	T1016-TN-U3	\$18.80	\$20.40	\$1.60	8.5%
OHCA Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%
Supportive/Restorative Assistance	T1019-TF	\$3.91	\$3.97	\$0.06	1.5%
In-Home Respite	T1005	\$3.63	\$3.69	\$0.06	1.7%
Personal Services Assistance (PSA)	S5125	\$3.09	\$3.14	\$0.05	1.7%
Advanced PSA	S5125-TF	\$3.71	\$3.77	\$0.06	1.8%
Physical Therapy	G0151	\$13.75	\$20.00	\$6.25	45.5%
Occupational Therapy	G0152	\$13.75	\$20.00	\$6.25	45.5%
Respiratory Therapy	G0237	\$13.75	\$20.00	\$6.25	45.5%
Speech/Language Therapy	G0153	\$13.75	\$20.00	\$6.25	45.5%

**ADvantage Program Rate Brief – September 12, 2012**

1. **IS THIS A "RATE CHANGE" OR A "METHOD CHANGE"?**

Rate Change

1b. **IS THIS CHANGE AN INCREASE, DECREASE OR NO IMPACT?**

Increase

2. **PRESENTATION OF ISSUE- WHY IS CHANGE BEING MADE?**

Most of the ADvantage service rates proposed for increase have not increased since 2003 or 2006 and Therapy service rates have not increased since 1997. The average Consumer Price Index (CPI) has increased at an annual rate of 2.2% since 2006 and the price of gasoline, which is a major cost center for these services, has increased at an annual rate of 4.8% since 2006. The Nursing Facility Medicaid per diem reimbursement, the comparable institutional service option rate, has increased at an annual rate of 3.7% since 2006. SB1979 authorized \$1.5 million in appropriated funds for “an increase in reimbursement rates for the ADvantage waiver program” in FY13. The proposed rate increases honor this legislative intent.

3. **CURRENT METHODOLOGY AND/OR RATE STRUCTURE.**

The current rate structure for services is fixed and uniform rates established through the State Plan Amendment Rate Committee process. The services, current service codes and rates are as follows:

<b>Service</b>	<b>Code</b>	<b>Service Unit</b>	<b>Current Rate</b>	<b>Date Established</b>
Case Management-S	T1016	15 minutes	\$13.50	7/1/2003
Case Management-VR	T1016-TN	15 minutes	\$18.80	7/1/2003
Transition CM - S	T1016-U3	15 minutes	\$13.50	7/1/2003
Transition CM -VR	T1016-TN-U3	15 minutes	\$18.80	7/1/2003
ADvantage Personal Care	T1019	15 minutes	\$3.63	8/16/2006
Supportive/Restorative Assistance	T1019-TF	15 minutes	\$3.91	8/16/2006
In-Home Respite	T1005	15 minutes	\$3.63	8/16/2006
Personal Services Assistance (PSA)	S5125	15 minutes	\$3.09	8/16/2006
Advanced PSA	S5125-TF	15 minutes	\$3.71	8/16/2006
Physical Therapy	G0151	15 minutes	\$13.75	5/1/1997
Occupational Therapy	G0152	15 minutes	\$13.75	5/1/1997
Speech/Language Therapy	G0153	15 minutes	\$13.75	5/1/1997
Assisted Living Low (Tier 1)	T2031	1 Day	\$42.24	4/1/2008
Assisted Living Medium (Tier 2)	T2031-TF	1 Day	\$57.00	\$4/1/2008
Assisted Living High (Tier 3)	T2031-TG	1 Day	\$79.73	4/1/2008
State Plan Personal Care	T1019	15 minutes	\$3.63	8/16/2006

4. **NEW METHODOLOGY OR RATE.**

The table below indicates the services rate increases proposed to carry out the legislative



## ADvantage Program Rate Brief – September 12, 2012

intent of SB1979.

OAC 317:30-5-764 ties many ADvantage service rates to the State Plan Personal Care rate. Those service rates established in policy, in relation to the Personal Care rate, are indicated in gray highlight in the table below. In addition, Aging Services Division and the Developmental Disabilities Services Division have agreed to maintain parity between the waiver service programs in their core in-home service rates for Personal Care and Habilitation Training Services. The agreed upon rate increase for these services is \$0.06 per unit (\$0.24 per hour). The proposed rates were determined by utilization of services, the last time a rate increase was done for that service, and a comparable of rates in other states.

Service	Code	Current Rate	New Rate	Increase	% Increase
Case Management-S	T1016	\$13.50	\$14.25	\$0.75	5.6%
Case Management-VR	T1016-TN	\$18.80	\$20.40	\$1.60	8.5%
Transition CM - S	T1016-U3	\$13.50	\$14.25	\$0.75	5.6%
Transition CM -VR	T1016-TN-U3	\$18.80	\$20.40	\$1.60	8.5%
ADvantage Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%
Supportive/Restorative Assistance	T1019-TF	\$3.91	\$3.97	\$0.06	1.5%
In-Home Respite	T1005	\$3.63	\$3.69	\$0.06	1.7%
Personal Services Assistance (PSA)	S5125	\$3.09	\$3.14	\$0.05	1.7%
Advanced PSA	S5125-TF	\$3.71	\$3.77	\$0.06	1.8%
Physical Therapy	G0151	\$13.75	\$20.00	\$6.25	45.5%
Occupational Therapy	G0152	\$13.75	\$20.00	\$6.25	45.5%
Speech/Language Therapy	G0153	\$13.75	\$20.00	\$6.25	45.5%
Assisted Living Low (Tier 1)	T2031	\$42.24	\$42.94	\$0.70	1.7%
Assisted Living Medium (Tier 2)	T2031-TF	\$57.00	\$57.94	\$0.94	1.6%
Assisted Living High (Tier 3)	T2031-TG	\$79.73	\$81.05	\$1.32	1.7%
State Plan Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%

In addition to Personal Care, Case Management is a core ADvantage service. The proposed rates for these services bring the rates to between 85% and 90% of what the CPI indexed rate would be.

The Therapy rates are equivalent to what a CPI indexed rate would be for this rate set in 1997; however, the proposed rates are only about 50% of the current Oklahoma City Medicare equivalent rates for therapy services.

### 5. BUDGET ESTIMATE.

The effective date for the rate increases is November 1, 2012.

The estimated total FY13 state share for the proposed rate increases is between \$1.4 and \$1.5 million with a total Federal plus State FY13 cost for the service rate increases between

**ADvantage Program Rate Brief – September 12, 2012**

\$3.9 and \$4.2 million.

6. **AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.**

Under (a)(30)(A) of the Medicaid Act, the agency expects a minimal but increased impact on access for these services.

7. **RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The agency requests the State Plan Amendment Rate Committee to approve the proposed rate increases to be effective November 1, 2012 upon Board approval.

8. **EFFECTIVE DATE OF CHANGE.**

November 1, 2012 upon Board approval.

<b>OHCA LIVING CHOICE AND WAIVERS</b>					
<b>Service</b>	<b>Code</b>	<b>Current Rate</b>	<b>New Rate</b>	<b>Increase</b>	<b>% Increase</b>
Case Management-S	T1016	\$13.50	\$14.25	\$0.75	5.6%
Case Management-VR	T1016-TN	\$18.80	\$20.40	\$1.60	8.5%
Transition CM - S	T1016-U3	\$13.50	\$14.25	\$0.75	5.6%
Transition CM -VR	T1016-TN-U3	\$18.80	\$20.40	\$1.60	8.5%
ADvantage Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%
Supportive/Restorative Assistance	T1019-TF	\$3.91	\$3.97	\$0.06	1.5%
In-Home Respite	T1005	\$3.63	\$3.69	\$0.06	1.7%
Personal Services Assistance (PSA)	S5125	\$3.09	\$3.14	\$0.05	1.7%
Advanced PSA	S5125-TF	\$3.71	\$3.77	\$0.06	1.8%
Physical Therapy	G0151	\$13.75	\$20.00	\$6.25	45.5%
Occupational Therapy	G0152	\$13.75	\$20.00	\$6.25	45.5%
Speech/Language Therapy	G0153	\$13.75	\$20.00	\$6.25	45.5%
Assisted Living Low (Tier 1)	T2031	\$42.24	\$42.94	\$0.70	1.7%
Assisted Living Medium (Tier 2)	T2031-TF	\$57.00	\$57.94	\$0.94	1.6%
Assisted Living High (Tier 3)	T2031-TG	\$79.73	\$81.05	\$1.32	1.7%
State Plan Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%

**OHCA Waiver Programs Rate Brief –September 12, 2012**

1. IS THIS A "RATE CHANGE" OR A "METHOD CHANGE"?

Rate Change

1b. IS THIS CHANGE AN INCREASE, DECREASE OR NO IMPACT?

Increase

2. PRESENTATION OF ISSUE- WHY IS CHANGE BEING MADE?

OHCA home and community-based services waivers and the Living Choice demonstration adopted OKDHS reimbursement methodology for services when OHCA programs were implemented. As OKDHS has received funding for specified rate increases, OHCA proposes to do the same in the Medically Fragile, Sooner Seniors and My Life; My Choice waivers and the Living Choice demonstration. Just as OKDHS wishes to maintain parity between its waiver programs with respect to core in-home service rates, OHCA desires to reimburse its home and community-based services providers in an equivalent manner.

3. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.

OHCA adopted OKDHS reimbursement methodology from OKDHS programs when implementing its programs on the dates as listed below:

Living Choice Project	November 2009
Medically Fragile Waiver	August 2010
My Life; My Choice Waiver	November 2010
Sooner Seniors	March 2011

For the current fixed and uniform rates under consideration for increases, the information about the actual rates establishment is detailed in the table below.

<b>Service</b>	<b>Code</b>	<b>Service Unit</b>	<b>Current Rate</b>	<b>Date Established</b>
Case Management-S	T1016	15 minutes	\$13.50	7/1/2003
Case Management-VR	T1016-TN	15 minutes	\$18.80	7/1/2003
Transition CM - S	T1016-U3	15 minutes	\$13.50	7/1/2003
Transition CM -VR	T1016-TN-U3	15 minutes	\$18.80	7/1/2003
ADvantage Personal Care	T1019	15 minutes	\$3.63	8/16/2006
Supportive/Restorative Assistance	T1019-TF	15 minutes	\$3.91	8/16/2006
In-Home Respite	T1005	15 minutes	\$3.63	8/16/2006
Personal Services Assistance (PSA)	S5125	15 minutes	\$3.09	8/16/2006
Advanced PSA	S5125-TF	15 minutes	\$3.71	8/16/2006
Physical Therapy	G0151	15 minutes	\$13.75	5/1/1997
Occupational Therapy	G0152	15 minutes	\$13.75	5/1/1997
Respiratory Therapy	G0237	15 minutes	\$13.75	5/1/1997
Speech/Language Therapy	G0153	15 minutes	\$13.75	5/1/1997

## OHCA Waiver Programs Rate Brief –September 12, 2012

### 4. NEW METHODOLOGY OR RATE.

OHCA proposes the following new rates for the designated services in order to reimburse its home and community-based services providers in an equivalent manner as the OKDHS providers of the same services. Gray highlighting is used to indicate that a service rate is tied to the State Plan Personal Care service rate.

Service	Code	Current Rate	New Rate	Increase	% Increase
Case Management-S	T1016	\$13.50	\$14.25	\$0.75	5.6%
Case Management-VR	T1016-TN	\$18.80	\$20.40	\$1.60	8.5%
Transition CM - S	T1016-U3	\$13.50	\$14.25	\$0.75	5.6%
Transition CM -VR	T1016-TN-U3	\$18.80	\$20.40	\$1.60	8.5%
OHCA Personal Care	T1019	\$3.63	\$3.69	\$0.06	1.7%
Supportive/Restorative Assistance	T1019-TF	\$3.91	\$3.97	\$0.06	1.5%
In-Home Respite	T1005	\$3.63	\$3.69	\$0.06	1.7%
Personal Services Assistance (PSA)	S5125	\$3.09	\$3.14	\$0.05	1.7%
Advanced PSA	S5125-TF	\$3.71	\$3.77	\$0.06	1.8%
Physical Therapy	G0151	\$13.75	\$20.00	\$6.25	45.5%
Occupational Therapy	G0152	\$13.75	\$20.00	\$6.25	45.5%
Respiratory Therapy	G0237	\$13.75	\$20.00	\$6.25	45.5%
Speech/Language Therapy	G0153	\$13.75	\$20.00	\$6.25	45.5%

According to the ADvantage program, the proposed rates for these services will bring the rates to between 85 and 90 percent of what the Consumer Price Index indexed rate would be.

### 5. BUDGET ESTIMATE.

The estimated cost of the rate increases will be a total of \$20,486 for the three waivers and \$50,160 for the Living Choice Demonstration Project, for a total OHCA impact of \$70,646 for all programs. The state share is projected to be \$7,381 for the three waivers and \$9,058 for the Living Choice Demonstration Project, a total State Share impact of \$16,440 for all programs.

### 6. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.

Under (a)(30)(A) of the Medicaid Act, the agency expects a minimal but increased impact on access.

**OHCA Waiver Programs Rate Brief –September 12, 2012**

7. **RATE OR METHOD CHANGE IN THE FORM OF A MOTION.**

The agency requests the State Plan Amendment Rate Committee to approve the proposed rate increases to be effective November 1, 2012, upon Board approval.

8. **EFFECTIVE DATE OF CHANGE.**

November 1, 2012, upon Board approval.

**Item 8. CHAPTER 35. MEDICAL ASSISTANCE FOR ADULTS AND CHILDREN-  
ELIGIBILITY**

Subchapter 5. Eligibility and Countable Income  
Part 5. Countable Income and Resources  
317:35-5-41.6. [AMENDED]  
(Reference APA WF # 12-06)

**FINDING OF EMERGENCY:** The Agency finds that a compelling public interest exists which necessitates promulgation of emergency rules and requests emergency approval of rule revisions to the Agency's eligibility guidelines. In order to protect the public health, safety and welfare, the Agency finds it necessary to amend certain eligibility guidelines for long term care services. Changes in the cost of nursing home care require the Agency to amend eligibility policy in order to maintain access to care for individuals in need of long term care services. The income cap for the Medicaid Income Pension Trust (a.k.a. Miller Trust) in current rules is \$3,000 per month. As of September 1, 2012, the average cost of nursing home care increases to \$4,235 per month (as published in OKDHS Appendix C-1 Schedule VIII.B). Increasing the cap to the cost of care will help to eliminate the gap in coverage for people who have more than \$3,000 in income per month but not enough to afford the full out-of-pocket cost of long term care services. If the rule is not implemented, the health, safety and welfare of Oklahoma residents with income between \$3,001 and \$4,235 who are in need of long term care services will be in jeopardy because they will not have access to medically necessary care.

**ANALYSIS:** SoonerCare financial eligibility rules for Long Term Care services are amended to increase the income cap for the Medicaid Income Pension Trust (or Miller Trust) to the average monthly cost of nursing home care. This change affects financial eligibility rules for all long term care programs, including the 1915(c) waiver programs for Home and Community Based Services.

**BUDGET IMPACT:** Agency staff has determined that the estimated budget impact to the Agency for SFY 2013 is \$6 million total dollars, State share of \$2.15 million; SFY 2014 is \$12 million total dollars, State share of \$4.3 million.

**MEDICAL ADVISORY COMMITTEE:** The Medical Advisory Committee considered the proposed rule revisions on September 20, 2012 and recommended Board approval.

**PROPOSED EFFECTIVE DATE:** Immediately upon Governor's approval.

**AUTHORITY:** The Oklahoma Health Care Authority Board; The Oklahoma Health Care Authority Act, Section 5003 through 5016 of Title 63 of Oklahoma Statutes; Section 1917 of the Social Security Act.

**RESOLUTION:**  
**Resolved, that the Oklahoma Health Care Authority Board does hereby approve the Administrative Rules, subject to the Administrative Procedure Act, as indicated:**

Increase the income cap for the Medicaid Income Pension Trust (or Miller Trust) to the average monthly cost of nursing home care.

**CHAPTER 35. MEDICAL ASSISTANCE FOR ADULTS AND CHILDREN-ELIGIBILITY**  
**SUBCHAPTER 5. ELIGIBILITY AND COUNTABLE INCOME**  
**PART 5. COUNTABLE INCOME AND RESOURCES**

**317:35-5-41.6. Trust accounts**

Monies held in trust for an individual applying for or receiving SoonerCare must have the availability of the funds determined. Funds held in trust are considered available when they are under the direct control of the individual or his/her spouse, and disbursement is at their sole discretion. Funds may also be held in trust and under the control of someone other than the individual or his/her spouse, such as the courts, agencies, other individuals, etc., or the Bureau of Indian Affairs (BIA).

(1) **Availability determinations.** The worker should be able to determine the availability of a trust using the definitions and explanations listed in (2) of this subsection. However, in some cases, the worker may wish to submit a trust to the OKDHS State Office for determination of availability. In these instances, all pertinent data is submitted to Family Support Services Division, Attention: Health Related and Medical Services Section, for a decision.

(2) **Definition of terms.** The following words and terms, when used in this paragraph, have the following meaning, unless the context clearly indicates otherwise:

(A) **Beneficiary.** Beneficiary means the person(s) who is to receive distributions of either income or principal, or on behalf of whom the trustee is to make payments.

(B) **Corpus/principal.** Corpus/principal means the body of the trust or the original asset used to establish the trust, such as a sum of money or real property.

(C) **Discretionary powers.** Discretionary powers means the grantor gives the trustee the power to make an independent determination whether to distribute income and/or principal to the beneficiary(ies) or to retain the income and add it to the principal of the trust.

(D) **Distributions.** Distributions means payments or allocations made from the trust from the principal or from the income produced by the principal (e.g., interest on a bank account).

(E) **Grantor (trustor/settlor).** Grantor (trustor/settlor) means the individual who establishes the trust by transferring certain assets.

(F) **Irrevocable trust.** Irrevocable trust means a trust in which the grantor has expressly not retained the right to terminate or revoke the trust and reclaim the trust principal and income.

(G) **Pour over or open trust.** Pour over or open trust means a trust which may be expanded from time to time by the addition to the trust principal (e.g., a trust established to receive the monthly payment of an annuity, a workers' compensation settlement, a disability benefit or other periodic receivable). The principal may accumulate or grow depending upon whether the trustee distributes the receivable or permits it to accumulate. Generally, the terms of the trust will determine the



availability of the income in the month of receipt and the availability of the principal in subsequent months.

(H) **Primary beneficiary.** Primary beneficiary means the first person or class of persons to receive the benefits of the trust.

(I) **Revocable trust.** Revocable trust means a trust in which the grantor has retained the right to terminate or revoke the trust and reclaim the trust principal and income. Unless a trust is specifically made irrevocable, it is revocable. Even an irrevocable trust is revocable upon the written consent of all living persons with an interest in the trust.

(J) **Secondary beneficiary.** Secondary beneficiary means the person or class of persons who will receive the benefits of the trust after the primary beneficiary has died or is otherwise no longer entitled to benefits.

(K) **Testamentary trust.** Testamentary trust means a trust created by a will and effective upon the death of the individual making the will.

(L) **Trustee.** Trustee means an individual, individuals, a corporation, court, bank or combination thereof with responsibility for carrying out the terms of the trust.

(3) **Documents needed.** To determine the availability of a trust for an individual applying for or receiving SoonerCare, copies of the following documents are obtained:

(A) Trust document;

(B) When applicable, all relevant court documents including the Order establishing the trust, Settlement Agreement, Journal Entry, etc.; and

(C) Documentation reflecting prior disbursements (date, amount, purpose).

(4) **Trust accounts established on or before August 10, 1993.** The rules found in (A) - (C) of this paragraph apply to trust accounts established on or before August 10, 1993.

(A) **Support trust.** The purpose of a support trust is the provision of support or care of a beneficiary. A support trust will generally contain language such as "to provide for the care, support and maintenance of ...", "to provide as necessary for the support of ...", or "as my trustee may deem necessary for the support, maintenance, medical expenses, care, comfort and general welfare." Except as provided in (i)-(iii) of this subparagraph, the amount from a support trust deemed available to the beneficiary is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the beneficiary, assuming the full exercise of discretion by the trustee(s) for distribution of the maximum amount to the beneficiary. The beneficiary of a support trust, under which the distribution of payments to the beneficiary is determined by one or more trustees who are permitted to exercise discretion with respect to distributions, may show that the amounts deemed available are not actually available by:

(i) Commencing proceedings against the trustee(s) in a court of competent jurisdiction;

(ii) Diligently and in good faith asserting in the proceedings that the trustee(s) is required to provide support out of the trust; and

(iii) Showing that the court has made a determination, not reasonably subject to appeal, that the trustee must pay some amount less than the amount deemed available. If the

beneficiary makes the showing, the amount deemed available from the trust is the amount determined by the court. Any action by a beneficiary or the beneficiary's representative, or by the trustee or the trustee's representative, in attempting a showing to make the Agency or the State of Oklahoma a party to the proceeding, or to show to the court that SoonerCare benefits may be available if the court limits the amounts deemed available under the trust, precludes the showing of good faith required.

(B) **Medicaid Qualifying Trust (MQT).** A Medicaid Qualifying Trust is a trust, or similar legal device, established (other than by will) by an individual or an individual's spouse, under which the individual may be the beneficiary of all or part of the distributions from the trust and such distributions are determined by one or more trustees who are permitted to exercise any discretion with respect to distributions to the individual. A trust established by an individual or an individual's spouse includes trusts created or approved by a representative of the individual (parent, guardian or person holding power of attorney) or the court where the property placed in trust is intended to satisfy or settle a claim made by or on behalf of the individual or the individual's spouse. This includes trust accounts or similar devices established for a minor child pursuant to 12 O.S. 83. In addition, a trust established jointly by at least one of the individuals who can establish an MQT and another party or parties (who do not qualify as one of these individuals) is an MQT as long as it meets the other MQT criteria. The amount from an irrevocable MQT deemed available to the individual is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the individual assuming the full exercise of discretion by the trustee(s). The provisions regarding MQT apply even though an MQT is irrevocable or is established for purposes other than enabling an individual to qualify for SoonerCare, and, whether or not discretion is actually exercised.

(i) **Similar legal device.** MQT rules listed in this subsection also apply to "similar legal devices" or arrangements having all the characteristics of an MQT except that there is no actual trust document. An example is the member petitioning the court to irrevocably assign all or part of his/her income to another party (usually the spouse). The determination whether a given document or arrangement constitutes a "similar legal device" should be made by the OKDHS Office of General Counsel, Legal Unit.

(ii) **MQT resource treatment.** For revocable MQTs, the entire principal is an available resource to the member. Resources comprising the principal are subject to the individual resource exclusions (e.g., the home property exclusion) since the member can access those resource items without the intervention of the trustee. For irrevocable MQTs, the countable amount of the principal is the maximum amount the trustee can disburse to (or for the benefit of) the member, using his/her full discretionary powers under the terms of the trust. If the trustee has unrestricted access to the principal and has discretionary power to disburse the entire principal to the member (or to use it for the member's benefit), the entire principal is an available resource to

the member. Resources transferred to such a trust lose individual resource consideration (e.g., home property transferred to such a trust is no longer home property and the home property exclusions do not apply). The value of the property is included in the value of the principal. If the MQT permits a specified amount of trust income to be distributed periodically to the member (or to be used for his/her benefit), but those distributions are not made, the member's countable resources increase cumulatively by the undistributed amount.

(iii) **Income treatment.** Amounts of MQT income distributed to the member are countable income when distributed. Amounts of income distributed to third parties for the member's benefit are countable income when distributed.

(iv) **Transfer of resources.** If the MQT is irrevocable, a transfer of resources has occurred to the extent that the trustee's access to the principal (for purposes of distributing it to the member or using it for the member's benefit) is restricted (e.g., if the trust stipulates that the trustee cannot access the principal but must distribute the income produced by that principal to the member, the principal is not an available resource and has, therefore, been transferred).

(C) **Special needs trusts.** Some trusts may provide that trust benefits are intended only for a beneficiary's "special needs" and require the trustee to take into consideration the availability of public benefits and resources, including SoonerCare benefits. Some trusts may provide that the trust is not to be used to supplant or replace public benefits, including SoonerCare benefits. If a trust contains such terms and is not an MQT, the trust is not an available resource.

(5) **Trust accounts established after August 10, 1993.** The rules found in (A) - (C) of this paragraph apply to trust accounts established after August 10, 1993.

(A) For purposes of this subparagraph, the term "trust" includes any legal document or device that is similar to a trust. An individual is considered to have established a trust if assets of the individual were used to form all or part of the principal of the trust and if the trust was established other than by will and by any of the following individuals:

- (i) the individual;
- (ii) the individual's spouse;
- (iii) a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse; or
- (iv) a person, including a court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse.

(B) Where trust principal includes assets of an individual described in this subparagraph and assets of any other person(s), the provisions of this subparagraph apply to the portion of the trust attributable to the assets of the individual. This subparagraph applies without regard to the purposes for which the trust is established, whether the trustees have or exercise any discretion under the trust, and restrictions on when or whether distributions may be made from the trust, or any restrictions on the use of the distribution

from the trust.

(C) There are two types of trusts, revocable trusts and irrevocable trusts.

(i) In the case of a revocable trust, the principal is considered an available resource to the individual. Home property in a revocable trust under the direct control of the individual, spouse or legal representative retains the exemption as outlined in OAC 317:35-5-41.8(a)(2). Payments from the trust to or for the benefit of the individual are considered income of the individual. Other payments from the trust are considered assets disposed of by the individual for purposes of the transfer of assets rule and are subject to the 60 months look back period.

(ii) In the case of an irrevocable trust, if there are any circumstances under which payments from the trust could be made to or for the benefit of the individual, the portion of the principal of the trust, or the income on the principal, from which payment to the individual could be made is considered available resources. Payments from the principal or income of the trust is considered income of the individual. Payments for any other purpose are considered a transfer of assets by the individual and are subject to the 60 months look back period. Any portion of the trust from which, or any income on the principal from which no payment could under any circumstances be made to the individual is considered as of the date of establishment of the trust (or if later, the date on which payment to the individual was foreclosed) to be assets disposed of by the individual for purposes of the asset transfer rules and are subject to the 60 months look back period.

(6) **Exempt trusts.** Paragraph (5) of this subsection does not apply to the following trusts:

(A) A trust containing the assets of a disabled individual under the age of 65 which was established for the benefit of such individual by the parent, grandparent, legal guardian of the individual or a court if the State receives all amounts remaining in the trust on the death of the individual up to an amount equal to the total medical assistance paid on behalf of the individual. This type of trust requires:

(i) The trust may only contain the assets of the disabled individual.

(ii) The trust must be irrevocable and cannot be amended or dissolved without the written agreement of the Oklahoma Department of Human Services or the Oklahoma Health Care Authority.

(iii) Trust records must be open at all reasonable times to inspection by an authorized representative of the OHCA or OKDHS.

(iv) The exception for the trust continues after the disabled individual reaches age 65. However, any addition or augmentation after age 65 involves assets that were not the assets of an individual under age 65; therefore, those assets are not subject to the exemption.

(v) Establishment of this type of trust does not constitute a transfer of assets for less than fair market value if the transfer is made into a trust established solely for the benefit of a disabled individual under the age of 65.

(vi) Payments from the trust are counted according to SSI rules. According to these rules, countable income is anything the individual receives in cash or in kind that can be used to meet the individual's needs for food, clothing and shelter. Accordingly, any payments made directly to the individual are counted as income to the individual because the payments could be used for food, clothing, or shelter for the individual. This rule applies whether or not the payments are actually used for these purposes, as long as there is no legal impediment which would prevent the individual from using the payments in this way. In addition, any payments made by the trustee to a third party to purchase food, clothing, or shelter for the individual can also count as income to the individual. For example, if the trustee makes a mortgage payment for the individual, that payment is a shelter expense and counts as income.

(vii) A corporate trustee may charge a reasonable fee for services in accordance with its published fee schedule.

(viii) The OKDHS Form 08MA018E, Supplemental Needs Trust, is an example of the trust. Workers may give the sample form to the member or his/her representative to use or for their attorney's use.

(ix) To terminate or dissolve a Supplemental Needs Trust, the worker sends a copy of the trust instrument and a memorandum to OKDHS Family Support Services Division, Attention: Health Related and Medical Services (HR&MS) explaining the reason for the requested termination or dissolution of the Supplemental Needs Trust, and giving the name and address of the trustee. The name and address of the financial institution and current balance are also required. Health Related and Medical Services notifies OHCA/TPL to initiate the recovery process.

(B) A trust (known as the Medicaid Income Pension Trust) established for the benefit of an individual if:

(i) The individual is in need of long-term care and has countable income above the categorically needy standard for long-term care (OKDHS Appendix C-1 Schedule VIII.B) but less than ~~\$3000~~ the average cost of nursing home care per month (OKDHS Appendix C-1 Schedule VIII.B).

(ii) The Trust is composed only of pension, social security, or other income of the individual along with accumulated income in the trust. Resources ~~can not~~ cannot be included in the trust.

(iii) All income is paid into the trust and the applicant is not eligible until the trust is established and the monthly income has been paid into the trust.

(iv) The trust must retain an amount equal to the member's gross monthly income less the current categorically needy standard of OKDHS Appendix C-1. The Trustee distributes the remainder.

(v) The income disbursed from the trust is considered as the monthly income to determine the cost of their care, and can be used in the computations for spousal diversion.

(vi) The trust must be irrevocable and cannot be amended or dissolved without the written agreement of the OHCA. Trust records must be open at all reasonable times to inspection by an authorized representative of the OHCA or OKDHS.

(vii) The State will receive all amounts remaining in the trust up to an amount equal to the total SoonerCare benefits paid on behalf of the individual subsequent to the date of establishment of the trust.

(viii) Accumulated funds in the trust may only be used for medically necessary items not covered by SoonerCare, or other health programs or health insurance and a reasonable cost of administrating the trust. Reimbursements cannot be made for any medical items to be furnished by the nursing facility. Use of the accumulated funds in the trust for any other reason will be considered as a transfer of assets and would be subject to a penalty period.

(ix) The trustee may claim a fee of up to 3% of the funds added to the trust that month as compensation.

(x) An example trust is included on OKDHS Form 08MA011E. Workers may give this to the member or his/her representative to use or for their attorney's use as a guide for the Medicaid Income Pension Trust.

(xi) To terminate or dissolve a Medicaid Income Pension Trust, the worker sends a memorandum with a copy of the trust to OKDHS Family Support Services Division, Attention: HR&MS, explaining the reason and effective date for the requested termination or dissolution of the Medicaid Income Pension Trust, and giving the name and address of the trustee. The name and address of the financial institution, account number, and current balance are also required. Health Related and Medical Services notifies OHCA/TPL to initiate the recovery process.

(C) A trust containing the assets of a disabled individual when all of the following are met:

(i) The trust is established and managed by a non-profit association;

(ii) The trust must be made irrevocable;

(iii) The trust must be approved by the Oklahoma Department of Human Services and may not be amended without the permission of the Oklahoma Department of Human Services;

(iv) The disabled person has no ability to control the spending in the trust;

(v) A separate account is maintained for each beneficiary of the trust but for the purposes of investment and management of funds, the trust pools these accounts;

(vi) The separate account on behalf of the disabled person may not be liquidated without payment to OHCA for the medical expenses incurred by the members;

(vii) Accounts in the trust are established by the parent, grandparent, legal guardian of the individual, the individual, or by a court;

(viii) To the extent that amounts remaining in the beneficiary's account on the death of the beneficiary are not retained by the trust, the trust pays to the State from such remaining amounts an amount equal to the total medical assistance paid on behalf of the individual. A maximum of 30% of the amount remaining in the beneficiary's account at the time of the beneficiary's death may be retained by the trust.

(7) **Funds held in trust by Bureau of Indian Affairs (BIA).** Interests of individual Indians in trust or restricted lands are not

considered in determining eligibility for assistance under the Social Security Act or any other federal or federally assisted program.

(8) **Disbursement of trust.** At any point that disbursement occurs, the amount disbursed is counted as a non-recurring lump sum payment in the month received. Some trusts generate income on a regular basis and the income is sent to the beneficiary. In those instances, the income is treated as unearned income in the month received.

**Submitted to the C.E.O. and Board on November 1, 2012**  
**AUTHORITY FOR EXPENDITURE OF FUNDS**

**RECOVERY AUDIT CONTRACTOR**

**BACKGROUND**

OHCA's Program Integrity & Accountability Unit regularly audits payments to SoonerCare-contracted health care providers to ensure appropriate and correct reimbursement. The Unit also manages OHCA's participation in the Medicare-Medicaid Data Matching Program and the Medicaid Integrity Contractor programs.

New federal regulations require that OHCA augment its existing program integrity efforts by retaining the services of a Recovery Audit Contractor (or RACs). RACs audit claims for health care services, identify overpayments and underpayments, and receive a percentage overpayments collected and underpayments identified. The percentage RACs can charge is limited to the rate allowed by federal rules for Medicare. The regulations also ensure that Medicaid agencies cannot pay out more than they collect.

**SCOPE OF WORK**

The Recovery Audit Contractor will:

- Audit paid claims to identify overpayments and underpayments for OHCA review;
- Recoup approved overpayments from providers when possible;
- Use current OHCA statistical sampling and extrapolation methodologies;
- Limit audits to one per provider per year, unless an exception is approved by OHCA;
- Offer providers a reconsideration process similar to the OHCA process;
- Coordinate and reduce overlap with existing OHCA program integrity programs.

**CONTRACT PERIOD**

February 1, 2013 through June 30, 2013 with annual options to renew through June 30, 2017

**CONTRACT AMOUNT AND PROCUREMENT METHOD**

- Will be awarded through competitive bidding conducted by OHCA
- Federal matching percentage is 50%
- The maximum fee RACs can charge is currently 12%;
- Estimated payments to the RAC, not including overpayments collected, are below:

<b>SFY13</b>	<b>SFY14</b>	<b>SFY15</b>	<b>SFY16</b>	<b>SFY17</b>	<b>Total</b>
\$300,000	\$720,000	\$800,000	\$1,200,000	\$1,200,000	\$4,220,000

**Special Funding Note:** Unlike most other contracts, the funding for this contract will be paid from the proceeds of the collections in the audits. Thus there is no cash outlay required. However, because the agency must budget the item, it is noted here as a cost.

**RECOMMENDATION**

- Board approval to expend funds for a Recovery Audit Contractor



**Recommendation 1: Add Gonadotropin-Releasing Hormone Analogs for Central Precocious Puberty to the Product Based Prior Authorization Program.**

The Drug Utilization Review Board recommends medical and pharmacy prior authorization of select gonadotropin-releasing hormone analogs for central precocious puberty.

**Criteria for Approval**

1. FDA approved indication – central precocious puberty (ICD-9 –CM Diagnosis Code 259.1) confirmed by submitting:
  - Documentation of onset of symptoms at ages less than 8 years of age in females and 9 years of age in males.
  - Documentation that bone age is advanced 1 year beyond the chronological age.
  - Lab assessment:
    - Documentation of abnormal basal gonadotropin levels, OR
    - Documentation of pubertal response to a gonadotropin releasing hormone analog stimulation test.
  
2. Documentation of a failed trial of lower tiered products or FDA approved indication not covered by a lowered tiered product.

Tier 1	Tier 2	Tier 3
<b>Leuprolide (Lupron® Depot, Lupron Depot-Ped)</b>	Histrelin (Supprelin LA®)	Nafarelin (Synarel®)

## **Recommendation 2: Prior Authorize Neupro® (rotigotine transdermal system)**

The Drug Utilization Review Board recommends the prior authorization of Neupro® (rotigotine transdermal system) with the following criteria:

### Parkinson's Disease

1. FDA approved indication for the treatment of signs and symptoms of Parkinson's Disease
2. Must be 18 years old or older
3. Failed treatment, intolerance, or clinically significant reason why member cannot use oral dopamine agonists

### Restless Leg Syndrome

1. FDA approved indication of Restless Leg Syndrome.
2. Must be 18 years or older.
3. Must provide documented treatment attempts at recommended dose with at least two of the following that did not yield adequate relief:
  - a. carbidopa/levodopa
  - b. pramipexole
  - c. ropinirole