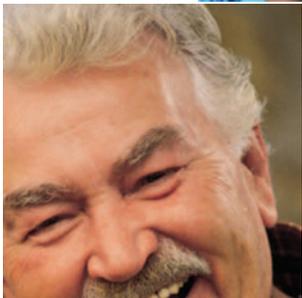
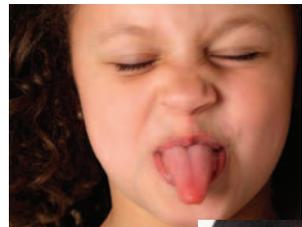
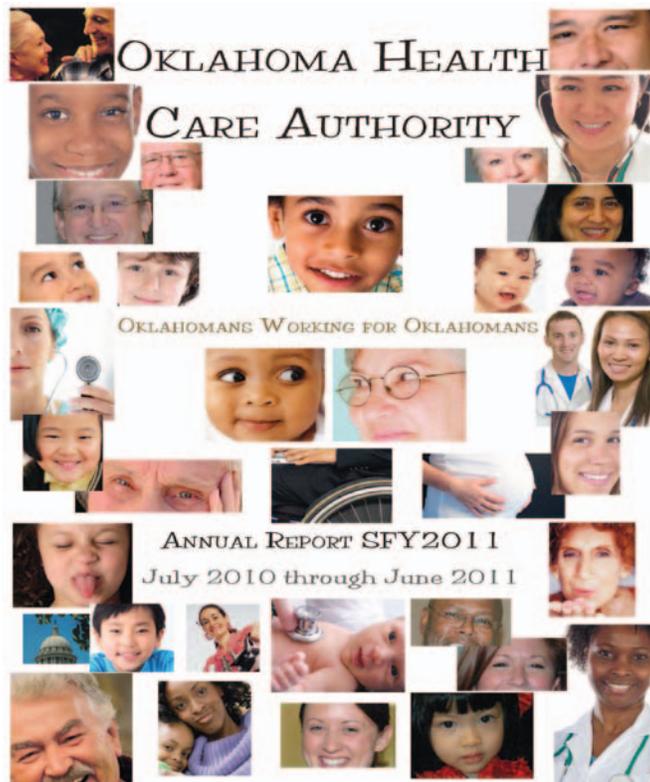


Oklahoma Health Care Authority

Oklahomans Working for Oklahomans

Annual Report SFY2011
July 2010 through June 2011





On the cover: On average, 450 Oklahomans come to work at OHCA to make sure the 720,000 Oklahomans enrolled monthly are able to receive and access health care.

OHCA works hard for our families, neighbors and fellow Oklahomans. We are dedicated to reaching new heights in the SoonerCare program, while maintaining our high standards of service and quality to our members and providers.

Oklahoma Health Care Authority offices are temporarily located at:

2401 N. W. 23rd St., Suite 1A,
Oklahoma City, OK 73107
405-522-7300

Visit our websites at:

www.okhca.org
www.insureoklahoma.org
www.okltcpartnership.org

You can also follow us on Twitter and Facebook!

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The report is coordinated through the OHCA Reporting and Statistics Unit. If you have questions or suggestions, please call Connie Steffee at 405-522-7238.



oklahoma health care authority

Our Mission Statement

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

Our Vision

Our vision is for Oklahomans to enjoy optimal health status through having access to quality health care regardless of their ability to pay.

Our Values and Behaviors

OHCA staff will operate as members of the same team, with a common mission and each with a unique contribution to make toward our success.

OHCA will be open to new ways of working together.

OHCA will use qualitative and quantitative data to guide and evaluate our actions and improve our performance in a purposeful way over time.



Mary Fallin
Governor
State of Oklahoma

EXECUTIVE BRANCH

Todd Lamb
Lieutenant Governor

Dr. Terry Cline, Ph.D.
Secretary of Health

LEGISLATIVE BRANCH

1st Session of the 53rd Legislature

Brian Bingman
President Pro Tempore, State Senate

Kris Steele
Speaker, House of Representatives

OHCA BOARD MEMBERS *as of June 2011*



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Roggow



Vice Chairman Anthony
(Tony) Armstrong



Ann Bryant



Sandra
Langenkamp



Charles (Ed)
McFall, DPH



Melvin McVay



George Miller

Message from the Chief Executive Officer



State Fiscal Year 2011 (SFY2011) was the year SoonerCare and Insure Oklahoma put OHCA on the national map as an innovator and model for Medicaid agencies throughout the country. It all happened as we focused our skill, talent and resources on serving Oklahomans in need of high quality, affordable health care while also being responsible stewards of Oklahoma tax dollars.

OHCA staff has welcomed out-of-state visitors and has travelled across the country on the invitation (and expense) of several states, responding to requests for information about our many successes. Insure Oklahoma, patient-centered medical home, health management, emergency room utilization management and child enrollment outreach were among the topics of interest. In addition, Oklahoma achieved “first in the nation” status in several areas.

In our effort to continue the evolution of Oklahoma Medicaid out of its welfare origins and into the world of health insurance coverage, last fall OHCA launched the NATION’S FIRST real-time online enrollment system. This revolutionary web-based portal allows qualified Oklahomans to sign up for SoonerCare coverage online with same day coverage. And Oklahomans responded! In early 2011, Oklahoma was hit by severe winter storms that forced state agencies to close. In those two days, 780 Oklahomans enrolled in SoonerCare from the convenience of a personal computer! Not even a year old at the end of the fiscal year, mysooner.org website had processed 384,487 SoonerCare applications and renewals.

OHCA also was the FIRST agency IN THE NATION to make federal Medicaid Electronic Health Records Incentive payments to qualified health care providers. Oklahoma health professionals and hospitals are taking this early and critical action by investing in the transition to electronic health records. OHCA is proud to partner with our provider network by providing some of the financial capital necessary to improve the quality and efficiency of Oklahoma’s health care delivery system.

This Annual Report offers comprehensive information about OHCA programs and operations during SFY2011. In spite of the economic conditions that bring increased demand and shrinking resources, OHCA continues to prepare for the changes on the horizon in health care. It is without hesitation and with considerable pride that I say the Oklahoma Health Care Authority will continue to be a model for this country. We will continue to move toward realizing our vision: Oklahomans enjoying optimal health status through having access to quality health care regardless of their ability to pay. For all the citizens of our state to live that vision, we must continue to build upon today’s successes in establishing a health care system for Oklahomans, by Oklahomans.

A handwritten signature in black ink, appearing to read "Mike Fogarty". The signature is written in a cursive, flowing style.

Contents

Message from the Chief Executive Officer	5
Appendices and Figures	7
SFY2011 Highlights	8
SFY2011 Year in Review	9
Understanding SoonerCare	19
What Is Medicaid?	20
Who Qualifies for Medicaid?	20
What Is SoonerCare?	22
Who Are the Members of SoonerCare?	23
MAIN QUALIFYING GROUPS	23
ADDITIONAL QUALIFYING GROUPS	24
How Is SoonerCare Financed?	28
Where Are the SoonerCare Dollars Going?	30
Oklahoma's Uninsured	33
SoonerCare and the Economy	34
Oklahoma SoonerCare	35
What Benefits Are Covered by SoonerCare?	36
Oklahoma SoonerCare Benefits	38
BEHAVIORAL HEALTH SERVICES	38
CHILD HEALTH SERVICES (EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT)	38
DENTAL SERVICES	39
DMEPOS/MEDICAL SUPPLIES	39
HOSPITAL SERVICES	39
MEDICARE "BUY-IN" PROGRAM — SOONERCARE SUPPLEMENTAL	40
OPPORTUNITIES FOR LIVING LIFE (OLL)	41
PHARMACY SERVICES	43
PHYSICIANS AND OTHER PRIMARY CARE PROVIDERS	44
SCHOOL-BASED SERVICES	44
SOONERIDE (NON-EMERGENCY TRANSPORTATION) SERVICES	45
SoonerCare and American Indians	46
SoonerCare and Our Providers	47
PHYSICIANS AND OTHER PRACTITIONERS	48
LONG-TERM CARE FACILITIES	49
HOSPITALS	50
PHARMACIES	52
OTHER SOONERCARE PROVIDERS	52
Understanding OHCA	53
Administering the SoonerCare Program	54
Strategic Planning	56
Program and Payment Integrity Activities	57
POST-PAYMENT REVIEWS AND RECOVERIES	58
COST AVOIDANCE	59
REBATES AND FEES	60

Appendices and Figures

Appendix A Condensed Summary of Revenue Sources	62
Appendix B Statewide SFY2011 Figures	63
Appendix C SFY2011 Contracted SoonerCare Providers	85
Appendix D SFY2011 Board-Approved Rules	86
Appendix E 2011 Patient-Centered Medical Home Components	90
Appendix F Glossary of Terms	91
Important Telephone Numbers	93

Figures

OHCA BOARD MEMBERS	4
FIGURE 1 2011 FEDERAL POVERTY GUIDELINES (FPL)	20
FIGURE 2 2011 FEDERAL POVERTY GUIDELINES (FPL) AND COVERAGE	21
FIGURE 3 SOONERCARE CHILDREN UNDER 21 — SFY2011	23
FIGURE 4 AGE OF SOONERCARE ENROLLEES	27
FIGURE 5 OKLAHOMA AND SOONERCARE POPULATION BY RACE	27
FIGURE 6 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)	28
FIGURE 7 HISTORIC SOONERCARE ENROLLEES, SERVED AND EXPENDITURES, SFY2005-SFY2011	28
FIGURE 8 SUMMARY OF EXPENDITURES AND REVENUE SOURCES, FEDERAL FISCAL YEAR 2001-2011	29
FIGURE 9 SOONERCARE ENROLLEES AND EXPENDITURES BY AID CATEGORY PERCENTAGES	30
FIGURE 10 SOONERCARE EXPENDITURES AND SERVED BY BENEFIT PLAN — SFY2011	31
FIGURE 11 SOONERCARE ENROLLEES AND EXPENDITURES BY AGE — SFY2011	31
FIGURE 12 TOP 20 SOONERCARE EXPENDITURES — SFY2011	32
FIGURE 13 SOONERCARE CAPITATION PAYMENTS — SFY2011	32
FIGURE 14 OKLAHOMA UNINSURED ESTIMATES BY FEDERAL POVERTY LEVEL	33
FIGURE 15 ECONOMIC IMPACT OF SOONERCARE ON THE OKLAHOMA ECONOMY	34
FIGURE 16 HOSPITAL PAYMENTS — SFY2011	50
FIGURE 17 OHCA SOONERCARE EXPENDITURE AND ADMINISTRATIVE PERCENTAGES — SFY2011	55
FIGURE 18 BREAKDOWN OF OHCA ADMINISTRATIVE EXPENSES — SFY2011	55
FIGURE 19 POST-PAYMENT REVIEW RECOVERIES — SFY2011	58
FIGURE 20 OHCA'S ORGANIZATIONAL CHART	61
FIGURE I SOONERCARE EXPENDITURES BY PAYOR	63
FIGURE II STATEWIDE SOONERCARE FIGURES BY COUNTY	64
FIGURE III EXPENDITURES PAID TO PROVIDERS AND MEMBERS BY COUNTY	68
FIGURE IV EXPENDITURES BY TYPE OF SERVICE PERCENT OF CHANGE SFY2010 VS. SFY2011	70
FIGURE V EXPENDITURES BY TYPE OF SERVICE TOTALS	72
FIGURE VI EXPENDITURES BY TYPE OF SERVICE BY ADULT AND CHILD	74
FIGURE VII EXPENDITURES BY TYPE OF SERVICE BY BENEFIT TYPE	76
FIGURE VIII EXPENDITURES BY TYPE OF SERVICE BY AID CATEGORY	78
FIGURE IX CHILDREN (UNDER 21) EXPENDITURES BY TYPE OF SERVICE BY AID CATEGORY	80
FIGURE X HOME AND COMMUNITY-BASED SERVICES WAIVER EXPENDITURES BY TYPE OF SERVICE	82
FIGURE XI BEHAVIORAL HEALTH EXPENDITURES BY TYPE OF SERVICE BY CHILDREN AND ADULTS	84

SFY2011 Highlights

Members

- ⇒ There were 968,296 unduplicated members enrolled in either SoonerCare (Oklahoma Medicaid) or Insure Oklahoma during SFY2011 (July 2010 through June 2011).
- ⇒ A total of 929,348 SoonerCare members received services during SFY2011.
- ⇒ Overall SoonerCare enrollment increased by 9.4 percent and the number served increased 5.5 percent from SFY2010 (July 2009 through June 2010).
- ⇒ Enrollment in the Insure Oklahoma program has increased 2.3 percent since June 2010. As of June 2011, 32,600 enrollees and 5,276 businesses were participating.
- ⇒ During SFY2011, Oklahoma provided coverage to 58,693 SoonerPlan enrollees and 5,141 women needing further diagnosis or treatment for breast and/or cervical cancer or precancerous conditions through the Oklahoma Cares program.
- ⇒ 59 percent of the estimated Oklahoma population younger than age 18 have been enrolled in SoonerCare at one point during SFY2011. Approximately 13 percent of Oklahomans aged 65 and older are enrolled in SoonerCare.
- ⇒ SoonerCare covers approximately 64 percent of the births in Oklahoma. In calendar year 2010, SoonerCare deliveries were 33,125 of the 51,799 total state births (OSDH preliminary figures accessed 7/18/2011).

Expenditures

- ⇒ An average of 17 percent of SoonerCare members were aged, blind and disabled enrollees. These enrollees accounted for 51.8 percent of the SoonerCare expenditures in SFY2011.
- ⇒ SoonerCare funded 65.9 percent of Oklahoma's long-term care occupied bed days.
- ⇒ OHCA expended \$25.8 million on behalf of the Oklahoma Cares enrollees and \$8 million on SoonerPlan enrollees.
- ⇒ The average cost per prescription funded by SoonerCare was \$60.51, and the average monthly prescription cost per utilizer was \$147.
- ⇒ A monthly average of 10,778 members used SoonerRide for a total of 774,187 one-way transports.
- ⇒ Nursing facility Quality of Care revenues totaled \$51,685,588.
- ⇒ Dollars recovered by OHCA through post-payment reviews totaled \$9,077,565.
- ⇒ Federal and State Drug rebate collections, including interest, totaled \$154,039,193.
- ⇒ By limiting the amount paid for generic drugs, OHCA saved more than \$105.3 million through the State Maximum Allowable Cost (SMAC) program.

Administration

- ⇒ OHCA processed 37 emergency rules, 28 permanent rules and 12 State Plan amendments.
- ⇒ There were 117 group provider training sessions attended by more than 11,672 providers. OHCA and HP held 6,644 individual, on-site, provider training sessions during SFY2011.
- ⇒ OHCA received and investigated 372 SoonerCare member complaints. This number represents less than 1 percent of the 968,296 SoonerCare enrollees.
- ⇒ There were 26 provider and 522 member formal appeals filed. This number is less than one-fourth of 1 percent of both populations.
- ⇒ OHCA administrative costs comprised 2.55 percent of the total SoonerCare expenditures. OHCA operating costs represented 40 percent of OHCA administrative costs, and the other 60 percent were contract costs.

SFY2011 Year in Review

INSURE OKLAHOMA GROWTH CONTINUES

The Insure Oklahoma program makes affordable health coverage available to Oklahomans who are uninsured or at risk of losing their coverage due to high premium costs.

Oklahoma's tobacco tax revenues fund the state share of Insure Oklahoma. The program is designed to grow until cost reaches the rate of the revenue that can adequately sustain participation, factoring in the prevailing federal match rate and cost of premiums. Because this program is not an entitlement, participation will be capped at the revenue limit and a waiting list would be instituted. When the program reaches 35,000 people, enrollment will stop to ensure to the program is stable.

Insure Oklahoma covers full-time college students ages 19 to 22 who meet the income qualifications. At the end of the fiscal year, 465 college students were covered by Insure Oklahoma.

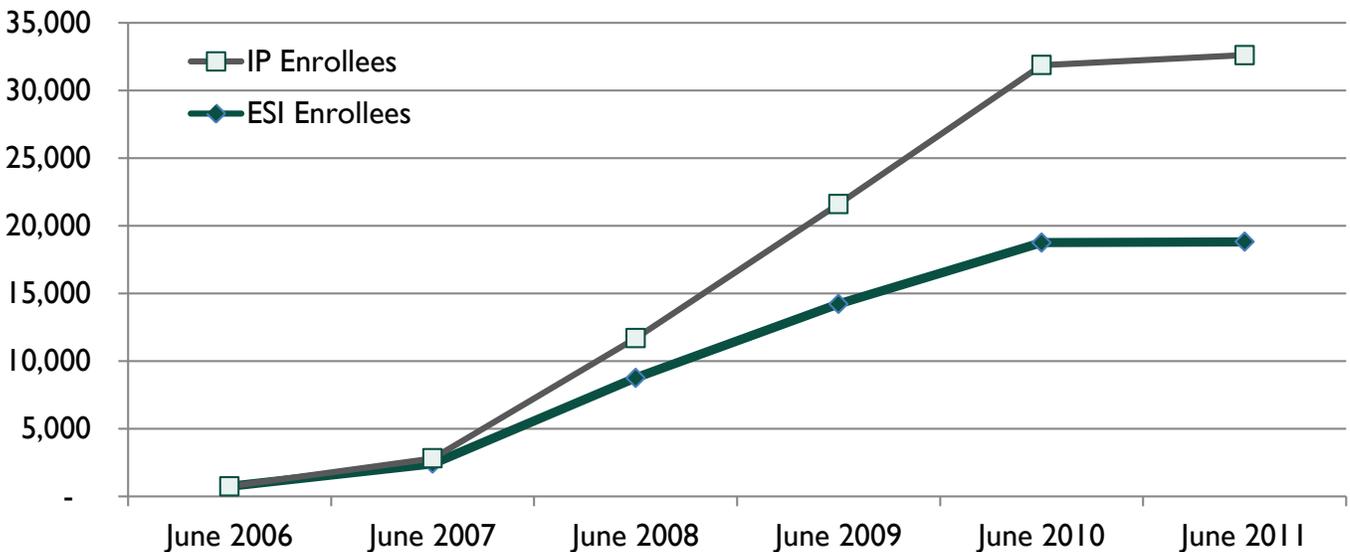
The Insure Oklahoma Employer-Sponsored Insurance (ESI) plan is designed to assist Oklahoma small business owners, with 99 or fewer employees, purchase health insurance on the private market. Their employees are eligible if their income is 200 percent of the federal poverty level or less.

The Insure Oklahoma Individual Plan (IP) offers health coverage to uninsured adults ages 19-64 whose allowable household income is no more than 200 percent of federal poverty level (FPL) and are not receiving Medicaid or Medicare. IP is available to people who meet the definition in one of the following groups: 1) working adults who do not qualify for ESI and work for an Oklahoma business with 99 or fewer employees, 2) temporarily unemployed adults who qualify to receive unemployment benefits, 3) working adults with disability who work for any employer and have a ticket to work, or 4) adults who are self-employed.

INSURE OKLAHOMA EXTENDS COVERAGE TO DEPENDENTS

In July of 2010, Insure Oklahoma began to enroll children younger than age 19 in eligible households with income between 185 percent to 200 percent of the federal poverty level.

Children of ESI members are covered through their family's private insurance plan, and Insure Oklahoma subsidizes a portion of the family's premium costs. Children of IP members are covered through the state-operated Individual Plan network and benefit plan.



SFY2011 Year in Review (continued)

SOONERCARE ONLINE ENROLLMENT

In September 2010, OHCA launched online enrollment. This implementation included transferring responsibility to qualify and enroll more than 500,000 Oklahomans from the Oklahoma Department of Human Services (OKDHS) to OHCA. Prior to this innovation, qualified applicants were required to visit an OKDHS county office in person, or fill out a paper application and mail it to OKDHS. Qualification and subsequent enrollment could take a month to complete.

Online enrollment provides many options for SoonerCare applicants. An online home application can be accessed from any computer that has Internet access, and an agency application can be accessed by partner agencies. The agency application is used by OKDHS, the Oklahoma State Department of Health (OSDH), Indian Health Services, and several Tribes to assist members in the enrollment process. With online enrollment, members receive the results of their application within minutes, instead of weeks.

The paper application still exists, but it is now received at OHCA, where it is scanned, data-entered, and processed for enrollment in a matter of days. With the option to receive an immediate response, the number of paper applications dropped sharply soon after the implementation of online enrollment.

The process uses a rules engine to determine qualification for the programs including SoonerCare, SoonerPlan and state-sponsored behavioral health services. This process ensures policy is applied uniformly for all Oklahomans. Verifications are accomplished through data exchanges with the Social Security Administration, the Oklahoma Employment Security Commission and OSDH, as well as other

state and federal agencies. When applicants click “submit”, and qualify to receive benefits, they receive real-time SoonerCare enrollment. Members receive a SoonerCare identification number, align with a medical home and can seek services immediately.

With less than a year of operation, OHCA processed 384,487 applications, and enrolled or re-enrolled 564,409 members through online enrollment. Approximately 30 percent of applications received originated at OKDHS, 19 percent from other partner agencies using the agency application and 41 percent using the home application. The remaining 10 percent used the paper process.

This innovation is considered one of the most advanced state enrollment services in the nation, and at the 2011 Team awards received a Governor’s Commendation and the “Motivating the Masses” award.



77%

More than 77 percent of Oklahomans accessed the Internet from any location in 2010.

Source: U.S. Census Bureau, Current Population Survey, Table 1156. Household Internet Usage In and Outside of the Home by State: 2010 - http://www.census.gov/compendia/statab/cats/information_communications/internet_publishing_and_broadcasting_and_internet_usage.html

SFY2011 Year in Review (continued)

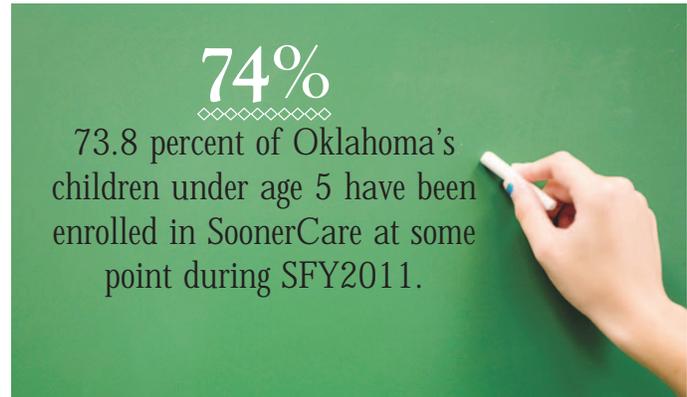
OHCA REACHES OUT

To reach the approximately 60,000 Oklahoma children uninsured but qualified for SoonerCare, OHCA coordinated an outreach effort called SoonerEnroll. SoonerEnroll has two primary goals: 1) enroll children that would be qualified for SoonerCare but are not currently enrolled; and, 2) improve the rate of successful and timely recertification of children in SoonerCare. OHCA is committed to providing quality health care for all of Oklahoma's children, and SoonerEnroll is instrumental in reaching that goal.

SoonerEnroll uses a number of state and community-level strategies to increase enrollment and retention of children in SoonerCare. Four regional coordinators and a number of temporary community outreach workers provide training and technical assistance to more than 500 community partners and work closely with them in the development, implementation and evaluation of action plans to meet the needs of local communities. An important outcome of SoonerEnroll has been the creation of a sustainable, statewide infrastructure for outreach and enrollment efforts beyond the scope of the CHIPRA grant.

The Oklahoma Health Care Authority also has contracted with the University of Oklahoma School of Social Work to conduct focus groups and administer surveys concerning the challenges and barriers associated with enrollment in SoonerCare. The results will be used to develop and implement future outreach strategies. A re-enrollment pilot also was launched allowing members in pilot counties to renew their SoonerCare membership by phone. The grant continues through September 2011.

For more information, go to www.okhca.org/soonerenroll.



SMOKING CESSATION EFFORTS CONTINUE

Smoking before and during pregnancy is the single most preventable cause of illness and death among mothers and infants. An estimated 58 percent of Oklahoma's SoonerCare population smokes. Women who quit smoking before, or early in pregnancy, significantly reduce the risk for several adverse outcomes.

OHCA received funding through December 2012 from the Tobacco Settlement Endowment Trust (TSET) for the SoonerQuit: Prenatal Tobacco Cessation Initiative. The project uses methods proven effective at improving providers' knowledge of best practice methods and provides on-site assistance in integrating these processes into daily routine. OHCA has worked on site with more than 20 SoonerCare obstetric care providers.

OHCA also partnered with TSET and OSDH on a media campaign aimed at women of child-bearing age, encouraging them to contact their SoonerCare provider and the Oklahoma Tobacco Helpline for help with tobacco cessation. The "SoonerQuit for Women" initiative uses radio and print messages to share individual stories of several Oklahoma women from diverse backgrounds as they share their experience and advice about quitting smoking.

SFY2011 Year in Review (continued)

BOARDING SCHOOL DENTAL OUTREACH PROJECT CONTINUES

In September 2010, the Oklahoma Health Care Authority took advantage of a unique opportunity to improve the well-being of more than 500 American Indian children who reside at the Riverside Indian Boarding school in Anadarko. The majority of Riverside Indian School students come from remote and poverty-stricken areas of the country where access to education and comprehensive health care is a challenge.

OHCA, along with the Indian Health Service and the Oklahoma City Area Inter-Tribal Health Board, provided dental hygiene supplies and education to the students. The goal is to introduce good dental habits and prevent periodontal disease, thus enabling the Riverside children to have happier and healthier futures.

HEALTH MANAGEMENT PROGRAM (HMP) IMPACTING QUALITY OF CARE

APS Healthcare evaluated the preventive and diagnostic services provided to SoonerCare HMP participants with six targeted chronic conditions: asthma, congestive heart failure, COPD, coronary artery disease, diabetes and hypertension. The evaluation was performed through a combination of paid claims and medical record reviews. APS also calculated the SFY2010 compliance rates for a “comparison group” consisting of SoonerCare members who were eligible, but not enrolled in the SoonerCare HMP. The comparison group compliance rates were calculated for the measures derived from administrative data.

Results of the analysis were promising. The participant compliance rate exceeded the comparison group rate by a statistically significant amount for 11 of 20 diagnosis-specific administrative data measures, suggesting the program has a positive effect on quality of care. The full evaluation of the HMP can be viewed at www.okhca.org/studies.

OHCA OPEN FOR INPUT

SoonerCare Member Advisory Task Force

OHCA has always strived to involve consumers, agency stakeholders and health care professionals in the development and implementation of SoonerCare programs. However, SoonerCare members’ voices sometimes are lost in the process. OHCA is working to inform SoonerCare members of changes to the program that affect their benefits through targeted mailings, quarterly newsletters and a user-friendly website. Until recently, the agency has not had an advisory group consisting solely of SoonerCare members and/or their families. In January 2011, years of planning and collaboration alongside the Oklahoma Family Network culminated in the creation of the SoonerCare Member Advisory Task Force (MATF). The MATF meets every other month and already has contributed greatly to the direction of the SoonerCare program.

OHCA Rule Changes on the Web

OHCA implemented a website for proposed administrative rule changes. OHCA publishes all proposed rules changes and gives the public an opportunity to comment on the proposed rules. The online comment site seeks advice and consultation from medical professionals, tribal organizations and the general public in developing or amending policies and rules. The site provides a forum for the public to share comments and suggestions related to the proposed rule change and can be accessed from www.okhca.org/proposed-changes.

SFY2011 Year in Review (continued)

FOURTH ANNUAL SOONERCARE TRIBAL CONSULTATION MEETING A SUCCESS

All Indian health facilities in Oklahoma contract with OHCA and more than 100,000 tribal members receive all or part of their health care through SoonerCare. OHCA's fourth annual SoonerCare Tribal Consultation Meeting was held in October 2010 at the Cherokee Nation Hard Rock Hotel in Tulsa.

Tribal consultation allows participants to interact and openly discuss ideas for partnerships and projects. The 2010 consultation meeting had the largest attendance thus far, with more than 200 attendees representing tribes, state and federal health programs and various other stakeholders. Areas of discussion included long term care, electronic health records and meaningful use and health care reform.

GENERIC MEDICATIONS SAVE MONEY

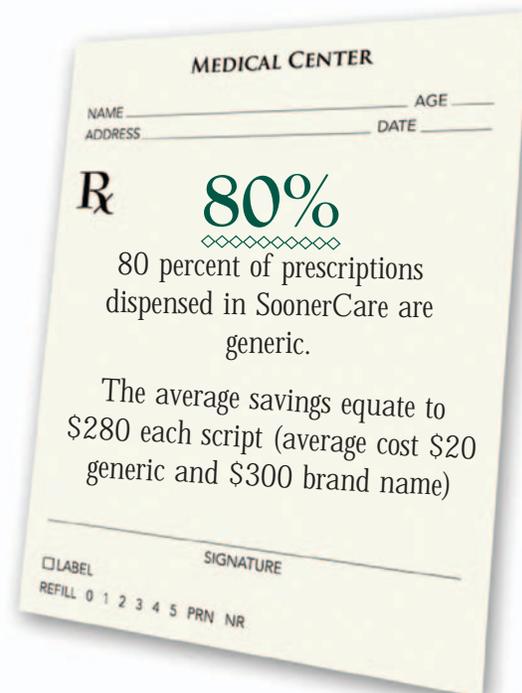
Thanks to wide availability of generic medications, OHCA can provide a robust pharmacy benefit for SoonerCare members. A 10 year retrospective analysis of the pharmacy program shows that the cost of the pharmacy benefit per member per month is actually lower in 2011 than it was in 2001. This drop is partly due to a slightly different mix of members, but the availability of additional generic products since 2011 is a major factor. In 2001, the generic utilization rate was 48 percent, meaning 48 percent of all prescriptions paid for by SoonerCare were filled with generic medications. For 2011, the generic utilization rate jumped to more than 80 percent. Four of five prescriptions paid for by SoonerCare is filled with a generic medication. The SoonerCare pharmacy program has one of the highest generic utilization rates of any Medicaid pharmacy benefit plan in the nation. The average cost of a generic prescription filled for a SoonerCare member is about \$20. Compare that to the average cost of brand name prescription, which is approaching \$300.

ELECTRONIC PROVIDER NOTIFICATIONS

To reduce the Oklahoma Health Care Authority's overhead costs and carbon footprint, a workgroup of employees from various departments within the agency was established to assess the possibility of moving to an electronic provider notification system.

The workgroup was tasked with evaluating and analyzing the pros and cons associated with converting to an electronic notification system, costs associated with mailing more than 300,000 provider letters, and possible avenues to ensure information reaches providers in a timely and cost effective manner.

As a result, the agency implemented an eco-friendly electronic provider notification process. The electronic provider notification process consists of three sources of communication: email notification, web alerts and faxed information updates.



SFY2011 Year in Review (continued)

OKLAHOMA FIRST TO MAKE ELECTRONIC HEALTH RECORDS INCENTIVE PAYMENT

The Centers for Medicare & Medicaid Services (CMS) has implemented, through provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), incentive payments to eligible professionals (EP) and eligible hospitals (EH). Eligible hospitals including critical access hospitals, cancer hospitals and children's hospitals participating in Medicare and Medicaid programs that are meaningful users of certified Electronic Health Records (EHR) technology.

The incentive payments are not a reimbursement, but are intended to encourage Oklahoma EPs and EHs to adopt, implement or upgrade certified EHR technology and use it in a meaningful manner.

Oklahoma was the first state in the nation to approve eligible professionals for payment through the Oklahoma EHR Incentive Program. 100 percent of the incentive payments are federal dollars. While implementing and administering the Oklahoma EHR Incentive Program OHCA plans to:

- ⇒ Establish, administer and oversee the program.
- ⇒ Use stakeholder input to assist with development and implementation of meaningful use definitions.
- ⇒ Capture attestations and report data electronically.
- ⇒ Monitor and report clinical quality measures to CMS.
- ⇒ Disburse and monitor incentive payments.
- ⇒ Update the state's electronic systems to improve functionality and interoperability.
- ⇒ Pursue incentives to encourage adoption, implementation or upgrade of certified EHRs and meaningful use by EPs and EHs.
- ⇒ Ensure privacy and security of electronic protected health information (ePHI).
- ⇒ Prevent fraud and abuse.

\$35 Million Federal Dollars

Direct to Oklahoma Providers

As of June 30, 2011, OHCA has paid \$12,572,917 to 592 eligible professionals and \$22,698,793 to 33 hospitals for a total of \$35,271,710.

OHCA works closely with federal and state partners to ensure the Oklahoma EHR Incentive Program fits into the overall strategic plan for the Oklahoma Health Information Exchange (OKHIE), advancing national and Oklahoma goals for electronic information.

SOONERCARE HEALTH ACCESS NETWORK

Part of the transition of the SoonerCare Choice program to a Patient-Centered Medical Home included the development of a Health Access Network (HAN) pilot program. The concept behind this pilot was to enhance the medical home with community support for behavioral health, pharmacy, access to specialty care, case management of specific populations and assistance in adoption of electronic health records.

The three approved pilot HANs are; 1) OU Sooner Health Access Network began operations in July 2011 with full functionality in November. This network contains 45 medical home providers, serving more than 28,000 members. 2) Partnership for a Health Canadian County (PHCC) is specific to the providers within the county. This HAN supports 5 medical homes servicing approximately 2,500 members. In addition to the services provided by other HANs, PHCC has established a strong connection with the county health department as well as food banks and other community resources. 3) The OSU Health Access Network is in the final stages of contracting with OHCA. This pilot will be similar to OU Sooner HAN in scope. This network will support more than 10 medical homes and more than 10,000 members.

SFY2011 Year in Review (continued)

BEHAVIORAL HEALTH QUALITY IMPROVEMENT PROJECT

In 2005, OHCA behavioral health care coordinators initiated a quality improvement project aimed at exploring how intensive care management might affect the length of stay for many SoonerCare members under the age of 21 in inpatient behavioral health settings. This project resulted in reduced costs of approximately \$1 million. The positive results supported the decision to add care coordination services to the current Quality Improvement Organization contract and led to a collaboration of multiple state agencies for a statewide Care Management Oversight project.

OHCA collaborated with Oklahoma Department of Mental Health and Substance Abuse Services, Office of Juvenile Affairs, Federation of Families, Oklahoma Commission on Children and Youth, Oklahoma Department of Rehabilitation Services and Oklahoma Department of Human Services to conduct the Care Management Oversight project with the following goals:

- ⇒ Creating a more integrated and seamless system of mental health and substance abuse services.
- ⇒ Offer children and youth with serious emotional disturbances and their families direct linkages to community-based services.
- ⇒ Increase usage of community-based services.
- ⇒ Decrease inpatient psychiatric hospital days.
- ⇒ Decrease number of days from inpatient/residential discharge to first community-based service.
- ⇒ Increase community capacity to respond to crises.
- ⇒ Ensure continuity of care.

Behavioral Health Care Managers from each agency took high-risk level children (N=87) and provided frequent state-level care coordination. The project included comparison to an equivalent control group (N=90).

Results of the care coordinated group were remarkable:

- ⇒ Average length of inpatient stay per child went from 70.6 days to 29.2 days.
- ⇒ Decrease of 41 percent in total inpatient expenditures.
- ⇒ Increased usage of community-based services by 16 percent.
- ⇒ Total SoonerCare average annual expenditures per child dropped 35 percent.
- ⇒ Overall cost savings of \$788,037.



SFY2011 Year in Review (continued)

FEDERAL RELIEF EXTENDED

The federal and state governments share Medicaid costs. Congress took two significant actions in February 2009 that were designed to assist states in assuring and financing coverage through Medicaid and the Children's Health Insurance Program (CHIP). The CHIP Reauthorization Act (CHIPRA) renewed CHIP federal funding through the end of 2013 and expanded its scope. CHIPRA provisions are financed largely by an increase in federal tobacco tax.

American Recovery and Reinvestment Act of 2009 (ARRA)

Section 5001 of the ARRA provided for temporary increases of the federal medical assistance percentages (FMAP) for all states during the period of economic downturn. Total dollars for the SoonerCare program remained the same; however, the increase in federal matching dollars decreased the state share amount, providing much needed relief to the state budget.

The ARRA, also referred to as the stimulus package, was amended to extend the recession adjustment period to June 30, 2011, and to extend the hold harmless provision that prevents a state's FMAP rate from decreasing due to a lower unemployment rate.

To access the additional funds associated with the increased FMAP, each state must ensure the "eligibility standards, methodologies, or procedures" under its Medicaid State Plan, or under its Medicaid waiver or demonstration programs, are not more restrictive than those in effect July 1, 2008.

The State of Oklahoma anticipated a budget shortfall of \$725 million for SFY2011. This projected shortfall meant the 3.25 percent cut in provider rates enacted in SFY2010, continued through SFY2011. In SFY2010, the OHCA collectively trimmed more than \$38 million in state funds from administrative costs and the SoonerCare program. These cuts ultimately resulted in a total program reduction of more than \$148 million because of the corresponding reduction in federal Medicaid matching funds, including the loss of the additional federal stimulus package money.



SFY2011 Year in Review (continued)

OHCA STAFF RECEIVE AWARDS

Often OHCA staff efforts are heralded through calls and letters. Occasionally, outstanding efforts are recognized through awards. Such is the case for Paula Printup-Porter. Ms. Printup-Porter was named Oklahoma's Certified Public Manager of the Year for 2010. She was recognized for her service to the U.S. Air Force, federal government and State of Oklahoma, and her leadership of the Oklahoma Certified Public Managers Society. A proclamation from Gov. Brad Henry designated Dec. 13, 2010, as Paula Printup-Porter Day in Oklahoma.

The "Heart of Our Family 2011 Award" was presented to Erin Meyer, LMFT, MS. in April 2011. According to the presenter, Meyer was honored for making a difference in strengthening Family and Children's Services and the lives of others in our community.

Debbie Spaeth, LMFT, LADC, LPC, was recognized by the Journal Record in the 2010 "50 Making a Difference" award. The award is a special tribute to Oklahoma's female business and community leaders. The 50 women selected include several from the health care and nonprofit fields as well as entrepreneurs, attorneys and city and state officials.

Leah Taylor, PhD, received the "Advocate of the Year" award from the Oklahoma Drug and Alcohol Professional Counselor's Association. The award is given to nominees who have made meaningful and consistent contributions that have had a significant impact on drug and alcohol addiction treatment.



URAC, a leading independent health care quality accrediting organization, awarded the Oklahoma Medical Risk Management program the Bronze Award in Health Information/Decision Support at the 2010 Best Practices in Health Care Consumer Empowerment and Protection Awards. The awards honor programs that advance patient safety and empower consumers.

The OHCA and Oklahoma Department of Mental Health and Substance Abuse Services developed the MRM program in partnership with research firm Care Management Technologies. Eli Lilly and Company, an Indianapolis-based pharmaceutical company, provides funding for the program to promote excellence in patient care.



SFY2011 Year in Review (continued)

OHCA 2011 QUALITY OKLAHOMA TEAM DAY AWARDS

OHCA highlighted 13 projects at the 2011 Quality Oklahoma Team Day at the state Capitol. Projects receiving a Governor's Commendation for Excellence award are included below.

OHCA Online Enrollment - At the time of the awards OHCA's online enrollment project showed resounding results, with nearly half of all applicants choosing to apply from home instead of through a state agency. Online enrollment frees up nearly 5,000 person-hours of state employee time each month in processing paper applications, while also empowering SoonerCare and SoonerPlan members to manage their benefit renewals and updates. This project also received the "Motivating the Masses" specialty award.

SoonerCare Choice: Oklahoma's Patient-Centered Medical Home Program - Sixty percent of SoonerCare members receive health care through the SoonerCare Choice program. To improve access and quality, OHCA transitioned to a Patient-Centered Medical Home (PCMH) model in January 2009. The PCMH is patient-centric and fosters a team approach to health care delivery, engaging the patient and family, as well as medical staff. The PCMH uses a care coordination fee based on a tiered PCP classification system with a fee-for-service and incentive payment structure, all within the same budget parameters as the previous model.

Practice Facilitation: Strengthening Primary Care for Chronic Illness in Oklahoma Through the SoonerCare Health Management Program - The OHCA, partnering with Iowa Foundation for Medical Care, is achieving cost savings and improved quality of care for patients with chronic disease through a process known as Practice Facilitation. This component of the SoonerCare Health Management Program (HMP),

operating since February 2008, provides direct process improvement support to primary care medical practices. An independent evaluator credits practice facilitation with saving 2.8 million dollars in the first 17 months of operation.

Measuring Success-SoonerCare's Payment Accuracy Project - With Medicaid's expenditures totaling more than \$4 billion (1.2 billion state dollars), it is paramount that agencies be diligent stewards of taxpayers dollars. The purpose of the program is to measure and reduce improper payments while protecting access to these essential services for all Oklahomans.

Statewide Care Management Oversight Project - The project studied the effects of state level care management for children who were at moderate to high risk of future inpatient behavioral health hospitalizations and was funded by the Innovation Center's Transformation of System's Infrastructure Grant (TSIG). The project was a collaboration among multiple state agencies. The University of Oklahoma's E-Team evaluated the results of the study and APS Healthcare assisted with prior authorization and care coordination.

OHCA also had information booths for: SoonerEnroll: Partnering for a Healthy Oklahoma; Behavioral Health Consolidated Claims Processing & Outcomes Data; Electronic Provider Notifications; Reducing Psychiatric Residential Treatment Expenditures; Online: Proposed Rule Change; SoonerCare Member Advisory Task Force; Focus On Excellence; and the SoonerQuit Prenatal Initiative.

Understanding SoonerCare

WHAT IS MEDICAID?

WHO QUALIFIES FOR MEDICAID?

WHAT IS SOONERCARE?

WHO ARE THE MEMBERS OF SOONERCARE?

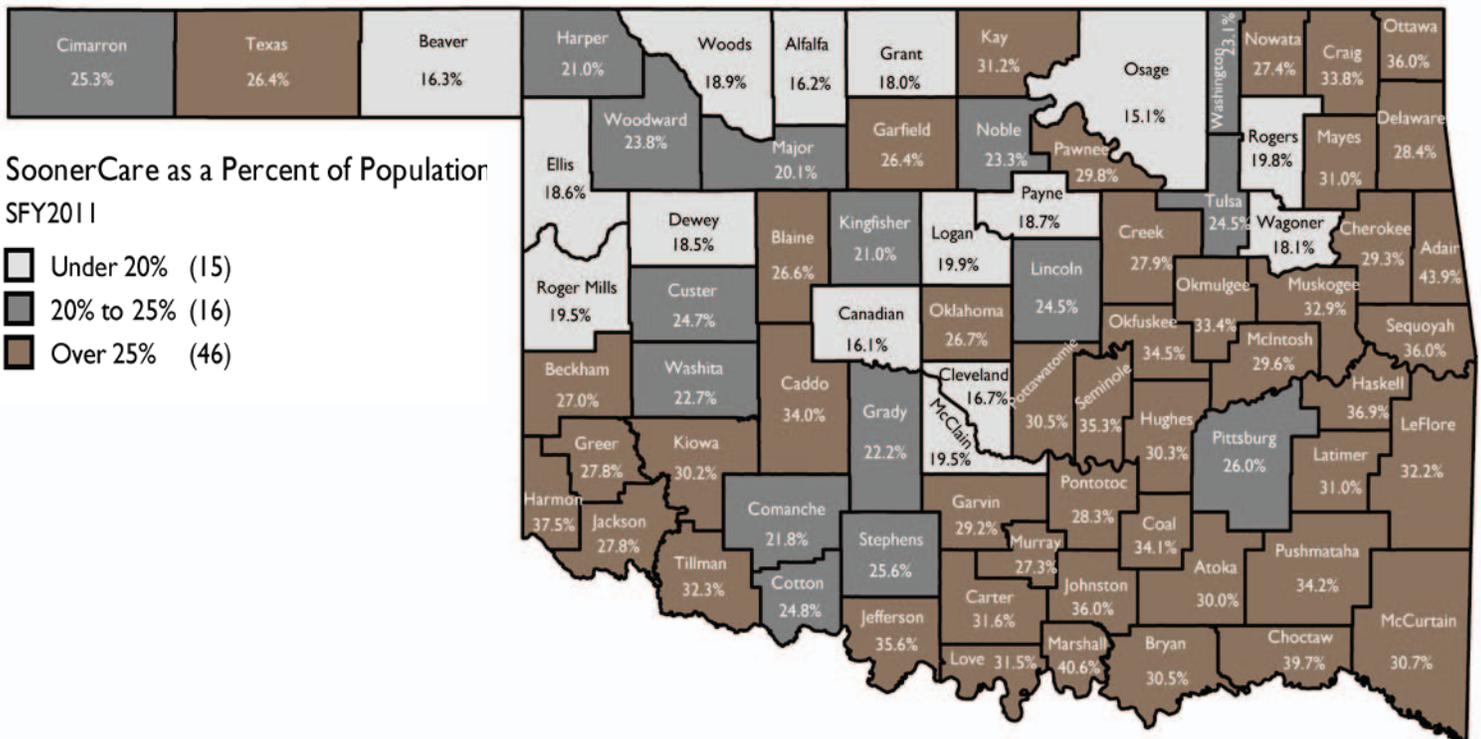
HOW IS SOONERCARE FINANCED?

WHERE ARE THE SOONERCARE DOLLARS GOING?

OKLAHOMA'S UNINSURED

SOONERCARE AND THE ECONOMY

SFY2011 SOONERCARE ENROLLEES AS A PERCENT OF THE TOTAL ESTIMATED 2010 OKLAHOMA POPULATION



Source: Population Division, U.S. Census Bureau. July 2009 population estimates by county. Enrollees are the unduplicated count per last county on record for the entire state fiscal year (July-June).

What Is Medicaid?

MEDICAID:

- ⇒ Was created as Title XIX of the Social Security Act in 1965.
- ⇒ Is a federal and state partnership program that makes coverage available for basic health and long-term care services based upon income and/or resources.
- ⇒ Is overseen at the federal level by the Centers for Medicare & Medicaid Services (CMS) within the Department of Health and Human Services.
- ⇒ Has requirements concerning funding, qualification guidelines and quality and extent of medical services set and monitored by CMS.
- ⇒ Is known as SoonerCare in Oklahoma.

Who Qualifies for Medicaid?

Medicaid serves as the nation’s primary source of health insurance coverage for vulnerable populations. Federal law requires states to cover certain “mandatory” groups to receive any federal matching funds. The mandatory groups are pregnant women and children under age 6 with family income below 133 percent FPL; children age 6 to 18 below 100 percent FPL; parents below cash-assistance eligibility levels; and elderly and persons with disabilities who receive Supplemental Security Income (SSI).

FIGURE 1 2011 FEDERAL POVERTY GUIDELINES (FPL)

Family Size	Annual (Monthly) Income			
	100%	133%	185%	300%
1	\$10,890 (\$908)	\$14,484 (\$1,207)	\$20,147 (\$1,679)	\$32,670 (\$2,723)
2	\$14,710 (\$1,226)	\$19,564 (\$1,631)	\$27,214 (\$2,268)	\$44,130 (\$3,678)
3	\$18,530 (\$1,545)	\$24,645 (\$2,054)	\$34,281 (\$2,857)	\$55,590 (\$4,633)
4	\$22,350 (\$1,863)	\$29,726 (\$2,478)	\$41,348 (\$3,446)	\$67,050 (\$5,588)
5	\$26,170 (\$2,181)	\$34,806 (\$2,901)	\$48,415 (\$4,035)	\$78,510 (\$6,543)
6	\$29,990 (\$2,500)	\$39,887 (\$3,324)	\$55,482 (\$4,624)	\$89,970 (\$7,498)
7	\$33,810 (\$2,818)	\$44,967 (\$3,748)	\$62,549 (\$5,213)	\$101,430 (\$8,453)
8	\$37,630 (\$3,136)	\$50,048 (\$4,171)	\$69,616 (\$5,802)	\$112,890 (\$9,408)
For Each Additional Member	\$3,820	\$5,081	\$7,067	\$11,460

The designation of some groups as mandatory and others as optional is an artifact of Medicaid’s origins as a health care provider for traditional welfare populations. Through laws enacted over the past 40 years, eligibility has been extended to include not only people who are receiving cash-assistance programs but also individuals who are not.

Still, Medicaid does not provide medical assistance for all impoverished people. Even under the broadest provisions of the federal statute (except for emergency services for certain individuals), the Medicaid program does not provide health care services for very poor people unless they are in one of the designated qualifying groups.

Each state sets an income limit within federal guidelines for Medicaid qualifying groups and determines what income counts toward that limit. Part of financial qualification for SoonerCare is based upon the family size and relation of monthly income to the federal poverty level (FPL) guidelines.

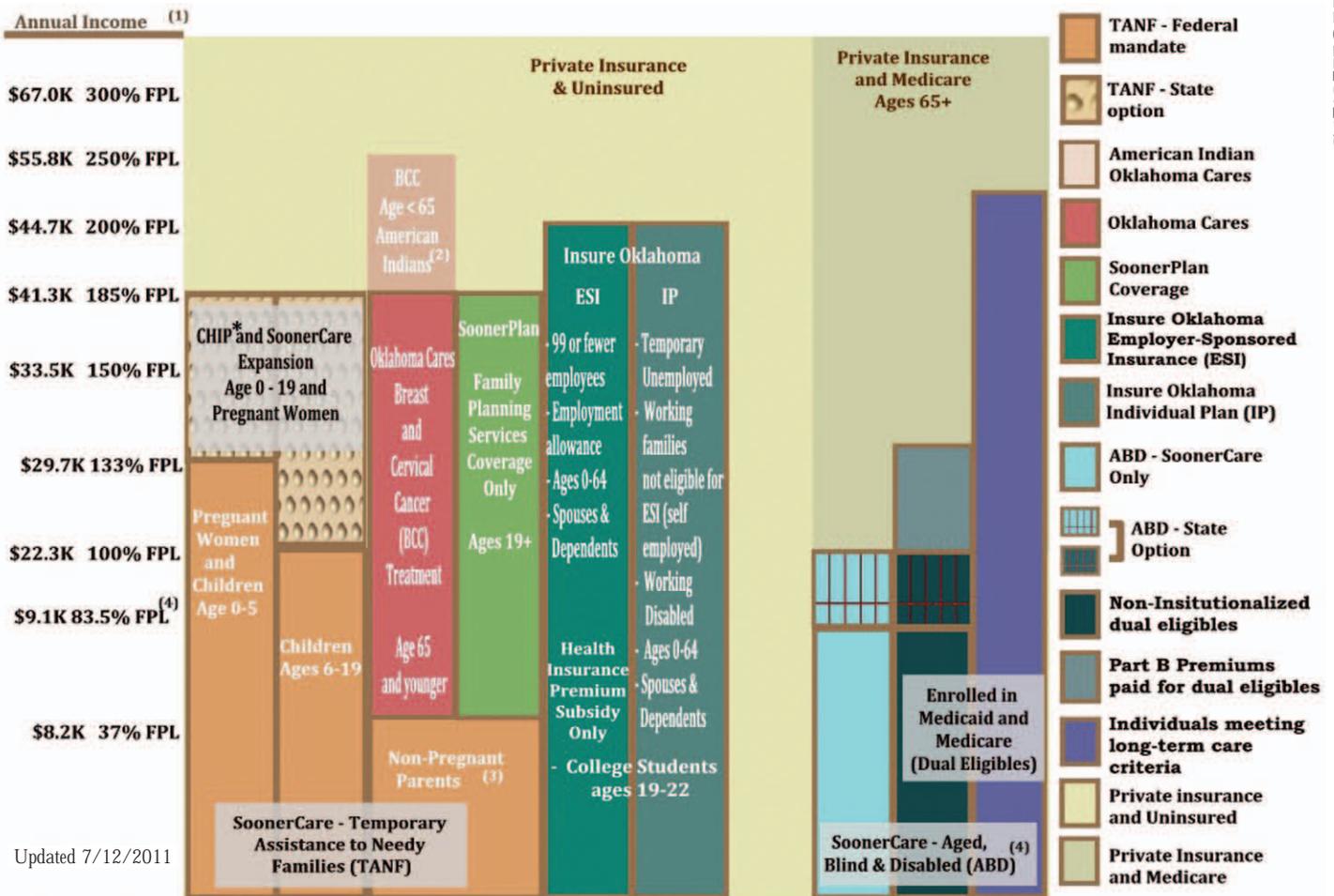
SOURCE: Federal Register, Vol. 76, No. 13, January 20, 2011, pp. 3637-3638; <http://aspe.hhs.gov/poverty/index.shtml>.

Who Qualifies for Medicaid? (continued)

Oklahoma Department of Human Services' Role in Qualifying Members

In accordance with Oklahoma State Statutes, Title 63, Sec. 5009, OHCA contracts with the Oklahoma Department of Human Services (OKDHS) to determine if certain individuals qualify for SoonerCare. Individuals who are disabled, aged, in custody, qualified for cash assistance or receive a State supplemental payment are processed and approved or denied by OKDHS. Applications and renewals for these programs are reviewed by each OKDHS county office for financial and/or medical qualifications. Once an individual meets the qualifications and completes the enrollment process, his or her records are sent to OHCA to coordinate medical benefits and make payments for services.

FIGURE 2 2011 FEDERAL POVERTY GUIDELINES (FPL) AND COVERAGE



Updated 7/12/2011

(1) Federal Poverty Guidelines. U.S. Department of Health and Human Services. Based on a family of four.

(2) Oklahoma Cares qualifications are up to 250% FPL for American Indians only.

(3) Approximately 37 percent of federal poverty level (FPL) based on single parent family.

(4) Income shown is for single individuals.

* CHIP is the Children's Health Insurance Program.

IMPORTANT - the above information is a very basic overview of the federal poverty level and coverage groups. Each group has varying qualifying criteria. Specific details can be found at www.okhca.org under Individuals.

What Is SoonerCare?

SoonerCare is Oklahoma's Medicaid program. The Oklahoma Health Care Authority has the task of providing government-assisted health insurance coverage to qualifying Oklahomans. SoonerCare offers varying health benefit packages, and each has a different name.

SoonerCare Choice is a Patient-Centered Medical Home program where each member has a medical home that provides basic health care services. SoonerCare Choice primary care providers are paid a monthly case management/care coordination fee. Visit-based services remain compensable on a fee-for-service basis.

SoonerCare Traditional is a comprehensive medical benefit plan that purchases benefits for members not qualified for SoonerCare Choice. The member accesses services from contracted providers, and OHCA pays the provider on a fee-for-service basis. SoonerCare Traditional provides coverage for members institutionalized, in state or tribal custody, covered under a health maintenance organization (HMO) or enrolled under one of the Home and Community-Based Services waivers.

SoonerCare Supplemental is a benefit plan for dual eligibles enrolled in both Medicare and Medicaid. SoonerCare Supplemental pays the Medicare coinsurance and deductible and provides medical benefits to supplement services covered by Medicare.

The **Opportunities for Living Life** program offers additional benefits to certain members who are enrolled in SoonerCare Traditional or SoonerCare Supplemental plans. These benefits could include long-term care facility services, in-home personal care services and/or home and community-based services. The home and community-based benefit provides medical and other supportive services as an alternative to a member entering a nursing home.

SoonerPlan is a benefit plan covering limited services related to family planning. SoonerPlan provides family planning services and contraceptive products to women and men age 19 and older who do not choose or typically qualify for full SoonerCare benefits.

Soon-to-be-Sooners is a limited benefit plan providing pregnancy-related medical services to women who do not qualify for benefits due to their immigration status.

Insure Oklahoma Employer-Sponsored Insurance (ESI) is a benefit plan providing premium assistance to qualified employees and spouses of an Oklahoma small business that has 99 or fewer workers. With ESI, the cost of health insurance premiums is shared by the employer, the employee and the OHCA. Children of ESI members with an income between 185 and 200 percent of federal poverty level are covered through their family's private insurance plan, and Insure Oklahoma subsidizes a portion of the family's premium costs.

Insure Oklahoma Individual Plan (IP) is a health insurance option for qualified Oklahomans. This benefit plan offers some basic health services to uninsured adults up to age 64 and their qualifying children whose household income is no more than 200 percent of federal poverty level, and who are not receiving Medicaid or Medicare.

The Individual Plan is available to people who meet the definition in one of the following groups:

1) working adults who do not qualify for ESI and work for an Oklahoma business with 99 or fewer employees, 2) temporarily unemployed adults who qualify to receive unemployment benefits, 3) working adults with a disability who work for any size employer and have a ticket to work, or 4) adults who are self employed.

College students ages 19 through 22 who meet financial requirements also may receive benefits under Insure Oklahoma.

Who Are the Members of SoonerCare?

MAIN QUALIFYING GROUPS

To be eligible for federal funds, states are required to provide Medicaid coverage for certain individuals who receive federally assisted income-maintenance payments (cash assistance), as well as for related groups not receiving cash payments. Overall, less than half of the SoonerCare enrollees receive any type of cash assistance.



Children and Parents. Most SoonerCare enrollees are qualified under the Temporary Assistance for Needy Families (TANF) guidelines regardless of whether they are eligible to receive the TANF cash assistance. Only 16 percent of children enrolled in SoonerCare under TANF guidelines were in state custody or received cash assistance. More than 112,000 low-income pregnant women or adults in families with children were enrolled under TANF guidelines. The majority of these members receive the SoonerCare Choice benefit package.

FIGURE 3 SOONERCARE CHILDREN UNDER 21 — SFY2011

Total unduplicated children under 21	604,301
Children qualified under TANF	527,309
Children qualified under Blind and Disabled	22,329
Children qualified under TEFRA	429
Children qualified under Insure Oklahoma	1,683
Children qualified under CHIP	117,229

Children above may be counted in multiple qualifying groups. The list above is not all inclusive, there are other groups that children are qualified through.

Aged. More than 66,000 adults ages 65 and older, excluding those who are blind or disabled, were covered by SoonerCare in SFY2011. Twenty-six percent were enrolled because they received cash assistance through the Supplemental Security Income (SSI) program. Others had too much income or too many assets to qualify for SSI but were able to “spend down” to qualify for SoonerCare by incurring high medical or long-term care expenses. Most of these members are included in the Aged, Blind and Disabled (ABD) category and receive SoonerCare Traditional benefits.

Blind and Disabled. During SFY2011, more than 130,000 Oklahomans who were blind or had chronic conditions and disabilities were enrolled in SoonerCare. Sixty-seven percent qualified because they received cash assistance through the SSI program. The remainder generally qualified by having incurred high medical expenses to meet their “spend-down” obligation. These members qualify under the Aged, Blind and Disabled (ABD) category, and more than half receive the SoonerCare Traditional benefit package.

Dual Eligibles*. Some individuals qualified for Medicaid and Medicare. Medicare has four basic coverage components: Part A, which pays for hospitalization costs; Part B, which pays for physician services, laboratory and X-ray services, durable medical equipment, outpatient and other services; Part C, an HMO model combination of Parts A, B and D; and Part D, which pays for a majority of prescription drugs. Dual eligibles are individuals who are entitled to Medicare Part A and/or Part B or Part C and qualify for some form of SoonerCare benefit. Oklahoma SoonerCare covered 119,797* dually eligible enrollees at some point during SFY2011. These members receive SoonerCare Supplemental or SoonerCare Traditional benefits and are reported under the Aged, Blind and Disabled (ABD) or Other categories.

*Dually eligible enrollees may be accounted for in other qualifying groups.

Who are the Members of SoonerCare? (continued)

ADDITIONAL QUALIFYING GROUPS



Children’s Health Insurance Program (CHIP). Implemented in 1997, CHIP, or Title XXI, is designed to help states cover additional uninsured low-income children. CHIP offers enrollment for children age 18 and younger with income below 185 percent of federal poverty level who do not qualify under criteria in effect prior to November 1997 or another federal insurance program. As a federal incentive, Oklahoma receives a higher rate of federal matching dollars for members qualified under CHIP. The CHIP Reauthorization Act (CHIPRA) renewed CHIP federal funding through the end of 2013 and expanded its scope.

On average each month, 65,000 children qualified under CHIP. A majority of the children who qualify under CHIP receive the SoonerCare Choice benefit package. These members are categorized under Children/Parents in this report.

SoonerCare expansion. Also in 1997, legislation raised the optional SoonerCare qualification level to 185 percent of the federal poverty level for children 18 and younger as well as pregnant women regardless of their age. The SoonerCare expansion includes these qualifying individuals even if they have other types of insurance coverage (third-party liabilities). In SFY2011, 20,733 children and/or women who are pregnant qualified through this expansion. These enrollees receive SoonerCare Choice benefits and are categorized under Children/Parents.

182%
Since the implementation of the SoonerCare qualification expansion programs in 1997, the number of children enrolled in SoonerCare has increased more than 182 percent.

TEFRA. The Tax Equity and Fiscal Responsibility Act (TEFRA) gives Oklahoma the option to make SoonerCare benefits available to children ages 18 and younger with physical or mental disabilities who would not ordinarily qualify for Supplemental Security Income (SSI) benefits because of their parents’ income or resources. Oklahoma instituted this option in October 2005. TEFRA allows children who qualify for institutional services to be cared for in their homes. The majority of these children are receiving SoonerCare Choice benefits. In this report, these enrollees are categorized as Aged, Blind and Disabled.

550
550 children have qualified through the TEFRA program since its inception in October 2005.

Oklahoma Cares. Implemented in January 2005, OHCA’s breast and cervical cancer treatment program provides SoonerCare health care benefits to women ages 65 and younger found to need further diagnostics or treatment from the result of breast or cervical screenings with abnormal findings, precancerous conditions or cancer. Oklahoma Cares members are covered under either the SoonerCare Choice or SoonerCare Traditional benefit package until they no longer require treatment or qualify financially. Unless listed separately, Oklahoma Cares will be grouped under the Children/Parents category in this report.

26,307
There have been 26,307 women qualified through Oklahoma Cares since its inception in January 2005.

Who are the Members of SoonerCare? (continued)

ADDITIONAL QUALIFYING GROUPS (CONTINUED)

SoonerPlan. SoonerPlan is Oklahoma's family planning program for women and men ages 19 and older with income at or below 185 percent of federal poverty level and do not have creditable health insurance coverage. Implemented under a waiver in April 2005, SoonerPlan member benefits are limited to family planning services from any SoonerCare provider who offers family planning.

113,565
 Since inception, 113,565 men and women have been enrolled through SoonerPlan.

Home and Community-Based Services (HCBS) Waivers. Medicaid Home and Community-Based Services (HCBS) waivers afford states the flexibility to develop and implement creative alternatives to placing SoonerCare members in a nursing facility or intermediate care facility for the mentally retarded (ICF/MR). Oklahoma operates the eight following Home and Community-Based Services (HCBS) waivers:

- ⇒ **ADvantage Waiver:** Serves the “frail elderly” (age 65 years and older) and adults with physical disabilities over the age of 21 who qualify for placement in a nursing facility. More than 24,000 members receive services through this waiver program.
- ⇒ **Community Waiver:** Serves more than 2,900 members with mental retardation (MR) and “related conditions” qualified for placement in an intermediate care facility for the mentally retarded (ICF/MR). This waiver covers children and adults, with the minimum age being 3 years old.
- ⇒ **Homeward Bound Waiver:** Designed to serve the needs of individuals with mental retardation 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/MR. This waiver covers 740 individuals.
- ⇒ **In-Home Supports Waiver for Adults:** Designed to assist the state in providing adults (ages 18 and older) with mental retardation access to waiver services. This waiver serves more than 1,500 adults who would otherwise qualify for placement in an ICF/MR.
- ⇒ **In-Home Supports Waiver for Children:** Designed to provide waiver services to children ages 3 through 17 years old with mental retardation. During SFY2011, this waiver served nearly 472 children who qualified for placement in an ICF/MR.
- ⇒ **Medically Fragile:** This program offers services to individuals ages 19 and older who are hospital or skilled nursing facility level of care. The first member was enrolled in August 2010 and more than 20 were enrolled by June 2011.
- ⇒ **My Life; My Choice:** Adults with physical disabilities who have transitioned from nursing facilities to their own homes through the Living Choice program are enrolled in My Life; My Choice following their first year of community living. Two individuals “graduated” from Living Choice in November 2010 and entered the My Life; My Choice program. Enrollment continued throughout June, resulting in 10 enrollments by the end of the fiscal year.
- ⇒ **Sooner Seniors:** Elderly persons 65 and older with long-term illnesses are served in Sooner Seniors following their first year of community transition using Living Choice. This program began serving members in March 2011. Total enrollment grew to 6 by the end of the fiscal year.

What Is a Waiver?

States' Medicaid waivers are granted by the federal Centers for Medicare & Medicaid Services. CMS allows states to request waivers to specifically “waive” certain federal requirements of the program. Waivers generally must be “budget neutral” (federal spending under a waiver cannot exceed what federal spending would have been without a waiver).

Who are the Members of SoonerCare? (continued)

ADDITIONAL QUALIFYING GROUPS (CONTINUED)

Soon-to-be Sooners. The Soon-to-be Sooners (STBS) program is federally approved through Title XXI of the Social Security Act and makes SoonerCare coverage of pregnancy-related medical services available to women who would not otherwise qualify for benefits due to citizenship status. Offering prenatal services helps the newborn Oklahoma and United States citizens have healthier beginnings. STBS benefits are more limited than SoonerCare full-scope benefits and cover only those medical services related to the well-being of the pregnancy.

7,037
 During SFY2011, 7,037 women were able to receive pregnancy-related care through Soon-to-be Sooners.

Insure Oklahoma. Implemented under the federal Health Insurance Flexibility and Accountability (HIFA) waiver, Insure Oklahoma is a unique product designed to provide affordable health coverage to adults and their dependents who are either uninsured or at risk of losing their coverage due to high premium costs. The state share of Insure Oklahoma costs comes from the state's tobacco tax revenues.

Basic requirements for individual participation in the Insure Oklahoma programs are:

- ⇒ Oklahoma resident.
- ⇒ U.S. citizen or legal alien.
- ⇒ Younger than 64 years of age.
- ⇒ Income below 200 percent of federal poverty level.
- ⇒ Doesn't qualify for SoonerCare or Medicare.



Full-time college students ages 19 through 22 who meet the basic requirements also can participate in Insure Oklahoma. Depending on each individual situation, the student can be enrolled under either the Employer-Sponsored Insurance or the Individual Plan.

Insure Oklahoma Employer-Sponsored Insurance (ESI). Employee enrollment in ESI requires the above, plus:

- ⇒ Employee contributes up to 15 percent of premium costs;
- ⇒ Employee must enroll in a qualified health plan offered by his or her employer.

Insure Oklahoma Individual Plan (IP). Requirements include the basic for individuals above, plus:

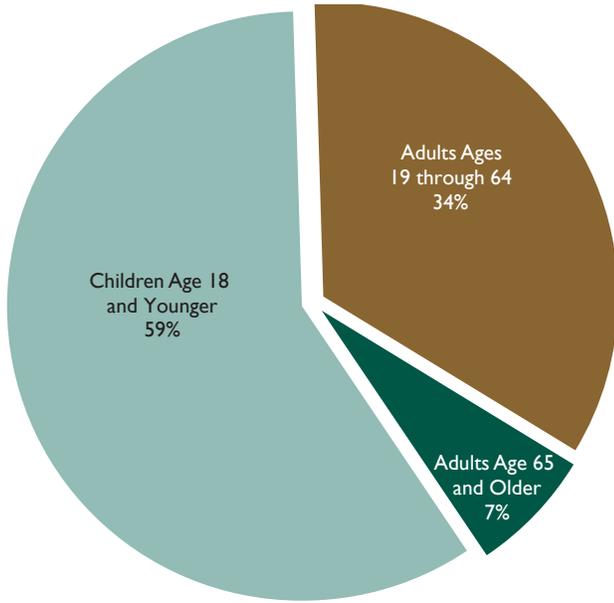
- ⇒ Not qualified for ESI and work for an Oklahoma business with 99 or fewer employees; or
- ⇒ Self employed; or
- ⇒ Temporarily unemployed and eligible to receive unemployment benefits; or
- ⇒ Working disabled who works for any size employer and has a ticket to work.

Insure Oklahoma also covers children younger than age 19 in families with workers from any size business whose household income is 185 percent to 200 percent of the federal poverty level. Children of the ESI members are covered through their family's private insurance plan, and Insure Oklahoma subsidizes a portion of the family's premium costs. Children of IP members are covered through the state-operated Individual Plan network and benefit plan.

For more specific Insure Oklahoma qualifying requirements and application information, go to the website, www.insureoklahoma.org.

Who are the Members of SoonerCare? (continued)

FIGURE 4 AGE OF SOONERCARE ENROLLEES



1 in 4 Oklahomans Enrolled in SoonerCare

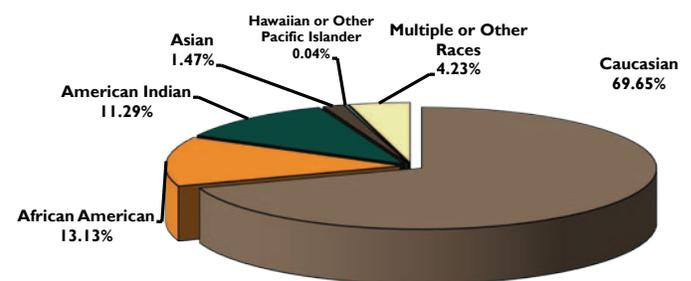
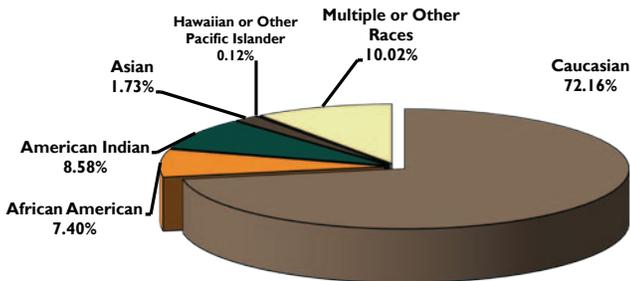
There were 968,296 unduplicated members enrolled in the SoonerCare or Insure Oklahoma programs during SFY2011. On average, 752,002 members were enrolled each month of the state fiscal year. Females comprised 58 percent of the unduplicated enrollees.

FIGURE 5 OKLAHOMA AND SOONERCARE POPULATION BY RACE

Oklahomans can declare any combination of five races. The pie charts below represent the counts of races reported alone. The bar chart below is the total SoonerCare count for each race for every reported occurrence either alone or in combination with another race.

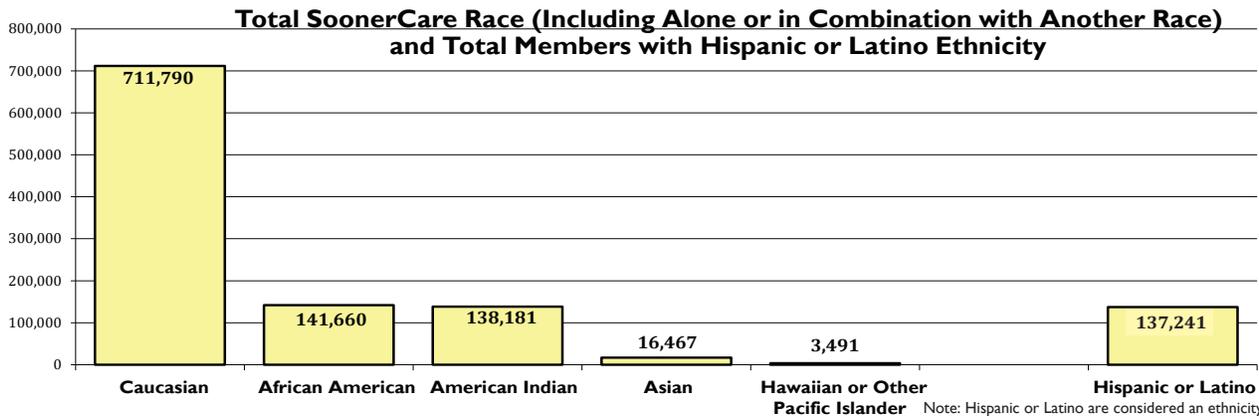
State of Oklahoma Population 2010

SoonerCare Population SFY2011



Total Estimated Population 2010 - 3,751,351 (Hispanic or Latino Ethnicity = 332,007)
 Oklahoma totals based on U.S. Census Bureau, Oklahoma State Data Center 2010
 Population - single race reported alone counts. Census collects Other Race, not listed in the other 5 major categories.

Total Enrolled in SoonerCare and/or Insure Oklahoma - 968,296 (Hispanic or Latino Ethnicity = 137,241) The multiple race group has two or more races reported. Race is self-reported by members at the time of enrollment.



Note: Hispanic or Latino are considered an ethnicity, not a race. Ethnicity may be of any race.

Oklahoma SoonerCare unduplicated single race reported alone counts based upon data extracted from member files on July 15, 2011. The multiple race group has two or more races reported. Race is self-reported by members at the time of enrollment.

How Is SoonerCare Financed?

The federal and state governments share Medicaid costs. In the federal budget, Medicaid is an “open-ended entitlement” program, which means the federal government is required by law to pay its share of Medicaid costs regardless of the total amount. For program administration costs, the federal government contributes 50 percent for each state, with enhanced funding provided for some administrative activities, such as fiscal agent operations. For medical services provided under the program, the federal matching rate varies between states. Each year the federal matching rate, known as the federal medical assistance percentage (FMAP), is adjusted. States having lower per capita incomes receive a higher federal match. Oklahoma must use state or local tax dollars (called “state matching dollars”) to meet its share of SoonerCare costs.

As part of the American Recovery and Reinvestment Act (ARRA or stimulus package) passed in 2009, Congress acted to temporarily increase the FMAP for all states during the period of economic downturn. According to the Federal Register, Oklahoma’s regular FMAP was increased through June 2011.

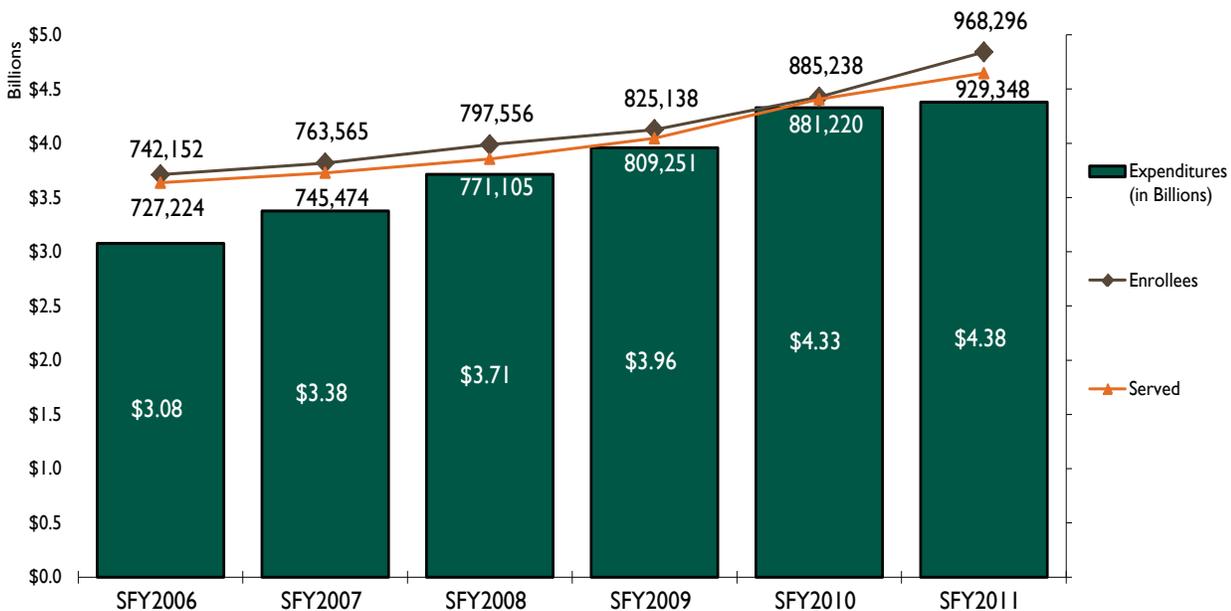
For the specific revenue sources, go to Appendix A on page 62.

FIGURE 6 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)

Regular Medicaid Match			CHIP [‡] Match		
Federal Fiscal Year	Federal Match (FMAP)	State Match	Federal Fiscal Year	Federal Match (FMAP)	State Match
2011	64.94%	35.06%	2011	75.46%	24.54%
2012	63.88%	36.12%	2012	74.72%	25.28%

The Federal Fiscal Year is from October through September. [‡]CHIP: Children’s Health Insurance Program.

FIGURE 7 HISTORIC SOONERCARE ENROLLEES, SERVED AND EXPENDITURES, SFY2005-SFY2011



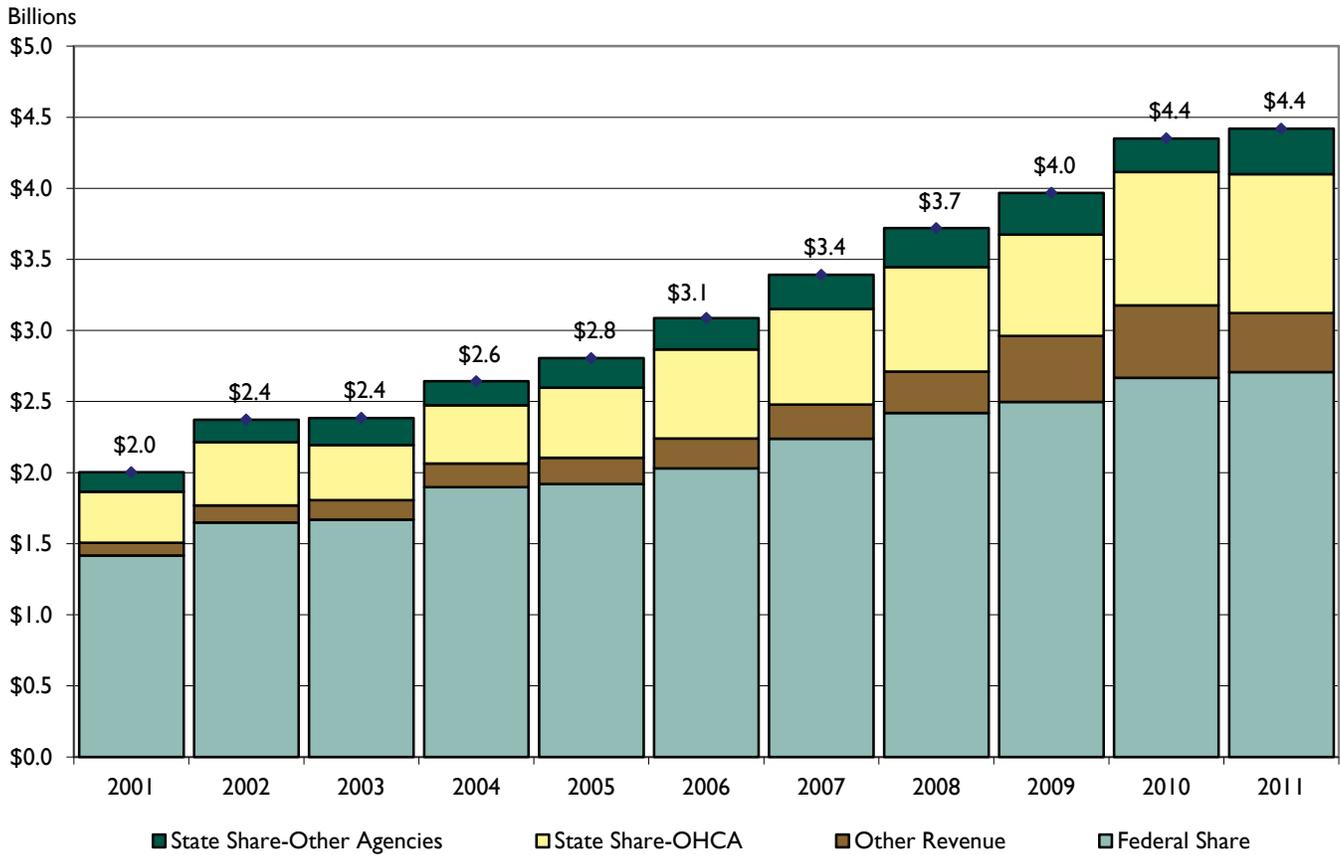
How Is SoonerCare Financed? (continued)

SoonerCare is the largest source of federal financial assistance in Oklahoma, accounting for nearly 45 percent of all federal funds flowing into Oklahoma. Federal Medicaid dollars received for SFY2011 totaled nearly \$2.7 billion.

45%

Oklahomans Working for Oklahomans

FIGURE 8 SUMMARY OF EXPENDITURES AND REVENUE SOURCES, FEDERAL FISCAL YEAR 2001-2011



Federal Fiscal Year	Total Expenditures	Federal Share	Other Revenue	State Share — OHCA	State Share — Other Agencies
2001	\$2,002,335,338	\$1,416,570,113	\$90,213,424	\$358,174,870	\$137,376,931
2002	\$2,372,098,884	\$1,649,376,278	\$119,799,311	\$445,842,697	\$157,080,598
2003	\$2,384,136,980	\$1,669,197,685	\$136,781,999	\$388,181,072	\$189,976,224
2004	\$2,642,481,484	\$1,897,667,825	\$166,596,539	\$408,889,974	\$169,327,146
2005	\$2,805,599,500	\$1,920,731,328	\$183,584,054	\$492,641,139	\$208,642,979
2006	\$3,086,916,991	\$2,029,524,772	\$210,005,646	\$626,418,336	\$220,968,237
2007	\$3,391,417,550	\$2,238,775,881	\$240,533,188	\$671,201,181	\$240,907,299
2008	\$3,719,999,267	\$2,419,909,782	\$290,956,731	\$734,195,329	\$274,937,424
2009	\$3,967,791,899	\$2,498,199,599	\$463,954,197	\$712,114,305	\$293,523,798
2010	\$4,350,788,295	\$2,667,539,569	\$508,946,267	\$938,718,686	\$235,583,773
2011	\$4,419,400,740	\$2,707,196,795	\$414,614,124	\$978,015,721	\$319,574,101

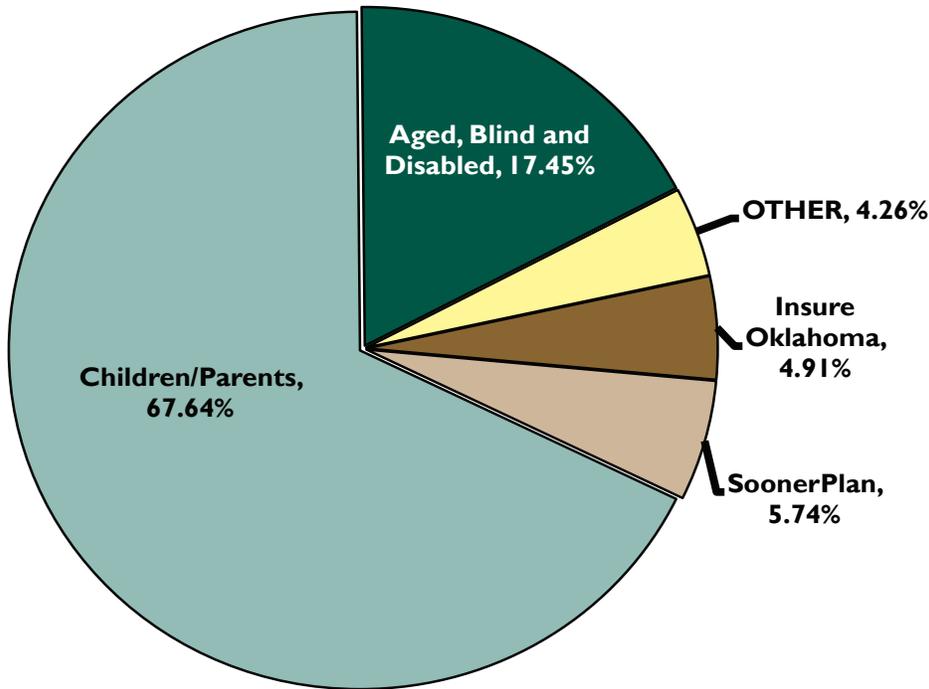
Source: OHCA Financial Services Division. Federal fiscal years are between October 1 and September 30. Financial statement data represents actual cash expenditures as reported to the Office of State Finance while MMIS data warehouse expenditure data is net of overpayments and adjustments. For revenue details go to page 62 of this report.

HOW IS SOONERCARE FINANCED?

Where Are the SoonerCare Dollars Going?

FIGURE 9 SOONERCARE ENROLLEES AND EXPENDITURES BY AID CATEGORY PERCENTAGES

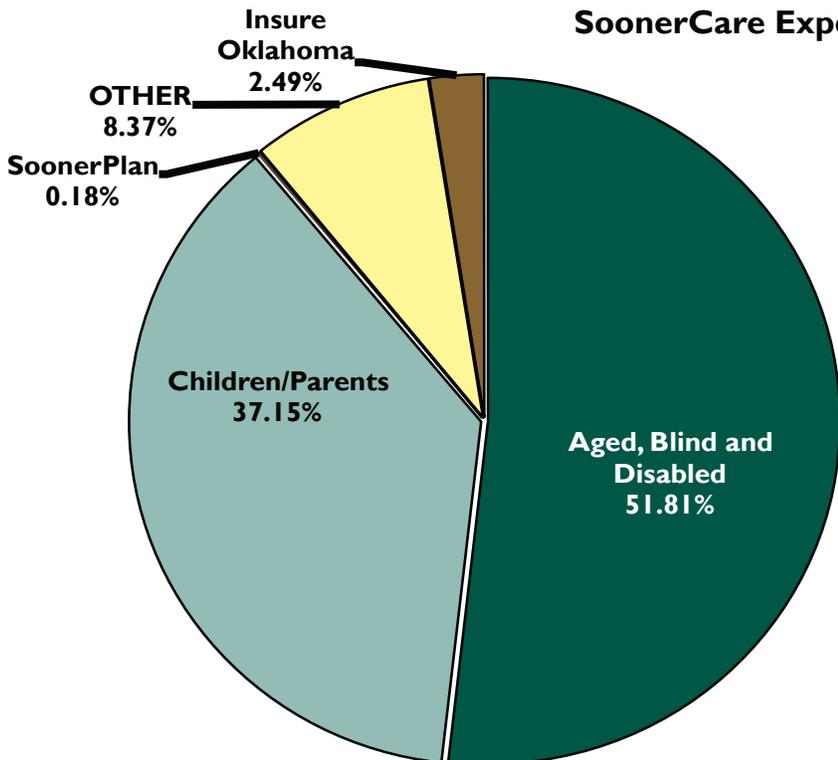
SoonerCare Enrollees



17%
 17.45 percent of enrollees were Aged, Blind and Disabled



SoonerCare Expenditures



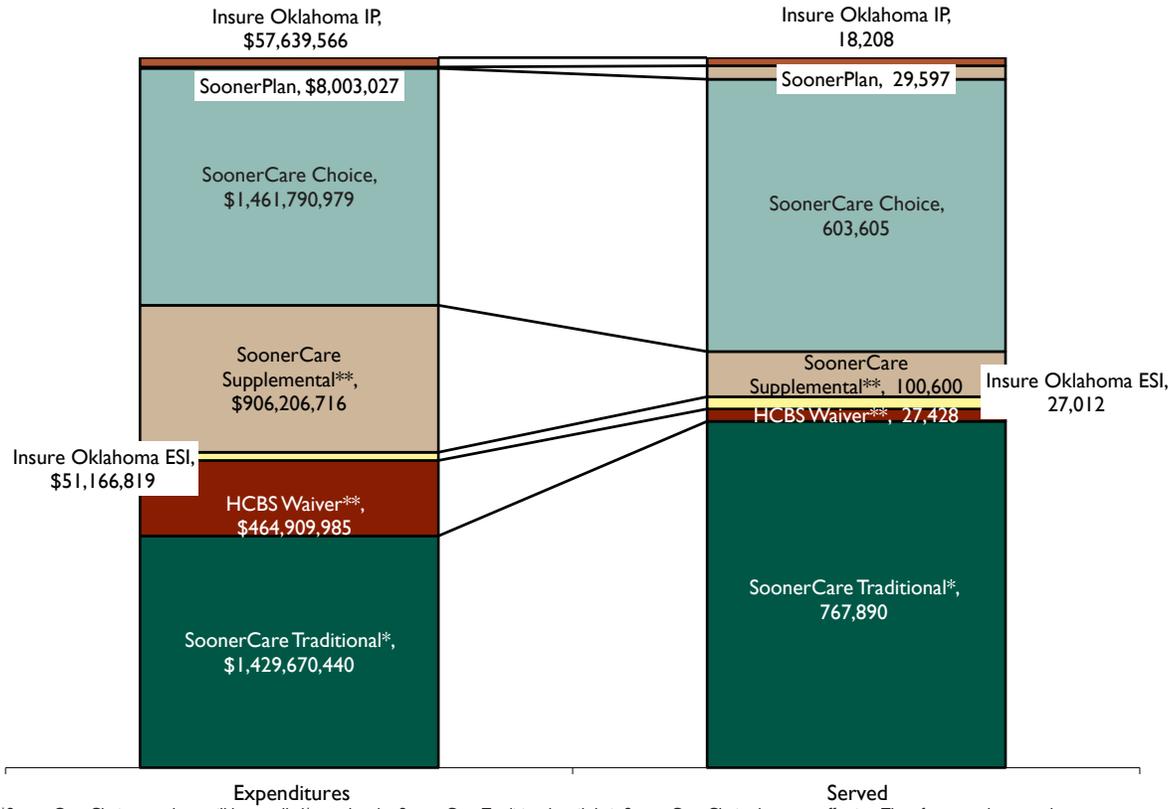
52%
 51.8 percent of expenditures were on behalf of Aged, Blind and Disabled

More than five of every 10 SoonerCare dollars were paid for services rendered to the Aged, Blind and Disabled (ABD) population. This group includes dual eligibles, people with chronic medical conditions and residents of long-term care facilities.

Other enrollees and expenditures include — Refuge, PKU, Q1, SLMB, DDSD Supported Living, Soon-to-be Sooners and TB members. Children/Parents includes child custody. ABD includes TEFRA enrollees and expenditures. Other expenditures also include GME/IME/DSH and hospital supplemental payments.

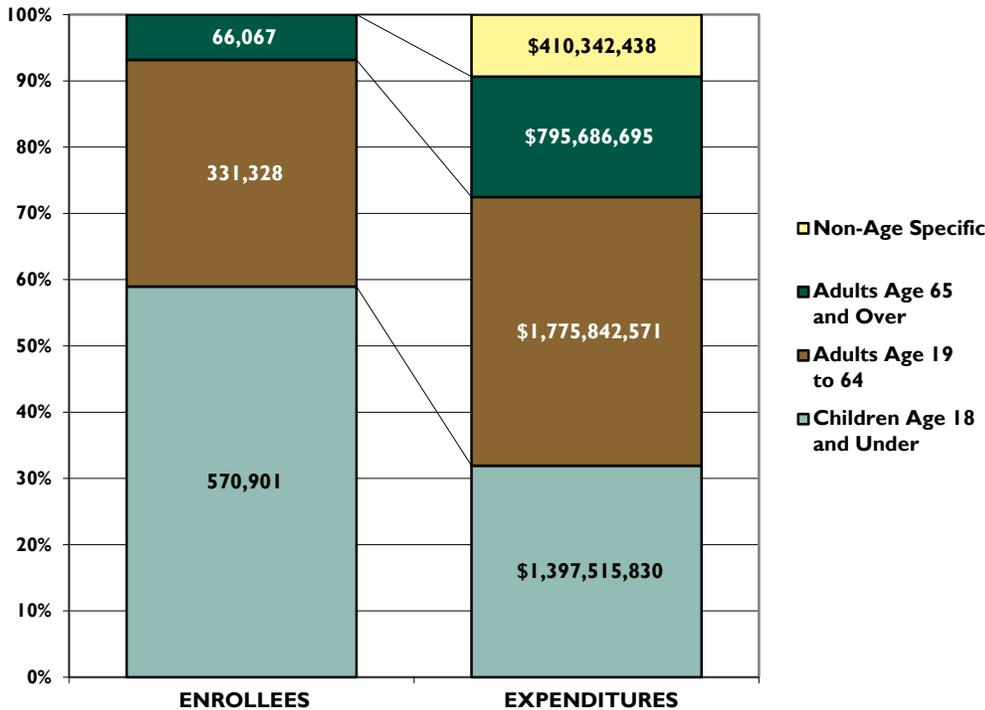
Where Are the SoonerCare Dollars Going? (continued)

FIGURE 10 SOONERCARE EXPENDITURES AND SERVED BY BENEFIT PLAN — SFY2011



*SoonerCare Choice members will be enrolled/served under SoonerCare Traditional until their SoonerCare Choice becomes effective. Therefore, members may be counted in both categories. **SoonerCare Supplemental and Home and Community-Based Services (HCBS) waiver served members may also be included in the SoonerCare Traditional counts. Expenditures include GME/IME/DSH and hospital supplemental payments. HCBS Waiver expenditures are for all services to waiver members, including services not paid with waiver funds.

FIGURE 11 SOONERCARE ENROLLEES AND EXPENDITURES BY AGE — SFY2011



Non-age specific payments include \$246,447,758 in Hospital Supplemental payments; \$11,757,235 in Outpatient Behavioral Health Supplemental payments; \$875,202 in PCPs Supplemental payments; \$3,590,936 in SoonerExcel payments; \$61,146,423 in GME payments to Medical schools; \$11,029,550 in Public ICF/MR cost settlements; \$16,511 in FQHC wrap-around payments; and (\$193,696) in non-member specific provider adjustments. \$123,794,836 in Medicare Part A & B (Buy-In) payments and \$45,689,964 in Medicare Part D (clawback) payments are included in Ages 65 and over.

OHCA SFY2011 Annual Report *Where Are the SoonerCare Dollars Going? (continued)*

FIGURE 12 TOP 20 SOONERCARE EXPENDITURES — SFY2011

Dollars in Millions

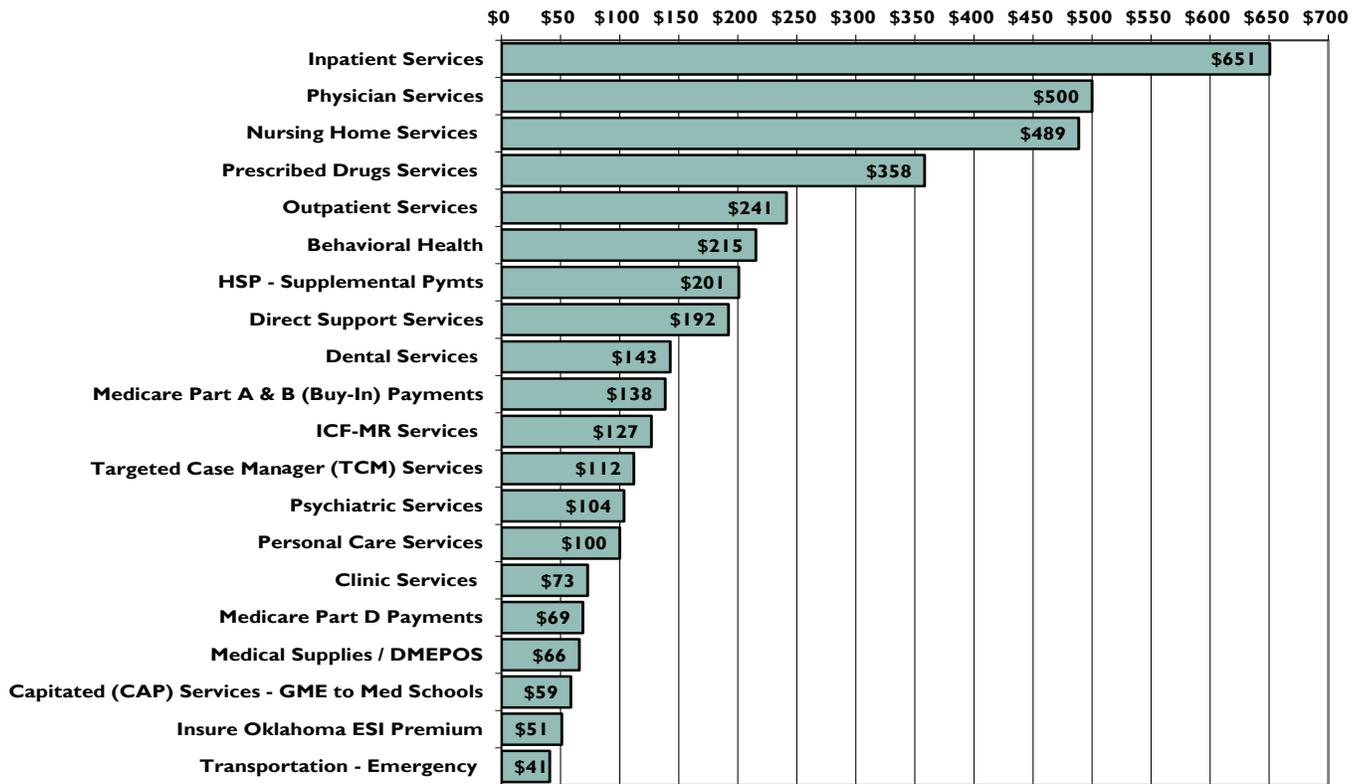


FIGURE 13 SOONERCARE CAPITATION PAYMENTS — SFY2011

Aged, Blind and Disabled (ABD)	Member Months	Capitation Payments
IHS Adults	11,300	\$33,900
IHS Children	6,073	\$18,219
Children/Parents (TANF)*	Member Months	Capitation Payments
IHS Adults	10,965	\$ 21,930
IHS Children	148,344	\$317,415
SoonerCare Choice Medical Home	Member Months	Care Coordination Payments
Medical Home - Open to All Ages	2,370,452	\$12,055,338
Medical Home - Open to Children Only	2,036,552	\$8,841,369
Medical Home - Open to Adults Only	39,530	\$191,749
Miscellaneous Capitation (not limited to SoonerCare Choice)	Member Months	Capitation Payments
Insure Oklahoma - Individual Plan	140,636	\$421,908
Non-Emergency Transportation (ABD)	1,633,481	\$23,538,461
Non-Emergency Transportation (TANF)	5,593,041	\$3,523,616
PACE	870	\$2,404,495

*Temporary Assistance to Needy Families (TANF) is referred to as Children/Parents in this report. IHS indicates Indian Health Services members. For more information about PACE go to page 41.

Oklahoma's Uninsured

According to the Census Bureau's 2011 Current Population Survey, more than 624,000 Oklahomans were uninsured in 2010. Approximately 119,000 of the uninsured Oklahomans were children age 18 and younger.

Uninsured children are caught in an unforgiving gap. Surprisingly, many are not children of Oklahoma's poorest families. In some cases, their parents earn too much for the children to qualify for traditional SoonerCare, but too little to afford the purchase of private insurance and associated costs.

Children without health care insurance have substantially less access to health care services, including preventive care that ensures, childhood immunizations are up to date, routine dental care and vision and hearing screening are provided. Care for uninsured children is far more likely to be delayed due to cost. Unmet health care needs reduce children's ability to learn and to grow into healthy and productive adults.

For adults, being uninsured even on a temporary basis can have serious implications for state economies. Uninsured workers are less likely to receive adequate and timely health care and, as a result, suffer more serious illnesses that often threaten their work productivity and job retention.

Despite access problems and other barriers, uninsured Oklahomans still receive some health care. Studies indicate that, on average, these individuals do not pay for more than half of their health care costs. Obviously, others are stepping in to pick up the tab.

The burden is distributed very unevenly throughout the health care delivery system. Some providers serve very few uninsured people, while others face great cost pressures because they serve very large uninsured populations. Additionally, if people who have access problems could get proper care at a clinic or doctor's office, they would be less likely to go to the emergency room. This would free up emergency rooms to treat life-threatening events and reduce costs.

FIGURE 14 OKLAHOMA UNINSURED ESTIMATES BY FEDERAL POVERTY LEVEL

Age Range	Total Uninsured	Uninsured Percent of OK Population	Uninsured Less Than 150% of FPL	Uninsured Less Than 200% of FPL	Uninsured Less Than 250% of FPL	Uninsured Less Than 300% of FPL
Total	624,480	17.03%	296,859	366,411	429,965	479,042
0-18	119,747	12.17%	58,273	75,579	90,333	97,456
19-64	503,644	23.09%	238,586	290,832	338,543	380,497
65+	1,089	0.22%	0	0	1,089	1,089
3 Yr Avg	592,202	16.37%	243,621	325,421	398,667	447,139

SoonerCare and the Economy

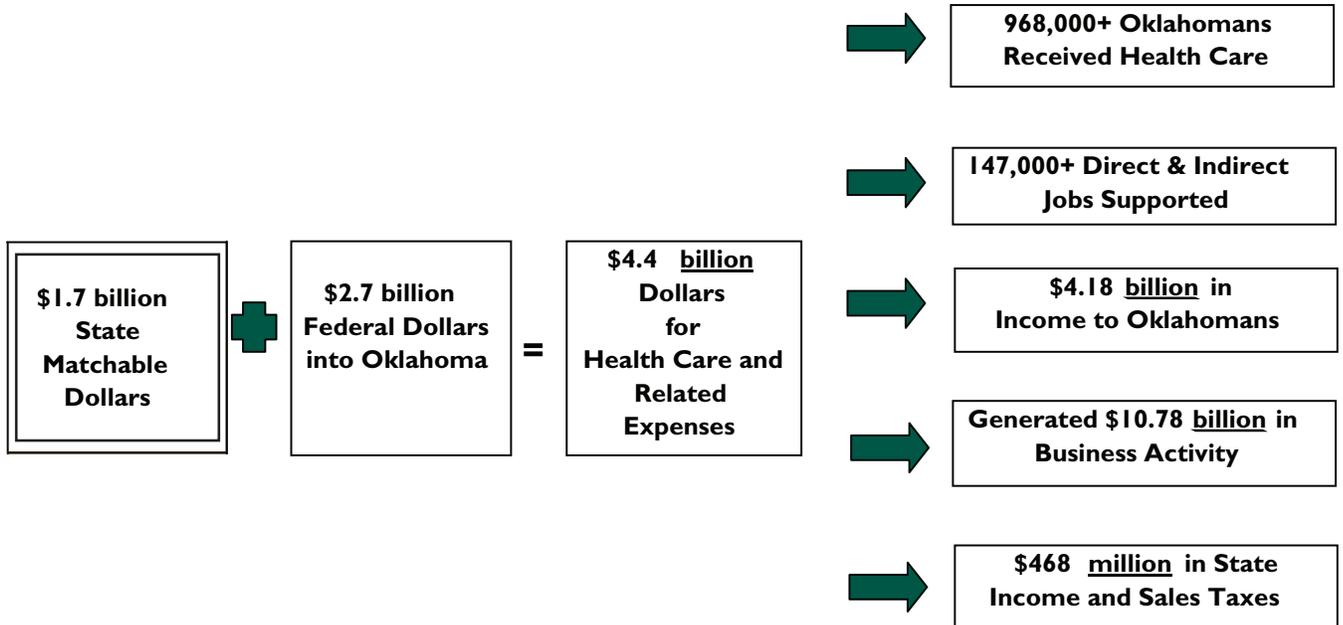


*For every \$1 in state Medicaid dollars spent, Oklahoma receives \$2.97 in federal dollars available for direct medical services and administrative costs.

(Included in the total federal dollars are the regular Federal Matching Assistance Percentage dollars of \$2.67 and ARRA/Stimulus dollars of \$.30.)

Health care services are a substantial economic presence in Oklahoma. Most people do not think of SoonerCare health care services beyond the critical role they play in meeting the needs of vulnerable and low-income Oklahomans. The health care sector affects the economy in much the same way a manufacturing plant does; it brings in money, provides jobs to residents and keeps health care dollars circulating within the state economy. Health care businesses, in turn, have an additional impact through the purchase of utility services and cleaning supplies, as well as payment of property taxes. Just like the changes in a manufacturing plant or farm operation, changes in the health care sector influence Oklahoma's economy.

FIGURE 15 ECONOMIC IMPACT OF SOONERCARE ON THE OKLAHOMA ECONOMY



Source: "The Economic Impact of the Medicaid Program on Oklahoma's Economy", National Center for Rural Health Works, Oklahoma State University, Oklahoma Cooperative Extension Service. State matchable dollars include funds appropriated to OHCA and other state agencies, drug rebates, quality of care fees, other fees and refunds.

Oklahoma SoonerCare

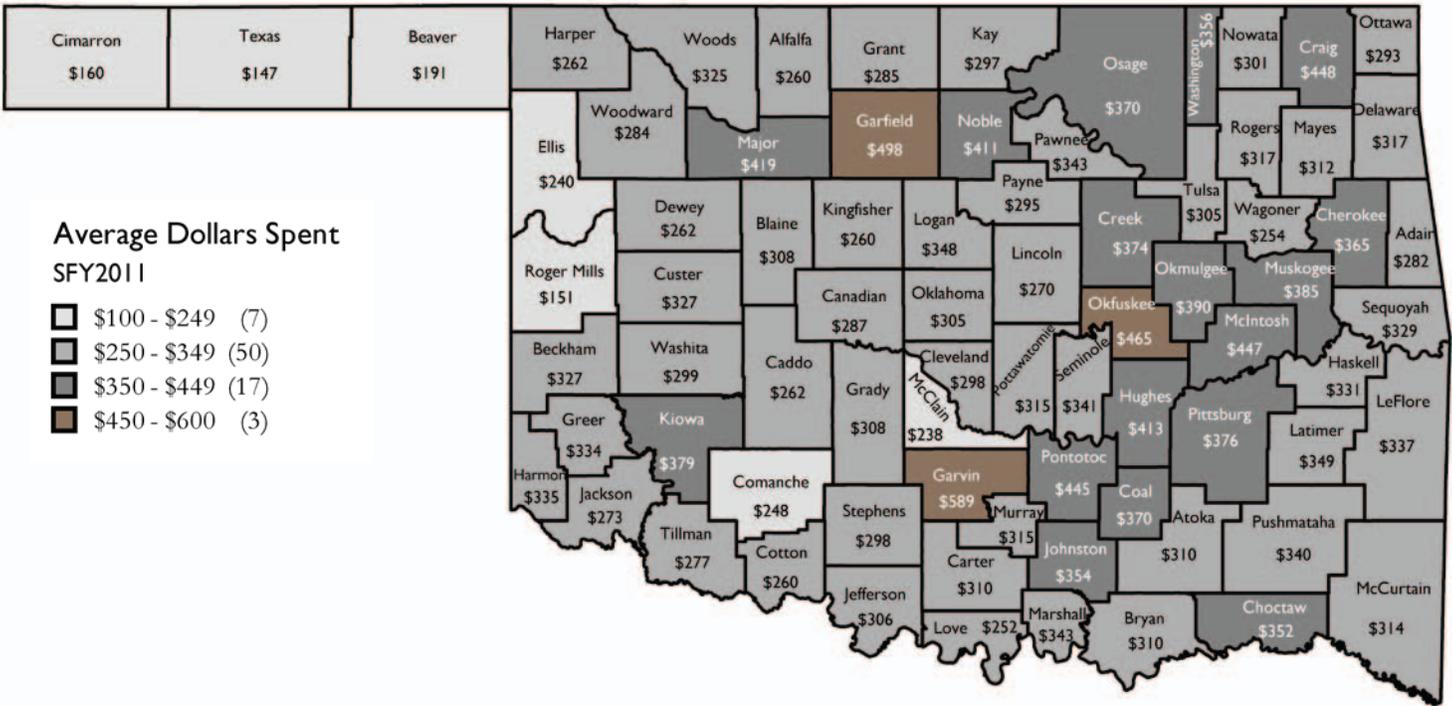
WHAT BENEFITS DOES SOONERCARE COVER?

OKLAHOMA SOONERCARE BENEFITS

SOONERCARE AND AMERICAN INDIANS

SOONERCARE AND OUR PROVIDERS

SFY2011 AVERAGE DOLLARS SPENT PER SOONERCARE ENROLLEE PER MONTH



Garfield and Garvin counties have public institutions and Okfuskee and Craig counties have private institutions for the developmentally disabled causing the average dollars per SoonerCare enrollee to be higher than the norm.

Source: Enrollees are the unduplicated count per last county on record for the entire state fiscal year (July-June). Claim dollars were extracted from the MMIS claims history file for claims paid within the fiscal year. Financial statement data represents actual cash expenditures as reported to the Office of State Finance while MMIS data warehouse expenditures data is net of overpayments and adjustments.

What Benefits Are Covered by SoonerCare?

OHCA is dedicated to ensuring SoonerCare members reach their optimal health status and receive the best service in the most effective manner. To accomplish this, OHCA staff provide various services specifically designed to focus on the individual member and his or her health needs.

In addition to other efforts on behalf of our SoonerCare members, OHCA provides:

- ⇒ Outreach letters to members who are pregnant. Expectant mothers may call OHCA and speak directly to staff to ensure they are linked with an obstetric provider and are aware of available benefits.
- ⇒ Targeted outreach to pregnant women identified as high-risk or at-risk for a negative birth outcome. High-risk pregnant women receive regular contacts from an OHCA exceptional needs coordinator throughout the duration of their pregnancies.
- ⇒ Expanded benefits for pregnant members identified as high-risk for a negative birth outcome. If a woman meets defined criteria (per an approved list of maternal and fetal conditions), she is authorized to receive additional ultrasounds, non-stress tests and/or a biophysical profile as specified by the primary obstetrical provider.
- ⇒ Electronic enrollment for newborns. The online process eliminates manual enrollment for newborns, ensuring babies have SoonerCare health benefits before leaving the hospital.
- ⇒ Letters to women who have recently given birth. OHCA details the SoonerPlan program options available to new mothers.
- ⇒ The Health Management Program for members with chronic conditions. Identified high-risk members receive intensive care management from nurses who provide specific education and support to the members' needs. Nurses help coordinate care and teach self-management skills.
- ⇒ Out-of-state care coordination. If a SoonerCare member needs specialty care not available in Oklahoma, a team of OHCA staff works with the member's local physician to identify and coordinate care with medical providers located all over the United States.
- ⇒ Health and program information on the Web. OHCA provides valuable health resources to members on the public website (www.okhca.org) under Individuals and Stay Healthy! An area on the Web houses activities and information for children called Kids Corner. Detailed SoonerCare member program information from how to apply to how to report fraud and abuse is also on the website.
- ⇒ Toll-free telephone contact options. The SoonerCare Helpline (1-800-987-7767) provides telephone support for members ranging from an after-hours patient advice line to specific language needs. Members are encouraged to call when they need help with any aspect of the SoonerCare program.
- ⇒ A member newsletter. The SoonerCare Companion newsletter provides information about changes or updates to SoonerCare benefits and useful tips on how members can get and stay healthy. Newsletters are mailed about every four months. Electronic copies are also available on the OHCA website.
- ⇒ The SoonerCare Choice Health Access Network pilot. The HAN pilot will expand to a statewide network model to allow SoonerCare members access to services within their communities and enhance quality of care and improved outcomes.
- ⇒ The SoonerCare Member Advisory Task Force (MATF) is dedicated to working with OHCA staff, voicing and finding solutions to member challenges.



What Benefits Are Covered by SoonerCare? (continued)



Title XIX of the Social Security Act requires certain basic services be offered to the categorically needy population in order to receive federal matching funds. States also may receive federal funding if they elect to provide other optional services. Within broad federal guidelines, states determine the amount and duration of services offered under their Medicaid programs. States may place appropriate limits on a Medicaid service based on such criteria as medical necessity or utilization control.

Each state spells out what is available under its Medicaid program in a document called the “State Plan.” The plan identifies who can receive Medicaid services and the services available. A state can amend its plan to change its program as needs are identified. State Plan amendments are subject to federal review and approval. With certain exceptions, a state’s Medicaid plan must allow members freedom of choice among health care providers participating in Medicaid. In general, states are required to provide comparable services to all

categorically needy qualifying people. A general overview of benefits provided under optimum qualifying circumstances is included in Appendix C of this report.

COST SHARING

States are permitted to require certain members to share some of the costs of Medicaid by imposing deductibles, copayments or similar cost-sharing charges. A copayment is a charge which must be paid by the member to the service provider when the service is covered by SoonerCare. The OHCA requires a copayment from some SoonerCare members for certain medical services. A SoonerCare provider may not deny allowable care or services to members based on ability to pay the copayment.

Some members are exempt from co-pays. Members not required to pay copayments are children under age 21, members in long-term care facilities, pregnant women and members enrolled under the Home and Community-Based Services Waivers (except for prescription drugs). Additionally, some services such as family planning, do not require copayments.

The applicable copayment by benefit package for some allowable services are listed on the OHCA website at www.okhca.org. Click Benefits and then Comparison Chart of SoonerCare Benefits. The Insure Oklahoma Individual Plan has a separate listing of covered services and applicable copayments. To view the details, go to www.insureoklahoma.org.

Oklahoma SoonerCare Benefits

BEHAVIORAL HEALTH SERVICES

SoonerCare is the behavioral health treatment lifeline for many Oklahomans dealing with stressful life situations/changes, serious mental illness, an emotional disturbance and/or alcohol and other drug disorders. Many people with these conditions either lose or are unable to obtain or afford private coverage. Mental health, alcohol and other drug disorder treatment benefits for those enrolled in SoonerCare include:

- ⇒ Adult and children's acute psychiatric inpatient care.
- ⇒ Facility-based crisis stabilization and intervention.
- ⇒ Emergency care and crisis intervention.
- ⇒ Alcohol or other drug medical detoxification.
- ⇒ Psychiatric residential treatment (children only).
- ⇒ Outpatient services (including pharmacological services) such as:
 - ⇒ Mental health and/or substance abuse assessments and treatment planning.
 - ⇒ Individual, family and/or group psychotherapy.
 - ⇒ Rehabilitative and life skills redevelopment.
 - ⇒ Case management.
 - ⇒ Medication management, training and support.
 - ⇒ Program for assertive community treatment.
 - Systems of care/wraparound for children and families.
 - Day treatment and partial hospitalization program.
 - ⇒ Peer support services.



CHILD HEALTH SERVICES (EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT)

Preventive care and early intervention are critical to improving child health outcomes. OHCA works with public, private and nonprofit sector partners to drive policy and systemic changes focused on enrollment of all qualified children and improving access, utilization and quality of care for SoonerCare children.

In SFY2011, SoonerCare enrollment was 604,301 at some point during the year. This equals 55 percent of all Oklahoma children younger than age 21. Child health services offered as a part of SoonerCare include a comprehensive array of screening, diagnostic and treatment services to ensure the health care needs of this vulnerable population.

Child health checkups should be performed at certain ages as set out in the state's periodicity schedule and should include, at a minimum:

- ⇒ Comprehensive health history.
- ⇒ Thorough physical examination.
- ⇒ Age-appropriate immunizations.
- ⇒ Laboratory tests (including lead toxicity screens).
- ⇒ Vision and hearing screens.
- ⇒ Dental screening services.
- ⇒ Health education and anticipatory guidance.
- ⇒ Other necessary health care of conditions discovered as part of a checkup.

Oklahoma SoonerCare Benefits (continued)

DENTAL SERVICES



Oral health is a key component of an overall healthy and happy lifestyle. The earlier children are introduced to dentistry, the better their chances are for keeping their teeth for the rest of their lives. The greatest challenge is prevention. Teaching parents and caregivers to focus on dental interactions, intervention and treatment is crucial.

Dental services are federally mandated for children under age 21 through Child Health Services (Early and Periodic Screening, Diagnosis and Treatment, or EPSDT). This program covers dentistry for children based on medical necessity. Dental services include emergency care, preventive services and therapeutic services for dental diseases that may cause damage to the supporting oral structures.

Dental services are available to pregnant women over the age of 21. Basic dental care such as examinations, cleanings and limited fillings are offered for up to 60 days after the end of their pregnancy. Nonpregnant adults age 21 and older are covered for emergency extractions due to trauma, pain or infection only.

87%
 265,428 children received dental services and accounted for 87 percent of the dental expenditures in SFY2011.

DMEPOS/MEDICAL SUPPLIES

Durable medical equipment, prosthetics, orthotics and supplies are benefits provided to SoonerCare and Insure Oklahoma members and are suitable for use within the home. OHCA provides equipment such as home ventilators, oxygen, diabetic supplies and a wide variety of equipment for SoonerCare and Insure Oklahoma members.

87,000+
 OHCA contracted with 1,654 DME providers and provided services for 87,078 members in SFY2011.

Durable medical equipment providers deliver, install and service medical equipment necessary to SoonerCare members throughout the state. The products and services are ordered by physicians, and the orders are filled by DME providers. Many providers maintain a 24/7 phone access for members who need help with equipment or services during non-business hours.

During 2011, the DME Advisory Committee consisting of providers and stakeholders met bimonthly to provide input in developing the DMEPOS program at OHCA.



HOSPITAL SERVICES

Hospitals are part of the health care environment of the communities they serve. Without hospitals, many people would go without essential medical services and programs. Hospitals provide inpatient

acute care, newborn delivery services, life-saving emergency services and outpatient services such as minor surgeries and dialysis. Local hospitals serve as the cornerstone for a network of care providers that include such economic staples as primary care physicians, specialists and many allied health services.

20%
 Hospital expenditures accounted for 20.4 percent of the total SoonerCare expenditures.

Oklahoma SoonerCare Benefits (continued)

MEDICARE "BUY-IN" PROGRAM — SOONERCARE SUPPLEMENTAL

Medicare is made up of four parts: hospital insurance (Part A); supplementary medical insurance (Part B); combination of hospital, medical and prescription drugs, (Part C or Medicare Advantage); and prescription drugs (Part D). For hospital insurance expenses, SoonerCare Supplemental pays the coinsurance and



deductible fees for hospital services and skilled nursing services for people qualified for Medicare and Medicaid (dual eligibles). The deductible and coinsurance fees are also paid for supplementary medical insurance expenses that are primarily physician services.

Several "buy-in" programs are available to assist low-income members with potentially high out-of-pocket health care costs:

Qualified Medicare Beneficiaries (QMB) SoonerCare Supplemental may assist with payments for Medicare Part A and Part B premiums, deductibles and coinsurance if the member is entitled to Medicare Part A and has qualifying income levels and limited resources.

Specified Low-income Medicare Beneficiary (SLMB) SoonerCare Supplemental may assist with payments for Medicare Part B premiums if the member is enrolled in Medicare Part A and has qualifying income levels and limited resources.

Qualifying Individuals (QI) SoonerCare Supplemental may assist with payments for Medicare Part B premiums if the member is enrolled in Medicare Part A, has qualifying income levels and limited resources and is not otherwise eligible for full-benefit SoonerCare.

3.2%

SFY2011 "buy-in" expenditures totaled \$138,460,083 or 3.2 percent of the total SoonerCare expenditures.

An average of 2,333 Part A premiums and more than 87,900 Part B premiums were paid each month.

Medicare Part D is a federal program to assist Medicare beneficiaries with the costs of prescription drugs. While Medicare Part D pays for the majority of Medicare beneficiaries' prescriptions, the federal government requires states to pay back an estimated Medicaid prescription cost savings amount. This amount is referred to as "clawback." The OHCA paid \$68,908,484 in Medicare Part D "clawback" payments in SFY2011.

Oklahoma SoonerCare Benefits (continued)

OPPORTUNITIES FOR LIVING LIFE (OLL)

Home and Community-Based Services Waivers

The Home and Community-Based Service (HCBS) waivers give Oklahoma the flexibility to offer SoonerCare-qualified individuals alternatives to being placed in long-term care facilities as a part of OLL. Services through these waiver programs are available for qualified members who can be served safely in a community-based setting; when the cost of providing waiver services is less than the cost of a comparable institutional setting and when waiver slots are available. Individual waiver documents specify member qualifying criteria, applicable post-qualification criteria and the waiver-specific services available.

Living Choice

OHCA is collaborating with the Oklahoma Department of Human Services and other organizations to help older Oklahomans and people with disabilities receive home and community-based services through Oklahoma Living Choice.

To qualify for Living Choice, an individual must live in a nursing facility for at least six months, be a SoonerCare member for at least one month prior to transition, be interested in moving to the community and be guaranteed home and community support once he or she transitions.

People with mental retardation, people who are aged and people with physical disabilities work with a transition team to create a care plan for a successful transition back into their community.

Community transitions for people with mental retardation began in the spring of 2009. During SFY2011, 197 people transitioned to the community through Living Choice. These transitions included: 54 people with mental retardation, 46 older people and 97 people with physical disabilities.

Program of All-Inclusive Care for the Elderly (PACE)

Implemented in August 2008, the goal of the PACE program is to manage care through an interdisciplinary approach with participation by the PACE team and both the member and family or other caregivers. As a home and community-based program, members live in the community but attend the PACE center once or twice a week for primary care services, to meet with their case manager and to engage in social activities with other PACE members.

Depending on each person's needs and the specific waiver he or she is qualified under, HCBS benefits could include:

- ⇒ Case management.
- ⇒ Skilled nursing.
- ⇒ Prescription drugs.
- ⇒ Advanced/supportive restorative care.
- ⇒ Adult day care/day health services.
- ⇒ Specialized equipment and supplies.
- ⇒ Home-delivered meals.
- ⇒ Comprehensive home health care.
- ⇒ Personal care.
- ⇒ Respite care.
- ⇒ Habilitation services.
- ⇒ Adaptive equipment.
- ⇒ Architectural modifications.
- ⇒ Pre-vocational and vocational services.
- ⇒ Supported employment.
- ⇒ Dental.
- ⇒ Transportation.
- ⇒ Various therapies.

Oklahoma SoonerCare Benefits (continued)

OPPORTUNITIES FOR LIVING LIFE (CONTINUED)

PACE (continued)

PACE enrollees must be at least 55 years old, live in the catchment area of the PACE program, be able to live safely in the community at the time of enrollment and be certified as qualified for nursing home level of care.

The Cherokee Elder Care Center receives Medicare, Medicaid and dual (for individuals who are dually eligible for Medicaid and Medicare) capitation payments for all individuals enrolled in the program. People not financially qualified for Medicaid and Medicare pay the capitation amount out of pocket. PACE assumes full financial risk for a member's care without limits on dollars or duration and is responsible for a full range of needed services. The PACE benefit package for all participants, regardless of the source of payment, includes all SoonerCare covered services specified in the State Plan.

Long-Term Care Partnership

As the senior population in the United States continues to grow, the resources used by the federal and state governments to help pay for health care benefits are strained. The focus of the Oklahoma Long-Term Care Partnership (OKLTCP) program is to create an opportunity for Oklahomans to take personal responsibility for organizing and financing their own long-term care needs. The OKLTCP is a public/private arrangement between long-term care insurers, the Oklahoma Insurance Department (OID) and the OHCA. The OKLTCP in coordination with the Oklahoma Insurance Department has developed an affordable insurance option to address the needs of Oklahomans while protecting both consumers and the state Medicaid budget. Currently, 24 insurance carriers are certified to market the program in the state; more than 3,200 agents have taken eight hours of training required to market the program and more than 2,000 policies have been sold to Oklahoma citizens.

To help with its outreach and training effort, the OKLTCP program has teamed with the U.S. Department of Health and Human Services to promote the Own Your Future campaign. This campaign educates citizens to plan for their future needs and protect their hard-earned assets.

Nursing Home Services

Because nursing home or institutional care is largely unavailable through Medicare or traditional private health insurance plans, Medicaid is the nation's de facto financing system. SoonerCare OLL funds nearly 70 percent of long-term care, both nursing facilities and intermediate care facilities for the mentally retarded. SoonerCare provides coverage for low-income people and many middle-income individuals who are "spending down" their assets to cover the high costs of their long-term care.

Level of Care Evaluations – Long-Term Care Members

To ensure individuals applying for nursing home care are appropriately placed, the federal Pre-Admission Screening and Resident Review (PASRR) program provides a Level I screening for possible developmental disability or mental retardation (MR) and/or mental illness (MI) to all people entering a long-term care facility. Furthermore, federal regulations include a higher level evaluation (Level II) for applicants who appear to be either mentally ill or developmentally disabled. The Level II assessment ensures that the member requires a long-term care facility and receives proper treatment for his or her MI and/or MR diagnosis.

68%

SoonerCare funded 4,865,002 nursing facility bed days for SFY2011; this represents 68.2 percent of the total actual nursing facility occupied bed days in the state.

Oklahoma SoonerCare Benefits (continued)

PHARMACY SERVICES



The pharmacy benefit is used by about 75 percent of SoonerCare members each month. It is hard to imagine a health care benefit system in which medication therapies did not play a significant role. Thanks to wide availability of generic medications, OHCA is able to provide a robust pharmacy benefit for SoonerCare members. Four of five prescriptions paid for by SoonerCare is filled with a generic medication. The SoonerCare pharmacy program has one of the higher generic utilization rates of any Medicaid pharmacy benefit plan in the nation. The average cost of a generic prescription filled for a SoonerCare

member is about \$20, compared to the average cost of brand name prescription, which is approaching \$300.

SoonerCare Choice members qualify for prescription drug products approved by the Food and Drug Administration (FDA) and are included in the Federal Drug Rebate program. In general, children up to age 21 may receive prescriptions without monthly limitations and are not subject to a co-pay. Adults are limited to six prescriptions per month. Two of the six prescriptions can be brand name, with the remainder available as generic. Adults are subject to a co-pay based on the cost of the drug. Restrictions such as medical necessity, step therapy, prior authorization and quantity limits may be applied to covered drugs.

SoonerCare Traditional members have the same pharmacy coverage as SoonerCare Choice for non-Medicare qualified members.

SoonerCare Supplemental dual (Medicare and Medicaid) eligible members receive their primary prescription coverage through Medicare Part D.

The federal Medicare prescription plan (Part D) now pays for a majority of Medicare prescriptions. A few drugs not covered by Part D can be covered for members also enrolled under SoonerCare Traditional.

The federal government requires states to repay an estimated prescription cost savings amount. This amount is referred to as a “clawback.”

Opportunities for Living Life members in long-term care facilities receive prescriptions as shown for SoonerCare Choice, but have no limitation on the number of prescriptions covered each month.

Home and Community-Based Services enrollees not dually eligible for Medicare receive 13 prescriptions per month, three of which may be brand name products. These members are eligible for Medication Pharmacotherapy management if they require more than three branded prescriptions or more than 13 total prescriptions each month.

Insure Oklahoma Individual Plan provides prescription coverage similar to SoonerCare Choice with different copayment requirements. Access www.insureoklahoma.org for additional information.

SoonerPlan provides prescription coverage for family planning products only.

Soon-to-be Sooners provides prescription drugs that will improve the outcome of the pregnancy for women who do not qualify for SoonerCare because of their citizenship status.

\$61

The average cost per prescription funded by SoonerCare was \$60.51, and the average monthly prescription cost per utilizer was \$147 for SFY2011.

Oklahoma SoonerCare Benefits (continued)

PHYSICIANS AND OTHER PRIMARY CARE PROVIDERS

Physicians and other primary care providers are crucial in delivery of health care to Oklahoma's SoonerCare members. The SoonerCare program would not be possible without the dedication of providers who are committed to care for all individuals insured through SoonerCare. Oklahoma primary care providers (PCPs) act as SoonerCare's "front line."

Physician services for adults may be limited based upon the benefit package they are receiving. PCPs provide patient education and coordinate their health care needs. Physician and other primary care providers' benefits also have been expanded to include evidence-based smoking cessation counseling in an outpatient office setting.

SCHOOL-BASED SERVICES

Health care is a vital foundation for families wanting to ensure their children are ready to learn in school. Studies show children without health insurance are more frequently absent than their classmates. They suffer more from asthma, ear infections and vision problems and are medically more at risk. Treatment of these conditions can improve classroom attendance and participation.

OHCA contracts with more than 200 school districts across the state. Schools may receive reimbursement for children enrolled in SoonerCare who are qualified to receive health-related services under the Individuals with Disabilities Education Act and pursuant to an Individual Education Plan (IEP). This may include nursing services for treatment of chronic conditions such as asthma and diabetes. The IEP provides services necessary to ensure a successful education for students with delays and disabilities. Services include speech, occupational and physical therapy. Schools outline the treatment SoonerCare-compensable health-related services recommended in the plan for SoonerCare-enrolled children.

OHCA is also involved in the Early Intervention (EI/SoonerStart) program. The EI/SoonerStart program is focused on early medical intervention and treatment for developmentally delayed children from birth to age 3. Services for the EI program, such as targeted case management and speech and physical therapy, are provided by the State Department of Education and the Oklahoma State Department of Health. OHCA offers provider training and reimbursement for this program as well.

Crucial services provided by physicians and other primary care providers may include, but are not limited to:

- ⇒ Child health screens.
- ⇒ Preventive care.
- ⇒ Family planning.
- ⇒ Routine checkups.
- ⇒ Prenatal care.
- ⇒ Delivery.
- ⇒ Postpartum care.
- ⇒ Diagnostic services.



