

OKLAHOMA HEALTH CARE AUTHORITY
REGULAR SCHEDULED BOARD MEETING
October 11, 2018 at 1:00 P.M.
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
OKC, OK

AGENDA

Items to be presented by Anthony Armstrong, Chairman

1. Call to Order / Determination of Quorum
2. Action Item – Approval of the September 13, 2018 OHCA Board Meeting Minutes

Item to be presented by Becky Pasternik-Ikard, Chief Executive Officer

3. Discussion Item – Chief Executive Officer’s Report
 - a) All-Star Recognition
 - August All-Star – Veronica Giggers, MFP Clinical Nurse - Tywanda Cox
 - b) Financial Update – Aaron Morris, Chief Financial Officer
 - c) Medicaid Director’s Update – Melody Anthony, Deputy State Medicaid Director
 - d) Update on Insulin Coverage and Utilization – Burl Beasley, Assistant Director of Pharmacy
 - e) OHCA Strategy Forums Update – Carrie Evans, Deputy Chief Executive Officer

Item to be presented by Nicole Nantois, Chief of Legal Services

4. Announcements of Conflicts of Interest Panel Recommendations for All Action Items Regarding This Board Meeting.

Item to be presented by Kimberly Wilson, Director of Purchasing and Contracts

5. Action Item – Consideration and Vote of Authority for Expenditure of Fund for:
 - a) Health Management Program (HMP)
 - b) CSG Government Solutions, Inc.

Item to be presented by Tywanda Cox, Chief of Federal and State Policy

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

Action Item (a) Consideration and Vote upon a Declaration of a Compelling Public Interest for the promulgation of ***the Emergency Rule*** in action item six (b) in accordance with 75 Okla. Stat. § 253.

Action Item (b) Consideration and Vote of Agency Recommended Rulemaking Pursuant to Article I of the Administrative Procedures Act. The Agency Requests the Adoption of the Following Emergency Rule:

The following emergency rule HAS NOT previously been approved by the Board.

- A. AMENDING agency rules at OAC 317:30-5-20, 317:30-5-40.1, and 317:30-5-42.10 which will strengthen lab services policy by delineating medical necessity and compensable and non-compensable lab services. Additional revisions will add language to define penalties that can be enforced if a provider does not abide by the rules regarding medical necessity of lab services. Further, revisions will clarify that OHCA does not pay for all lab services listed in the Centers for Medicare & Medicaid Services (CMS) fee schedule but only those that are medically necessary in addition to the four other conditions required for payment.
- Budget Impact: Agency staff has determined that the proposed rule changes will result in a budget savings by decreasing reimbursement of medically unnecessary lab tests. Between 2014 and 2017, despite a decrease in member enrollment of 1.8 percent, there has been a 9.8 percent increase in members receiving lab tests and an increase of approximately \$502,384 in reimbursement for lab testing.**

(Reference APA WF # 18-01)

Item to be presented by Anthony Armstrong, Chairman

7. Discussion Item – Proposed Executive Session as Recommended by the Chief of Legal Services and Authorized by the Open Meetings Act, 25 Oklahoma Statutes § 307(B)(1),(4) and (7).
- Discussion of pending CMS claim
Discussion of pending reimbursement issue
8. New Business
9. ADJOURNMENT

NEXT BOARD MEETING
November 8, 2018
Oklahoma Health Care Authority
Oklahoma City, OK

MINUTES OF A REGULAR BOARD MEETING
OF THE HEALTH CARE AUTHORITY BOARD
September 13, 2018
Oklahoma Health Care Authority Boardroom
Oklahoma City, 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 on September 12, 2018 at 12:45 p.m. Advance public meeting notice was 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 7, 2018 at 10:50 a.m.

Pursuant to a roll call of the members, a quorum was declared to be present, and Vice-Chairman Yaffe called the meeting to order at 1:03 p.m.

BOARD MEMBERS PRESENT: Vice-Chairman Yaffe, Member Bryant, Member Case, Member McVay, Member Nuttle

BOARD MEMBERS ABSENT: Chairman Armstrong, Member Hupfeld

OTHERS PRESENT: OTHERS PRESENT:

Mike Fogarty	Mia Smith, OHCA
Kathleen Kelly, DHS	David Dude, American Cancer Society
Stephanie Mavredes, OHCA	Jennifer Wynn, OHCA
Lindsey Bateman, OHCA	David Ward, OHCA
Tasha Black, OHCA	Kasie Wren, OHCA
Fred Oraene, OHCA	Tony Cothran, CoP
Kelli Brodersen, OHCA	Aaron Morris, OHCA
Tewanna Edwards, OHCA	Jennifer King, OHCA
Peter Onema, OHCA	Fred Mensah, OHCA
Josh Richards, OHCA	Marty Waffard, Chickasaw Nation
Mary S., NACAS	Nicole Collins, OHCA
Amber Smith, SAI	Tyler Telley, eCap
Katelynn Burns, OHCA	Kyle Janzen, OHCA
LeKenya Antwine, OHCA	Bill Garrison, OHCA
Shelly Patterson, OHCA	Will Widman, DXC
Dwynna Vick, OHCA	Jimmy Witcosky, OHCA
Harvey Reynolds, OHCA	Jean Krieske, OHCA

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF BOARD MINUTES OF THE REGULAR SCHEDULED BOARD MEETING HELD August 9, 2018.

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 Case moved for approval of the August 9, 2018 board meeting minutes as published. The motion was seconded by Member Bryant.

FOR THE MOTION: Vice-Chairman Yaffe, Member McVay, Member Nuttle

BOARD MEMBERS ABSENT: Chairman Armstrong, Member Hupfeld

ITEM 3A / 2017 FISCAL YEAR AUDIT FINDINGS

Amber Smith, Audit Manager, State Auditor and Inspection

Ms. Smith presented the 2017 Fiscal Year audit findings. For more detailed information, see item 3a in the board packet.

ITEM 3B / MEDICAID DIRECTOR'S UPDATE

Melody Anthony, Deputy State Medicaid Director

Ms. Anthony provided an update for July 2018 data that included a report on the number of SoonerCare enrollees in different areas of the Medicaid program and total in-state providers. Ms. Anthony also presented charts showing monthly trend for providers, monthly enrollment and a monthly trend in enrollment for Choice, Traditional and Insure Oklahoma and enrollment by state fiscal year. For more detailed information, see Item 3b in the board packet.

ITEM 3C / COMMUNITY ENGAGEMENT UPDATE

MaryAnn Martin, Senior Director of Communications

Ms. Martin gave a Community Engagement update, which included information on the background of the work/community engagement legislation that passed in May 2018, who it will impact, who is exempt, additional proposed exemptions and the timeline. For more detailed information, see item 3c in the board packet.

ITEM 4 / ANNOUNCEMENTS OF CONFLICTS OF INTEREST PANEL RECOMMENDATIONS FOR ALL ACTION ITEMS

Nicole Nantois, Chief of Legal Services

There were no recommendations regarding conflicts.

ITEM 5A-G / CONSIDERATION AND VOTE UPON THE RECOMMENDATIONS OF THE STATE PLAN AMENDMENT RATE COMMITTEE

Carrie Evans, Deputy Chief Executive Officer

- a) Consideration and Vote for a rate change to increase the most current provider rate and reimbursement structures in the SoonerCare program by 3.00%, with some exceptions. Upon passage of Senate Bill 1605, OHCA was mandated to increase most provider rates by 2.00%. However, OHCA is proposing to use program and administrative savings and increased drug rebate collections to increase provider rates by an additional one percent, bringing the rate increase to 3.00%. Per Senate Bill 1605, the proposed rate increases excludes: services financed through appropriations to other state agencies; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS); non-emergency transportation capitation payments; services provided to Insure Oklahoma (IO) members; payments for drug ingredients/physician supplied drugs; Indian Health Services/Tribal/Urban Clinics (I/T/U); Federally Qualified Health Centers (FQHCs); Rural Health Centers (RHCs); and Long-Term Care Facilities, which will be discussed in the next four agenda items. Program for the All-Inclusive Care for the Elderly (PACE) was excluded from the legislatively mandated rate increases, however OHCA will increase these rates as well. The estimated budget impact for the remainder of SFY2019 will be an increase of \$36,338,928 total; of which \$13,670,705 is state share. The estimated budget impact for SFY2020 will be an increase of \$45,451,904 total; of which \$18,689,111 is state share.

MOTION: Member McVay moved for approval of item 5a as published. The motion was seconded by Member Nuttle

FOR THE MOTION: Vice-Chairman Yaffe, Member Bryant, Member Case

BOARD MEMBERS ABSENT: Chairman Armstrong, Member Hupfeld

- b) Consideration and Vote for a rate change to increase the base rate component to \$108.12 for Regular Nursing Facilities and update the pool amount for these facilities in the state plan for the "Other" and "Direct Care" components to \$174,676,429. Upon passage of Senate Bill 1605, OHCA was mandated to increase long-term care facilities rates by 3.00%. However, OHCA is proposing to use program and administrative savings and increased drug rebate collections to increase provider rates by an additional one percent, bringing the rate increase to 4.00%. The 4.00% increase for long-term care facilities is calculated only on the portion of the rate funded by state appropriations, resulting in an increase on the total rate of 3.2% for Regular Nursing Facilities. The estimated budget impact for the remainder of SFY2019 will be an increase in the total amount of \$15,899,520; with \$6,132,445 in state share (\$649,119 of the state share is from the increased QOC fee which is paid by the providers). The estimated budget impact for SFY2020 will be an increase in the total amount of \$21,199,360; with \$8,176,593 in state share (\$1,144,723 of the state share is from the increased QOC fee which is paid by the providers).
- c) Consideration and Vote for a rate change to increase the base rate component to \$207.86 for the Acquired Immune Deficiency Syndrome (AIDS) rate for Nursing Facilities. Upon passage of Senate Bill 1605, OHCA was mandated to increased long-term care facilities rates by 3.00%. However, OHCA is proposing to use program and administrative savings and increased drug rebate collections to increase provider rates by an additional one

percent, bringing the rate increase to 4.00%. The 4.00% increase for long-term care facilities is calculated only on the portion of the rate funded by state appropriations, resulting in an increase on the total rate of 3.2% for nursing facilities serving residents with AIDS. The estimated budget impact for the remainder of SFY2019 will be an increase in the total amount of \$48,377; with \$ \$18,659 in state share (\$1,959 of the state share is from the increased QOC fee which is paid by the providers). The estimated budget impact for SFY2020 will be an increase in the total amount of \$64,503; with \$ \$24,879 in state share (\$3,483 of the state share is from the increased QOC fee which is paid by the providers).

- d) Consideration and Vote for a rate change to increase the base rate component to \$127.49 for the Regular (More than 16 Beds) Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Upon passage of Senate Bill 1605, OHCA was mandated to increase long-term care facilities rates by 3.00%. However, OHCA is proposing to use program and administrative savings and increased drug rebate collections to increase provider rates by an additional one percent, bringing the rate increase to 4.00%. The 4.00% increase for long-term care facilities is calculated only on the portion of the rate funded by state appropriations, resulting in an increase on the total rate of 3.5% for Regular ICF/IID facilities. The estimated budget impact for the remainder of SFY2019 will be an increase in the total of \$657,562; with \$253,622 in state share (\$30,573 of the state share is from the increased QOC fee which is paid by the providers). The estimated budget impact for SFY2020 will be an increase in the total amount of \$876,750; with \$338,162 in state share (\$54,200 of the state share is from the increased QOC fee which is paid by the providers).
- e) Consideration and Vote for a rate change to increase the base rate component to \$163.04 for the Acute (16 Beds or Less) Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Upon passage of Senate Bill 1605, OHCA was mandated to increase long-term care facilities rates by 3.00%. However, OHCA is proposing to use program and administrative savings and increased drug rebate collections to increase provider rates by an additional one percent, bringing the rate increase to 4.00%. The 4.00% increase for long-term care facilities is calculated only on the portion of the rate funded by state appropriations, resulting in an increase on the total rate of 3.5% for Acute ICF/IID facilities. The estimated budget impact for the remainder of SFY2019 will be an increase in the total of \$1,167,196; with \$450,187 in state share (\$53,786 of the state share is from the increased QOC fee which is paid by the providers). The estimated budget impact for SFY2020 will be an increase in the total amount of \$1,556,261; with \$600,250 in state share (\$96,040 of the state share is from the increased QOC fee which is paid by the providers).

MOTION: Member Case moved for approval of item 5b-e as published. The motion was seconded by Member McVay

FOR THE MOTION: Vice-Chairman Yaffe, Member Bryant, Member Nuttle

BOARD MEMBERS ABSENT: Chairman Armstrong, Member Hupfeld

- f) Consideration and Vote for a rate change to increase the Skill Nursing Services rate for State Plan Personal Care Program to \$60.00 per visit. The estimated annual State Plan budget change for State Plan Skilled Nursing is an increase in the amount of \$60,000 total dollars or \$23,142 state share which is paid by the Department of Human Services.

MOTION: Member Nuttle moved for approval of item 5f as published. The motion was seconded by Member Bryant

FOR THE MOTION: Vice-Chairman Yaffe, Member Case, Member McVay

BOARD MEMBERS ABSENT: Chairman Armstrong, Member Hupfeld

- g) Consideration and Vote for a rate change to increase Behavioral Health Licensure Candidates and Licensed Behavioral Health Professionals in Outpatient Behavioral Health Clinics by 3.00%. With this increase, behavioral health clinics would continue to not exceed the upper limit of 71.75% of the 2007 Medicare Physician Fee Schedule. Estimated cost to ODMHSAS for SFY2019 is \$3,826,697 Total; \$1,475,957 State Share

MOTION: Member Case moved for approval of item 5g as published. The motion was seconded by Member McVay

FOR THE MOTION: Vice-Chairman Yaffe, Member Bryant, Member Nuttle

BOARD MEMBERS ABSENT:

Chairman Armstrong, Member Hupfeld

ITEM 6 / PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE CHIEF OF LEGAL SERVICES AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLAHOMA STATUTES §307(B) (4)

Nicole Nantois, Chief of Legal Services

Vice-Chairman Yaffe entertained a motion to go into Executive Session at this time.

MOTION:

Member McVay moved for approval to move into Executive Session. The motion was seconded by Member Bryant

FOR THE MOTION:

Vice-Chairman Yaffe, Member Case, Member Nuttle

BOARD MEMBERS ABSENT:

Chairman Armstrong, Member Hupfeld

ITEM 7 / NEW BUSINESS

There was no new business.

ITEM 8 / ADJOURNMENT

MOTION:

Member McVay moved for approval for adjournment. The motion was seconded by Member Nuttle

FOR THE MOTION:

Vice-Chairman Yaffe, Member Bryant, Member Case

BOARD MEMBERS ABSENT:

Chairman Armstrong, Member Hupfeld

Meeting adjourned at 2:40 p.m., 9/13/2018

NEXT BOARD MEETING
October 11, 2018
Oklahoma Health Care Authority
Oklahoma City, OK

Martina Ordonez
Board Secretary

Minutes Approved: _____

Initials: _____



FINANCIAL REPORT

For the Two Months Ended August 31, 2018
Submitted to the CEO & Board

- Revenues for OHCA through August, accounting for receivables, were **\$736,560,392** or **1.1% under** budget.
- Expenditures for OHCA, accounting for encumbrances, were **\$746,348,358** or **1.3% under** budget.
- The state dollar budget variance through August is a positive **\$1,801,821**.
- The budget variance is primarily attributable to the following (in millions):

Expenditures:	
Medicaid Program Variance	2.8
Administration	.5
Revenues:	
Drug Rebate	(.8)
Medical Refunds	(.3)
Taxes and Fees	(.4)
Total FY 18 Variance	\$ 1.8

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
SFY 2019, For the Two Month Period Ending August 31, 2018

REVENUES	FY19 Budget YTD	FY19 Actual YTD	Variance	% Over/ (Under)
State Appropriations	\$ 192,306,976	\$ 192,306,976	\$ -	0.0%
State Appropriations - GME Appropriated Funds	\$ 18,340,720	\$ 18,340,720	\$ -	0.0%
Federal Funds	421,238,175	416,135,143	(5,103,031)	(1.2)%
Tobacco Tax Collections	8,375,298	8,050,759	(324,539)	(3.9)%
Quality of Care Collections	13,185,182	12,921,568	(263,614)	(2.0)%
Prior Year Carryover	3,000,000	3,000,000	-	0.0%
Federal Deferral - Interest	32,232	32,232	-	0.0%
Drug Rebates	26,919,365	25,077,440	(1,841,925)	(6.8)%
Medical Refunds	6,550,166	5,917,832	(632,335)	(9.7)%
Supplemental Hospital Offset Payment Program	54,537,243	54,537,243	-	0.0%
Other Revenues	83,304	240,478	157,174	188.7%
TOTAL REVENUES	\$ 744,568,662	\$ 736,560,392	\$ (8,008,270)	(1.1)%

EXPENDITURES	FY19 Budget YTD	FY19 Actual YTD	Variance	% (Over)/ Under
ADMINISTRATION - OPERATING	\$ 9,700,587	\$ 7,970,874	\$ 1,729,712	17.8%
ADMINISTRATION - CONTRACTS	\$ 16,768,059	\$ 16,696,281	\$ 71,778	0.4%
MEDICAID PROGRAMS				
<u>Managed Care:</u>				
SoonerCare Choice	6,657,484	6,603,618	53,866	0.8%
<u>Acute Fee for Service Payments:</u>				
Hospital Services	154,108,492	152,786,469	1,322,023	0.9%
Behavioral Health	3,320,864	3,455,396	(134,532)	(4.1)%
Physicians	69,734,766	65,945,857	3,788,909	5.4%
Dentists	22,384,498	23,048,012	(663,514)	(3.0)%
Other Practitioners	9,327,247	9,426,828	(99,581)	(1.1)%
Home Health Care	3,648,096	3,882,692	(234,596)	(6.4)%
Lab & Radiology	4,615,248	4,367,976	247,272	5.4%
Medical Supplies	9,049,422	8,329,932	719,490	8.0%
Ambulatory/Clinics	39,736,334	37,811,533	1,924,801	4.8%
Prescription Drugs	106,557,285	103,547,279	3,010,006	2.8%
OHCA Therapeutic Foster Care	28,805	527	28,278	0.0%
<u>Other Payments:</u>				
Nursing Facilities	93,655,059	95,550,649	(1,895,590)	(2.0)%
Intermediate Care Facilities for Individuals with Intellectual Disabilities Private	10,520,433	10,653,706	(133,273)	(1.3)%
Medicare Buy-In	28,991,988	28,823,906	168,082	0.6%
Transportation	11,942,156	12,224,512	(282,356)	(2.4)%
Money Follows the Person-OHCA	60,057	74,829	(14,772)	0.0%
Electronic Health Records-Incentive Payments	1,698,000	1,698,000	-	0.0%
Part D Phase-In Contribution	18,987,417	18,905,347	82,070	0.4%
Supplemental Hospital Offset Payment Program	114,411,560	114,411,560	-	0.0%
Telligen	1,824,490	1,789,898	34,592	1.9%
Total OHCA Medical Programs	711,259,701	703,338,528	7,921,174	1.1%
OHCA Non-Title XIX Medical Payments	89,382	1,955	87,427	0.0%
OHCA Non-Title XIX - GME	18,340,720	18,340,720	-	0.0%
TOTAL OHCA	\$ 756,158,449	\$ 746,348,358	\$ 9,810,091	1.3%

REVENUES OVER/(UNDER) EXPENDITURES	\$ (11,589,787)	\$ (9,787,966)	\$ 1,801,821	
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OKLAHOMA HEALTH CARE AUTHORITY
Total Medicaid Program Expenditures
by Source of State Funds
SFY 2019, For the Two Month Period Ending August 31, 2018

Category of Service	Total	Health Care Authority	Quality of Care Fund	HEEIA	SHOPP Fund	BCC Revolving Fund	Other State Agencies
SoonerCare Choice	\$ 6,618,753	\$ 6,602,102	\$ -	\$ 15,135	\$ -	\$ 1,516	\$ -
Inpatient Acute Care	243,552,723	96,874,930	81,114	662,186	84,992,478	80,183	60,861,832
Outpatient Acute Care	82,334,765	54,941,436	6,934	934,586	25,649,937	801,872	-
Behavioral Health - Inpatient	10,627,173	2,108,811	-	70,117	3,352,856	-	5,095,389
Behavioral Health - Psychiatrist	1,762,875	1,346,585	-	-	416,290	-	-
Behavioral Health - Outpatient	2,635,298	-	-	-	-	-	2,635,298
Behavioral Health-Health Home	7,650,574	-	-	-	-	-	7,650,574
Behavioral Health Facility- Rehab	30,900,367	-	-	-	-	13,244	30,900,367
Behavioral Health - Case Management	441,610	-	-	-	-	-	441,610
Behavioral Health - PRTF	11,336,344	-	-	-	-	-	11,336,344
Behavioral Health - CCBHC	6,306,891	-	-	-	-	-	6,306,891
Residential Behavioral Management	1,732,196	-	-	-	-	-	1,732,196
Targeted Case Management	9,864,194	-	-	-	-	-	9,864,194
Therapeutic Foster Care	527	527	-	-	-	-	-
Physicians	78,034,409	64,822,218	9,683	974,894	-	1,113,956	11,113,658
Dentists	23,053,518	23,045,953	-	5,506	-	2,060	-
Mid Level Practitioners	345,646	343,613	-	1,982	-	51	-
Other Practitioners	9,162,709	8,993,547	74,394	79,544	-	15,223	-
Home Health Care	3,886,371	3,881,664	-	3,679	-	1,029	-
Lab & Radiology	4,496,973	4,337,768	-	128,997	-	30,209	-
Medical Supplies	8,375,135	7,874,789	451,922	45,203	-	3,221	-
Clinic Services	37,860,229	36,703,955	-	278,822	-	52,029	825,423
Ambulatory Surgery Centers	1,091,575	1,054,949	-	36,027	-	599	-
Personal Care Services	1,780,440	-	-	-	-	-	1,780,440
Nursing Facilities	95,550,649	58,030,410	37,520,238	-	-	-	-
Transportation	12,216,060	11,759,637	417,744	12,526	-	26,153	-
IME/DME	17,482,786	-	-	-	-	-	17,482,786
ICF/IID Private	10,653,706	8,708,345	1,945,360	-	-	-	-
ICF/IID Public	1,700,306	-	-	-	-	-	1,700,306
CMS Payments	47,729,253	47,652,774	76,479	-	-	-	-
Prescription Drugs	105,599,142	103,129,400	-	2,051,863	-	417,879	-
Miscellaneous Medical Payments	20,978	20,785	-	-	-	193	-
Home and Community Based Waiver	33,566,587	-	-	-	-	-	33,566,587
Homeward Bound Waiver	13,150,023	-	-	-	-	-	13,150,023
Money Follows the Person	74,829	74,829	-	-	-	-	-
In-Home Support Waiver	4,023,868	-	-	-	-	-	4,023,868
ADvantage Waiver	26,059,014	-	-	-	-	-	26,059,014
Family Planning/Family Planning Waiver	753,914	-	-	-	-	-	753,914
Premium Assistance*	9,867,750	-	-	9,867,750.12	-	-	-
Telligen	1,789,898	1,789,898	-	-	-	-	-
Electronic Health Records Incentive Payments	1,698,000	1,698,000	-	-	-	-	-
Total Medicaid Expenditures	\$ 965,788,058	\$ 545,796,924	\$ 40,583,870	\$ 15,168,816	\$ 114,411,560	\$ 2,559,418	\$ 247,280,714

* Includes \$9,785,990.64 paid out of Fund 245

OKLAHOMA HEALTH CARE AUTHORITY
Summary of Revenues & Expenditures:
Other State Agencies
SFY 2019, For the Two Month Period Ending August 31, 2018

REVENUE	FY19
	Actual YTD
Revenues from Other State Agencies	\$ 110,588,068
Federal Funds	148,877,884
TOTAL REVENUES	\$ 259,465,952
EXPENDITURES	Actual YTD
Department of Human Services	
Home and Community Based Waiver	\$ 33,566,587
Money Follows the Person	-
Homeward Bound Waiver	13,150,023
In-Home Support Waivers	4,023,868
ADvantage Waiver	26,059,014
Intermediate Care Facilities for Individuals with Intellectual Disabilities Public	1,700,306
Personal Care	1,780,440
Residential Behavioral Management	1,051,927
Targeted Case Management	8,617,769
Total Department of Human Services	89,949,933
State Employees Physician Payment	
Physician Payments	11,113,658
Total State Employees Physician Payment	11,113,658
Education Payments	
Indirect Medical Education	17,482,786
Direct Medical Education	-
Total Education Payments	17,482,786
Office of Juvenile Affairs	
Targeted Case Management	336,984
Residential Behavioral Management	680,269
Total Office of Juvenile Affairs	1,017,253
Department of Mental Health	
Case Management	441,610
Inpatient Psychiatric Free-standing	5,095,389
Outpatient	2,635,298
Health Homes	7,650,574
Psychiatric Residential Treatment Facility	11,336,344
Certified Community Behavioral Health Clinics	6,306,891
Rehabilitation Centers	30,900,367
Total Department of Mental Health	64,366,473
State Department of Health	
Children's First	108,894
Sooner Start	364,926
Early Intervention	722,984
Early and Periodic Screening, Diagnosis, and Treatment Clinic	355,555
Family Planning	61,469
Family Planning Waiver	687,701
Maternity Clinic	709
Total Department of Health	2,302,240
County Health Departments	
EPSDT Clinic	104,232
Family Planning Waiver	4,744
Total County Health Departments	108,977
State Department of Education	74,348
Public Schools	3,214
Medicare DRG Limit	60,000,000
Native American Tribal Agreements	-
Department of Corrections	-
JD McCarty	861,832
Total OSA Medicaid Programs	\$ 247,280,714
OSA Non-Medicaid Programs	\$ 12,157,780
Accounts Receivable from OSA	\$ (27,458)

OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 205: Supplemental Hospital Offset Payment Program Fund
SFY 2019, For the Two Month Period Ending August 31, 2018

REVENUES	FY 19 Revenue
SHOPP Assessment Fee	54,495,885
Federal Draws	\$ 67,010,851
Interest	39,075
Penalties	2,283
State Appropriations	(7,550,000)
TOTAL REVENUES	\$ 113,998,094

EXPENDITURES	Quarter	Quarter	Quarter	Quarter	FY 19 Expenditures
	7/1/18 - 9/30/18	10/1/18 - 12/31/18	1/1/19 - 3/31/19	4/1/19 - 6/30/19	
Program Costs:	7/1/18 - 9/30/18	10/1/18 - 12/31/18	1/1/19 - 3/31/19	4/1/19 - 6/30/19	
Hospital - Inpatient Care	84,992,478				\$ 84,992,478
Hospital -Outpatient Care	25,649,937				25,649,937
Psychiatric Facilities-Inpatient	3,352,856				3,352,856
Rehabilitation Facilities-Inpatient	416,290				416,290
Total OHCA Program Costs	114,411,560	-	-	-	\$ 114,411,560

Total Expenditures	\$ 114,411,560
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CASH BALANCE	\$ (413,466)
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a
OKLAHOMA HEALTH CARE AUTHORITY
SUMMARY OF REVENUES & EXPENDITURES:
Fund 230: Nursing Facility Quality of Care Fund
SFY 2019, For the Two Month Period Ending August 31, 2018

REVENUES	Total Revenue	State Share
Quality of Care Assessment	\$ 12,915,019	\$ 12,915,019
Interest Earned	6,549	6,549
TOTAL REVENUES	\$ 12,921,568	\$ 12,921,568

EXPENDITURES	FY 19 Total \$ YTD	FY 19 State \$ YTD	Total State \$ Cost
Program Costs			
Nursing Facility Rate Adjustment	\$ 36,911,058	\$ 15,292,251	
Eyeglasses and Dentures	46,660	19,331	
Personal Allowance Increase	562,520	233,052	
Coverage for Durable Medical Equipment and Supplies	451,922	187,231	
Coverage of Qualified Medicare Beneficiary	172,126	71,312	
Part D Phase-In	76,479	76,479	
ICF/IID Rate Adjustment	903,484	374,314	
Acute Services ICF/IID	1,041,876	431,649	
Non-emergency Transportation - Soonerride	417,744	173,071	
Total Program Costs	\$ 40,583,870	\$ 16,858,691	\$ 16,858,691
Administration			
OHCA Administration Costs	\$ 86,440	\$ 43,220	
DHS-Ombudsmen	-	-	
OSDH-Nursing Facility Inspectors	-	-	
Mike Fine, CPA	-	-	
Total Administration Costs	\$ 86,440	\$ 43,220	\$ 43,220
Total Quality of Care Fee Costs	\$ 40,670,310	\$ 16,901,911	
TOTAL STATE SHARE OF COSTS			\$ 16,901,911

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
SFY 2019, For the Two Month Period Ending August 31, 2018

REVENUES	FY 18 Carryover	FY 19 Revenue	Total Revenue
Prior Year Balance	\$ 12,902,064	\$ -	\$ 9,993,886
State Appropriations	(3,000,000)	-	-
Tobacco Tax Collections	-	6,621,408	6,621,408
Interest Income	-	46,475	46,475
Federal Draws	204,074	5,821,787	5,821,787
TOTAL REVENUES	\$ 10,106,138	\$ 12,489,670	\$ 22,483,557

EXPENDITURES	FY 18 Expenditures	FY 19 Expenditures	Total \$ YTD
Program Costs:			
Employer Sponsored Insurance		\$ 9,785,991	\$ 9,785,991
College Students/ESI Dental		81,759	33,873
Individual Plan			
SoonerCare Choice		\$ 14,715	\$ 6,096
Inpatient Hospital		659,834	273,369
Outpatient Hospital		907,146	375,830
BH - Inpatient Services-DRG		65,652	27,200
BH -Psychiatrist		-	-
Physicians		964,603	399,635
Dentists		5,506	2,281
Mid Level Practitioner		1,873	776
Other Practitioners		78,371	32,469
Home Health		3,679	1,524
Lab and Radiology		127,019	52,624
Medical Supplies		44,861	18,586
Clinic Services		266,258	110,311
Ambulatory Surgery Center		36,027	14,926
Prescription Drugs		2,013,404	834,153
Transportation		12,169	5,042
Premiums Collected		-	(106,611)
Total Individual Plan		\$ 5,201,115	\$ 2,048,211
College Students-Service Costs		\$ 99,951	\$ 41,410
Total OHCA Program Costs		\$ 15,168,816	\$ 11,909,484
Administrative Costs			
Salaries	\$ 24,543	\$ 356,336	\$ 380,880
Operating Costs	9,662	9,375	19,037
Health Dept-Postponing			-
Contract - HP	78,047	67,006	145,053
Total Administrative Costs	\$ 112,252	\$ 432,718	\$ 544,970
Total Expenditures			\$ 12,454,454
NET CASH BALANCE	\$ 9,993,886		\$ 10,029,102

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

**Fund 250: Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund
SFY 2019, For the Two Month Period Ending August 31, 2018**

REVENUES	FY 19 Revenue	State Share
Tobacco Tax Collections	\$ 132,159	\$ 132,159
TOTAL REVENUES	\$ 132,159	\$ 132,159

EXPENDITURES	FY 19 Total \$ YTD	FY 19 State \$ YTD	Total State \$ Cost
Program Costs			
SoonerCare Choice	\$ 1,516	\$ 440	
Inpatient Hospital	80,183	23,253	
Outpatient Hospital	801,872	232,543	
Inpatient Services-DRG	-	-	
Psychiatrist	-	-	
TFC-OHCA	-	-	
Nursing Facility	-	-	
Physicians	1,113,956	323,047	
Dentists	2,060	597	
Mid-level Practitioner	51	15	
Other Practitioners	15,223	4,415	
Home Health	1,029	298	
Lab & Radiology	30,209	8,760	
Medical Supplies	3,221	934	
Clinic Services	52,029	15,088	
Ambulatory Surgery Center	599	174	
Prescription Drugs	417,879	121,185	
Transportation	26,153	7,584	
Miscellaneous Medical	193	56	
Total OHCA Program Costs	\$ 2,546,174	\$ 738,390	
OSA DMHSAS Rehab	\$ 13,244	\$ 3,841	
Total Medicaid Program Costs	\$ 2,559,418	\$ 742,231	
TOTAL STATE SHARE OF COSTS			\$ 742,231

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.

OHCA Board Meeting October 11, 2018 (August 2018 Data)

SOONERCARE ENROLLMENT/EXPENDITURES

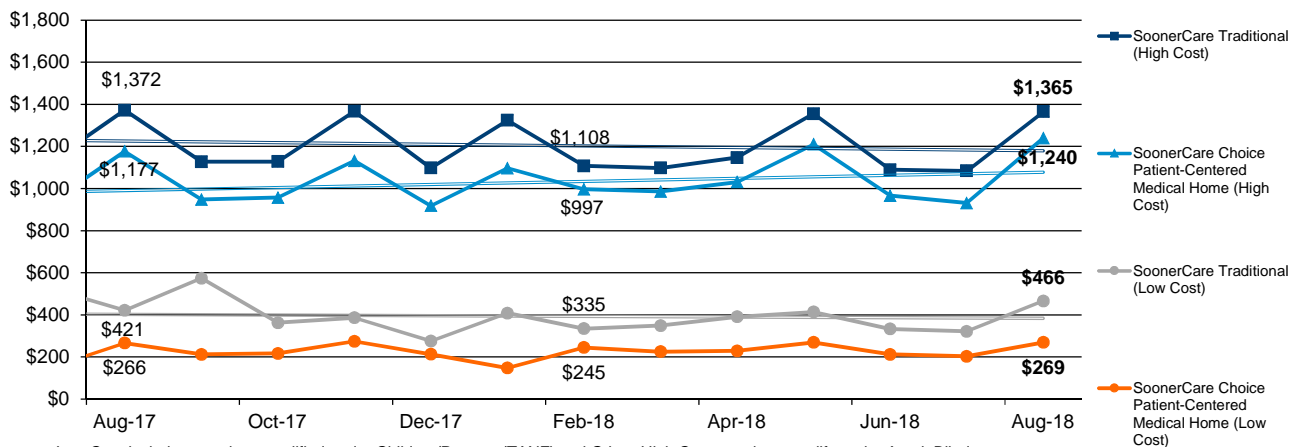
Delivery System		Enrollment August 2018	Children August 2018	Adults August 2018	Enrollment Change	Total Expenditures August 2018	PMPM August 2018
SoonerCare Choice Patient-Centered Medical Home		539,389	446,312	93,077	5,631	\$187,645,315	
Lower Cost	<i>(Children/Parents; Other)</i>	495,464	432,447	63,017	5,581	\$133,198,011	\$269
Higher Cost	<i>(Aged, Blind or Disabled; TEFRA; BCC)</i>	43,925	13,865	30,060	50	\$54,447,303	\$1,240
SoonerCare Traditional		232,394	85,119	147,275	463	\$211,649,081	
Lower Cost	<i>(Children/Parents; Other; Q1; SLMB)</i>	117,458	80,357	37,101	381	\$54,787,531	\$466
Higher Cost	<i>(Aged, Blind or Disabled; LTC; TEFRA; BCC & HCBS Waiver)</i>	114,936	4,762	110,174	82	\$156,861,550	\$1,365
Insure Oklahoma		19,622	530	19,092	113	\$8,227,241	
Employer-Sponsored Insurance		14,229	323	13,906	49	\$5,361,179	\$377
Individual Plan		5,393	207	5,186	64	\$2,866,061	\$531
SoonerPlan		30,400	2,597	27,803	512	\$310,915	\$10
TOTAL		821,805	534,558	287,247	6,719	\$407,832,552	

Enrollment totals include all members enrolled during the report month. Members may not have expenditure data. Children are members aged 0 - 20 or for Insure Oklahoma enrolled as Students or Dependents. Dual Eligibles (Medicare & Medicaid) are in the Traditional delivery system in both the Low Cost (Q1 & SLMB) and High Cost (ABD) groups. OTHER includes DDSD, PKU, Q1, Refugee, SLMB, STBS and TB.

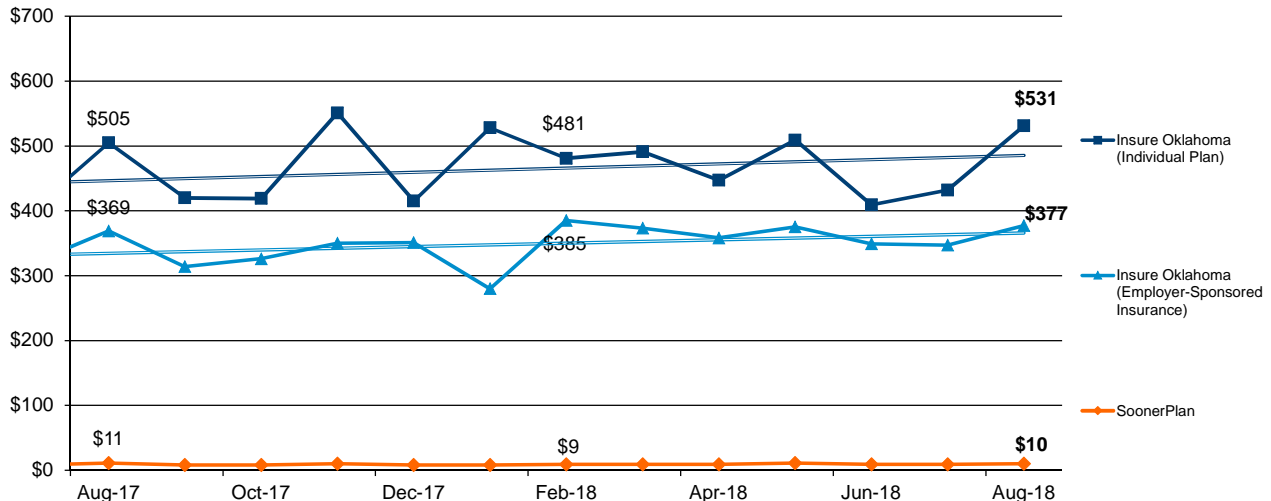
Total In-State Providers: 32,298 (+366) (In-State Providers counted multiple times due to multiple locations, programs, types, and specialties)								
Physician	Pharmacy	Dentist	Hospital	Mental Health	Optometrist	Extended Care	Total PCPs*	PCMH
9,536	962	1,075	161	4,398	620	391	6,802	2,441

*PCPs consist of all providers contracted as a Certified Registered Nurse Practitioner, Family Practitioner, General Pediatrician, General Practitioner, Internist, General Internist, and Physician Assistant.

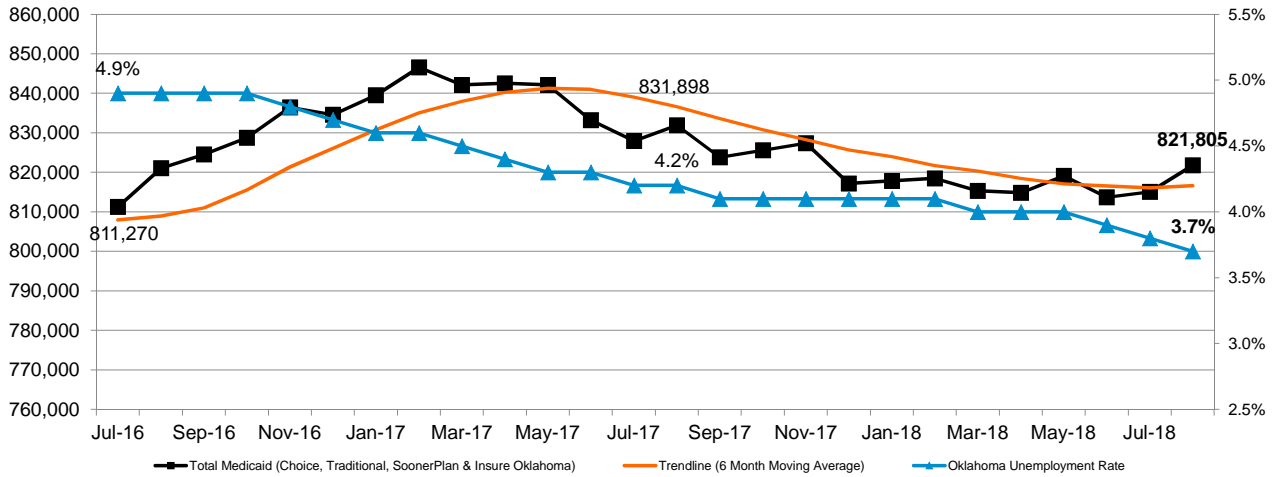
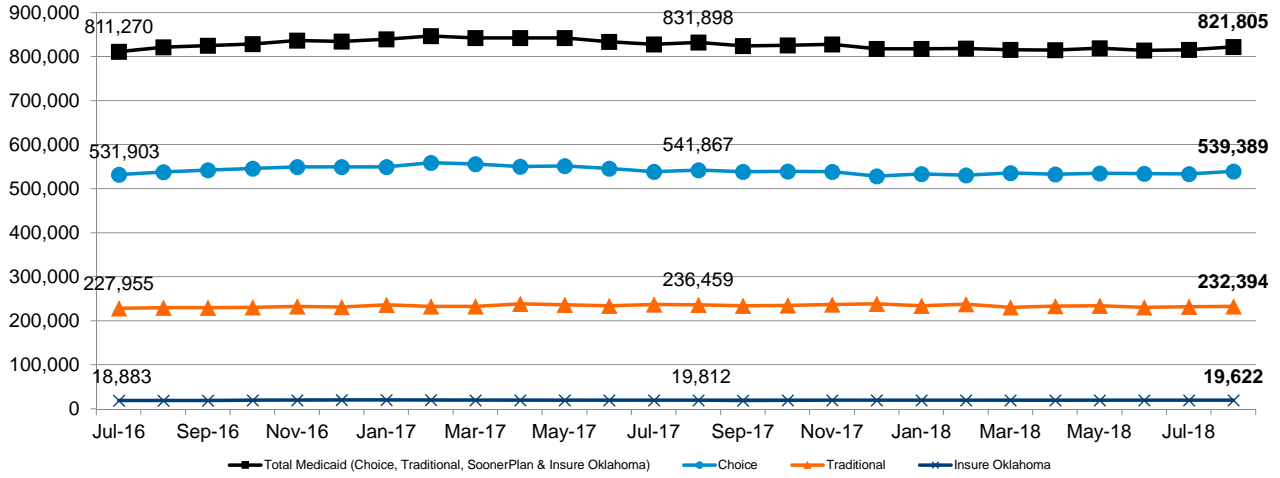
PER MEMBER PER MONTH COST BY GROUP



Low Cost includes members qualified under Children/Parents (TANF) and Other; High Cost members qualify under Aged, Blind or Disabled, Oklahoma Cares, TEFRA or a Home and Community-Based Services waiver.



ENROLLMENT BY MONTH



Oklahoma Unemployment Rate is from the Bureau of Labor Statistics 'Local Area Unemployment Statistics' (<https://www.bls.gov/lau/>) and is seasonally adjusted. Data was extracted on 9/26/2018. In June 2017 there were changes to the passive renewal system criteria that reduced the number of passively renewed members by 2/3rds.

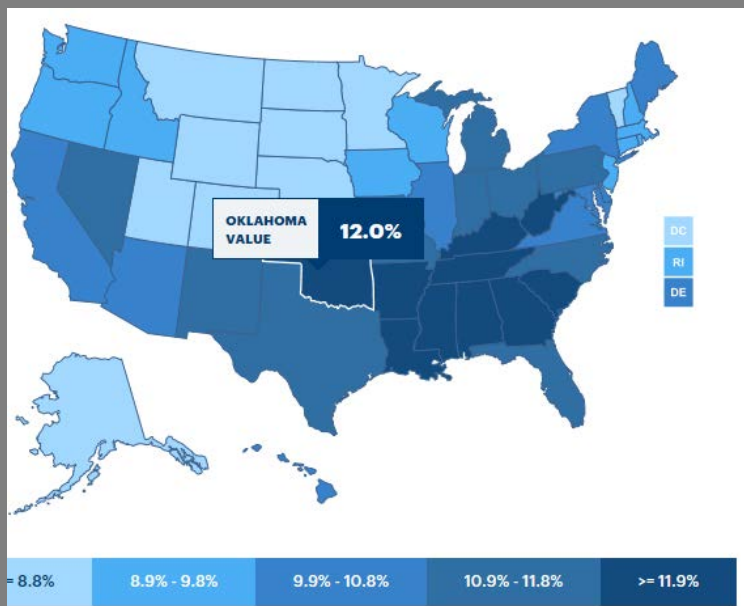


Insulin Coverage and Utilization

October 11, 2018

Burl Beasley, Pharmacy Services

Diabetes by the Numbers...



1 in 7 have diabetes*

Type 1 (5-10%)	Type 2 (90-95%)
Gestational	Prediabetes

\$4.00 –Copays

23.1 million people
7.2% of population
132,000 children U.S.
5% type 1

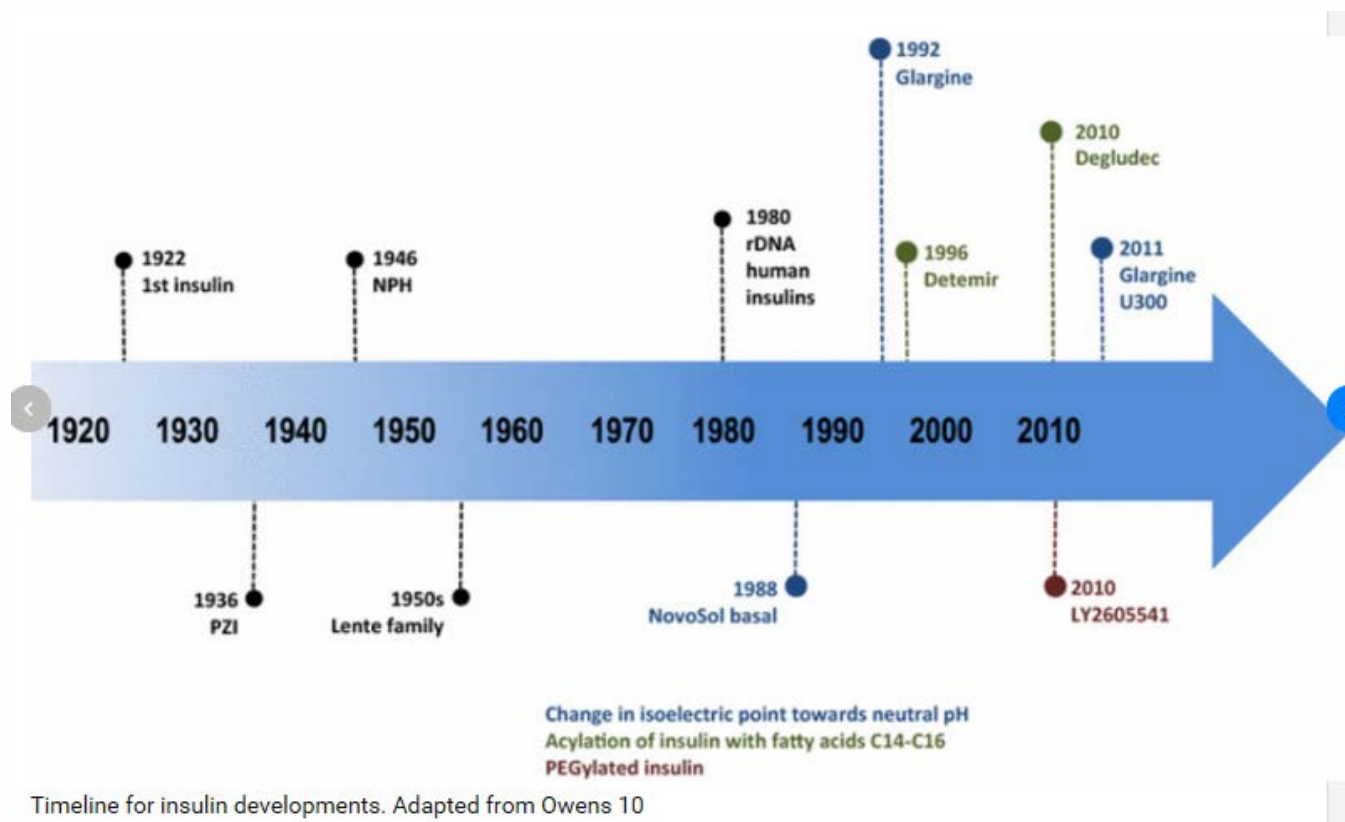
23% of
total US
healthcare
costs

451,888 Oklahomans
52,000 SoonerCare Members
1,400 SC Children

13,000 members –oral diabetes medications
8,600 – members insulin products

*Source CDC at: <https://www.cdc.gov/nchs/products/databriefs/db319.htm>

Timeline for insulin developments.*



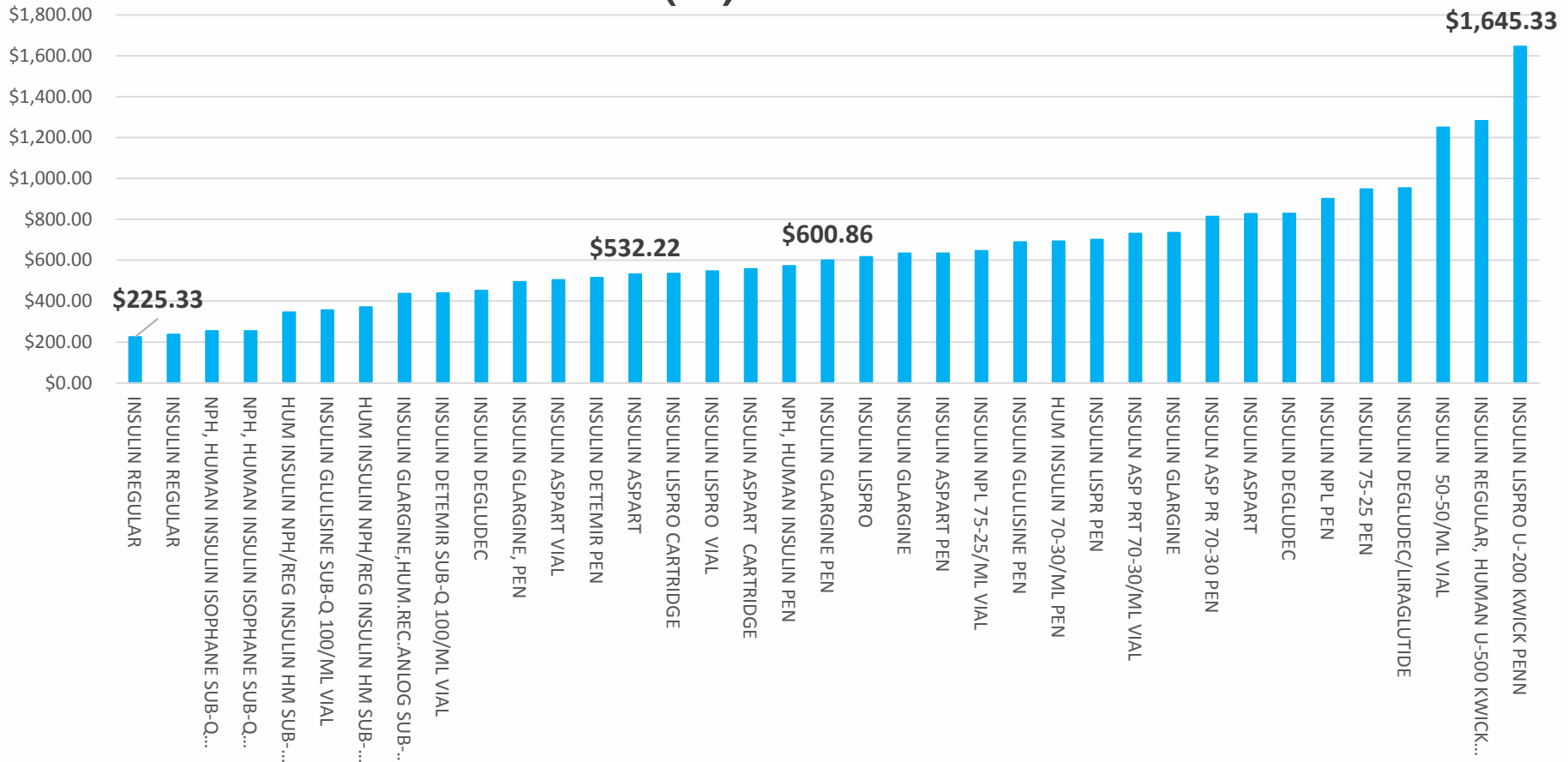
*Available at: https://www.researchgate.net/figure/Timeline-for-insulin-developments-Adapted-from-Owens-10_fig3_289504217 accessed October 1, 2018

Insulin Products OHCA 2018*

Item No.	Drug	Description			
			21	HUMALOG	INSULIN LISPRO SUB-Q 100/ML CARTRIDGE
			22	HUMALOG JUNIOR KWIKPEN	INSULIN LISPRO
1	NOVOLIN R	INSULIN REGULAR, HUMAN INJECTION 100/ML VIAL	23	HUMALOG MIX 75-25	INSULIN NPL/INSULIN LISPRO SUB-Q 75-25/ML VIAL
2	NOVOLIN N	NPH, HUMAN INSULIN ISOPHANE SUB-Q 100/ML VIAL	24	HUMALOG MIX 50-50	INSULIN NPL/INSULIN LISPRO SUB-Q 50-50/ML VIAL
3	NOVOLOG MIX 70-30	INSULIN ASP PRT/INSULIN ASPART SUB-Q 70-30/ML VIAL	25	HUMALOG MIX 75-25 KWIKPEN	INSULIN NPL/INSULIN LISPRO SUB-Q 75-25/ML INSULN PEN
4	NOVOLIN 70-30	HUM INSULIN NPH/REG INSULIN HM SUB-Q 70-30/ML VIAL	26	HUMALOG KWIKPEN U-100	INSULIN LISPRO SUB-Q 100/ML INSULN PEN
5	HUMULIN N	NPH, HUMAN INSULIN ISOPHANE SUB-Q 100/ML VIAL	27	APIDRA SOLOSTAR	INSULIN GLULISINE SUB-Q 100/ML INSULN PEN
6	HUMULIN R	INSULIN REGULAR, HUMAN INJECTION 100/ML VIAL	28	LEVEMIR FLEXTOUCH	INSULIN DETEMIR SUB-Q 100/ML (3) INSULN PEN
7	HUMULIN 70-30	HUM INSULIN NPH/REG INSULIN HM SUB-Q 70-30/ML VIAL	29	ADMELOG SOLOSTAR	INSULIN LISPRO SUB-Q 100/ML INSULN PEN
8	HUMALOG	INSULIN LISPRO SUB-Q 100/ML VIAL	30	AFREZZA	INSULIN REGULAR, HUMAN
9	LANTUS	INSULIN GLARGINE, HUM.REC.ANLOG SUB-Q 100/ML VIAL	31	TRESIBA FLEXTOUCH U-100	INSULIN DEGLUDEC
10	APIDRA	INSULIN GLULISINE SUB-Q 100/ML VIAL	32	TOUJEO MAX SOLOSTAR	INSULIN GLARGINE, HUMAN RECOMBINANT ANALOG
11	BASAGLAR KWIKPEN U-100	INSULIN GLARGINE, HUM.REC.ANLOG SUB-Q 100/ML (3) INSULN PEN	33	FIASP FLEXTOUCH	INSULIN ASPART (NIACINAMIDE)
12	ADMELOG	INSULIN LISPRO SUB-Q 100/ML VIAL	34	NOVOLOG FLEXPEN	INSULIN ASPART SUB-Q 100/ML INSULN PEN
13	LANTUS SOLOSTAR	INSULIN GLARGINE, HUM.REC.ANLOG SUB-Q 100/ML (3) INSULN PEN	35	HUMULIN R U-500 KWIKPEN	INSULIN REGULAR, HUMAN
14	TOUJEO SOLOSTAR	INSULIN GLARGINE, HUMAN RECOMBINANT ANALOG	36	NOVOLOG MIX 70-30 FLEXPEN	INSULIN ASP PRT/INSULIN ASPART SUB-Q 70-30/ML INSULN PEN
15	HUMULIN 70/30 KWIKPEN	HUM INSULIN NPH/REG INSULIN HM SUB-Q 70-30/ML INSULN PEN	37	TRESIBA FLEXTOUCH U-200	INSULIN DEGLUDEC
16	FIASP	INSULIN ASPART (NIACINAMIDE)	38	HUMALOG KWIKPEN U-200	INSULIN LISPRO
17	NOVOLOG	INSULIN ASPART SUB-Q 100/ML CARTRIDGE	39	SOLIQUA 100-33	INSULIN GLARGINE, HUMAN RECOMBINANT ANALOG/LIXISENATIDE
18	NOVOLOG	INSULIN ASPART SUB-Q 100/ML VIAL	40	XULTOPHY 100-3.6	INSULIN DEGLUDEC/LIRAGLUTIDE
19	AFREZZA	INSULIN REGULAR, HUMAN	41	HUMULIN R U-500	INSULIN REGULAR, HUMAN INJECTION 500/ML VIAL
20	LEVEMIR	INSULIN DETEMIR SUB-Q 100/ML VIAL			

*List is not all inclusive and is intended to provide a snapshot of insulins available to OHCA beneficiaries.

OHCA Amount paid per claim Insulin(s) SFY2018*



*Costs do not reflect rebate prices or net costs. Costs based on National Average Drug Acquisition Costs (NADAC) or Wholesale Acquisition Costs (WAC)

OHCA Insulin Utilization*

SFY	Age Group	Member count	Script Count	Total Reimbursement Amount	Avg. Script Cost
2018	Adult	7,397	49,481	\$24,683,571	\$498.85
2018	Child	1,287	12,275	\$6,535,228	\$532.40
		8,684	61,756	\$31,218,800	

*Costs do not reflect rebate prices or net costs. Costs based on National Average Drug Acquisition Costs (NADAC) or Wholesale Acquisition Costs (WAC)

Summary

- OHCA has comprehensive coverage of diabetes medications including insulin(s)
- Copays continue at \$4.00 (adult members)
- Strong rebate program covering insulin
- Prescription drug costs continue to rise...
- SB972 Diabetes Self Management Training (DMST) effective 11/1/2018

Regional Forums

- Follow up to last October's forum
- Invited guests and walk-ins
- Two-and-a-half hour session
- Brainstorming, small groups and open comment
- Email summary document to participants
- Incorporate feedback into the 2019 update

Focus on Community-related Strategies

- Enhance OHCA managed care programs
- Develop new services and providers for rural areas
- Create a continuum of insurance options for low-to-moderate income people
- Improve health literacy for younger Oklahomans 10-20
- Advocate for SoonerCare, its members, programs and budget

Schedule*

- OKC – Wednesday, October 24
- Woodward – Thursday, October 25
- Enid – Friday, October 26
- Muskogee – Monday, October 29
- Durant – Thursday, November 1
- Tulsa – Monday, November 5
- Lawton – Friday, November 9

**All are 1:00 – 3:30 except Woodward which runs from 1:30 to 4.*

Submitted to the C.E.O. and Board on October 11, 2018
AUTHORITY FOR EXPENDITURE OF FUNDS
Health Management Program (HMP)

BACKGROUND

Under the Oklahoma Medicaid Reform Act of 2006, the Legislature directed OHCA to develop and implement a management program to address the health needs of chronically ill SoonerCare members while reducing unnecessary medical expenditures. Since 2008, OHCA has operated the HMP which contracts with an independent vendor to provide comprehensive care coordination for identified SoonerCare members with or at risk of developing a chronic condition through specially trained registered nurse health coaches and practice facilitation. Telephonic health coaches and face-to-face health coaches embedded at designated Primary Care Practice sites provide education, self-management skills training, and access to community resources in order for the patient to better manage their health. Practice Facilitators assist providers and staff with improving care delivery related to chronic disease through quality improvement projects, decision support technology, and practice redesign to develop an empowered practice team able to provide high quality patient-centered care for persons with chronic conditions.

In 2016, the HMP contract was amended to add the SoonerCare Pain Management Program, which utilizes the practice facilitation model to equip SoonerCare providers with knowledge and skills to appropriately treat members with chronic pain.

OHCA's independent program evaluator reports "...aggregate savings across the two program components now stands at nearly \$107 million even after factoring in administrative costs. From a return on investment perspective, the HMP has generated nearly three dollars in net medical savings for every dollar of administrative expenditures."

The current vendor contract extension for the HMP, with Telligen, expires June 30, 2019. In order for the HMP to continue to support the agency's care coordination efforts for chronically ill SoonerCare Choice members, practice facilitation and the pain management program, we are requesting an RFP release to maintain HMP operations.

SCOPE OF WORK

The HMP will:

- Improve the health outcomes and reduce the medical costs of the population served through health coaching;
- Encourage and enable members to better self-manage their own health;
- Improve the effectiveness of providers in caring for members with chronic disease and/or chronic pain through practice facilitation; and
- Serve all areas of the State.

CONTRACT PERIOD

July 1, 2019 through June 30, 2020 with six (6) options to renew

CONTRACT AMOUNT AND PROCUREMENT METHOD

- Contract shall be awarded through competitive bidding process conducted by OHCA
- The contract qualifies for FMAP, currently 64.43% for SFY19
- State and federal funds will not exceed \$15,000,000.00 in FY 20 and will not exceed \$115,000,000.00 for the total seven (7) year contract

RECOMMENDATION

- Board approval to expend funds for the services discussed above

SUBMITTED TO THE C.E.O. AND BOARD ON OCTOBER 11, 2018

AUTHORITY FOR EXPENDITURE OF FUNDS
MOBILE COMPUTING AND TEXTING PROCUREMENT CONSULTANT – CSG GOVERNMENT
SOLUTIONS INC. (CSG)

BACKGROUND

In April, 2018, Oklahoma Health Care Authority utilized an existing consulting contract with CSG to complete the initial planning and strategy for building a mobile computing and texting platform that can be utilized across the agency, as needed. A three-phase roadmap and implementation plan was developed that included developing RFPs for standalone texting services, implementing mobile computing and adopting future MMIS functionality with mobile computing capabilities.

OHCA is now ready to move forward with Phase 1 of the implementation plan, to develop a RFP for a standalone texting service, identify and award a vendor and implement the solution. The existing CSG contract has since expired, and we are requesting the funds to issue a limited scope sole source contract with CSG to continue the efforts they have already begun in helping OHCA develop and implement the mobile computing and texting project.

SCOPE OF WORK

- Aid in the initiation and planning of the standalone texting service project, Phase 1 of the MCT plan.
- Aid in development and planning of necessary CMS elements for the project, in order to secure enhanced Federal funding for the project.
- Development of an RFI to identify elements of a standalone texting service that may be valuable in the RFP to follow.
- Development of the RFP for a standalone texting services vendor.
- Aid in CMS implementation and milestone review planning activities.

CONTRACT PERIOD

- November 1, 2018 through June 30, 2019 with 1 option to renew through June 30, 2020.

CONTRACT AMOUNT AND PROCUREMENT METHOD

- Will be awarded through an OMES and CMS approved Sole Source agreement
- Federal matching at 90%.
- Estimated costs of \$600,000.00 for the first year and \$1,020,000.00 for year 2.

RECOMMENDATION

- Board approval to procure the services discussed above.
- Board approval is subject to approval by OMES and CMS.

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY
CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE

SUBCHAPTER 5. INDIVIDUAL PROVIDERS AND SPECIALTIES

PART 1. PHYSICIANS

317:30-5-20. Laboratory services

This Section covers the guidelines for payment of laboratory services by a provider in his/her office, a certified laboratory and for a pathologist's interpretation of laboratory procedures.

(1) **Compensable services.** Providers may be reimbursed for compensable clinical diagnostic laboratory services only when they personally perform or supervise the performance of the test. If a provider refers specimen to a certified laboratory or a hospital laboratory serving outpatients, the certified laboratory or the hospital must bill for performing the test.

(A) Reimbursement for lab services is made in accordance with the Clinical Laboratory Improvement Amendment of 1988 (CLIA). These regulations provide that payment may be made only for services furnished by a laboratory that meets CLIA conditions, including those furnished in physicians' offices. Eligible providers must be certified under the CLIA program and have obtained a CLIA ID number from CMS Centers for Medicare and Medicaid Services and have a current contract on file with the OHCA Oklahoma Health Care Authority (OHCA). Providers performing laboratory services must have the appropriate CLIA certification specific to the level of testing performed.

(B) Only medically necessary laboratory services are compensable.

(i) Testing must be medically indicated as evidenced by patient-specific indications in the medical record.

(ii) Testing is only compensable if the results will affect patient care and are performed to diagnose conditions and illnesses with specific symptoms.

(iii) Testing is only compensable if the services are performed in furtherance of the diagnosis and/or treatment of conditions that are covered under SoonerCare.

(C) Laboratory testing must be ordered by the physician or non-physician provider, and must be individualized to the patient and the patient's medical history or assessment indicators as evidenced in the medical documentation.

(2) **Non-compensable laboratory services.**

(A) Laboratory testing for routine diagnostic or screening tests performed without apparent relationship to treatment or diagnosis of a specific illness, symptom, complaint or

injury is not covered.

(B) Non-specific, blanket panel or standing orders for laboratory testing, custom panels particular to the ordering provider, or lab panels which have no impact on the patient's plan of care are not covered.

(C) Split billing, or dividing the billed services for the same patient for the same date of service by the same re-rendering laboratory into two or more claims is not allowed.

~~(A)~~(D) Separate payment is not made for blood specimens obtained by venipuncture or urine specimens collected by a laboratory. These services are considered part of the laboratory analysis.

~~(B)~~(E) Claims for inpatient full service laboratory procedures are not covered since this is considered a part of the hospital rate.

~~(C)~~(F) Billing multiple units of nucleic acid detection for individual infectious organisms when testing for more than one infectious organism in a specimen is not permissible. Instead, OHCA considers it appropriate to bill a single unit of a procedure code indicated for multiple organism testing.

~~(D)~~(G) Billing multiple Current Procedural Terminology (CPT) codes or units for molecular pathology tests that examine multiple genes or incorporate multiple types of genetic analysis in a single run or report is not permissible. Instead, OHCA considers it appropriate to bill a single CPT code for such test. If an appropriate code does not exist, then one unit for an unlisted molecular pathology procedure may be billed.

(3) Covered services by a pathologist.

(A) A pathologist may be paid for the interpretation of inpatient surgical pathology specimen when the appropriate CPT procedure code and modifier is used.

(B) Full service or interpretation of surgical pathology for outpatient surgery performed in an outpatient hospital or ~~Ambulatory Surgery Center~~ambulatory surgery center setting.

(4) Non-compensable services by a pathologist. The following are non-compensable pathologist services:

(A) Experimental or investigational procedures.

(B) Interpretation of clinical laboratory procedures.

(5) Penalties. The OHCA reserves the right to take such action as it may deem appropriate against any provider as a result of medically unnecessary laboratory testing, including, without limitation, recoupment and possible termination of the provider's underlying provider agreement with OHCA. In addition, appropriate cases may be referred for further investigation and possible action by the Office of the Attorney General's Medicaid Fraud Control Unit.

PART 3. HOSPITALS

317:30-5-40.1. General information

(a) This Chapter applies to coverage in an inpatient and/or outpatient setting. Coverage is the same for adults and children unless otherwise indicated.

(b) **Professional Services.** Payment is made to a participating hospital group or corporation for hospital based physician's services. The hospital must have a Hospital Group Physician's Contract with OHCA for this method of billing.

(c) **Prior Authorization.** OHCA requires prior authorization for certain procedures to validate the medical need for the service.

(d) **Medical necessity.** Medical necessity requirements are listed at OAC 317:30-3-1(f) and 317:30-5-20.

317:30-5-42.10. Laboratory

~~Payment is made for all laboratory tests listed in the Clinical Diagnostic Laboratory fee schedule from CMS.~~ To be eligible for payment as a laboratory/pathology service, the service must be:

- (1) Ordered and provided by or under the direction of a physician or other licensed practitioner within the scope of practice as defined by state law;
- (2) Provided in a hospital or independent laboratory;
- (3) Directly related to the diagnosis and treatment of a medical condition; ~~and~~
- (4) Authorized under the laboratory's CLIA certification; and
- (5) Considered medically necessary as defined in OAC 317:30-3-1(f) and 317:30-5-20.