Dr. Ronald Woodson, President of the Oklahoma State Board of Health, called the 395th regular meeting of the Oklahoma State Board of Health to order on Tuesday, January 13, 2015 at 11:08 a.m. The final agenda was posted at 11:00 a.m. on the OSDH website on January 12, 2015, and at 11:00 a.m. at the building entrance on January 12, 2015.

ROLL CALL

Members in Attendance: Ronald Woodson, M.D., President; Cris Hart-Wolfe, Secretary-Treasurer; Jenny Alexopulos, D.O.; R. Murali Krishna, M.D.; Charles W. Grim, D.D.S.; Timothy E. Starkey, M.B.A.; Robert S. Stewart, M.D.

Absent: Martha Burger, M.B.A., Vice-President; Terry Gerard, D.O.

Central Staff Present: Terry Cline, Commissioner; Julie Cox-Kain, Chief Operating Officer; Henry F. Hartsell, Deputy Commissioner, Protective Health Services; Steve Ronck, Deputy Commissioner, Community and Family Health Services; Toni Frioux, Deputy Commissioner, Prevention and Preparedness Services; Mark Newman, Director of Office of State and Federal Policy; Don Maisch, Office of General Counsel; Jay Holland, Director of Internal Audit and Office of Accountability Systems; Tony Sellars, Director of Office of Communications; VaLauna Grissom, Secretary to the State Board of Health; Janice Hiner, Sr. Advisor to the Commissioner of Health; Felesha Scanlan, Commissioner’s Office.

Visitors in attendance: (see sign in sheet)

Call to Order and Opening Remarks

Dr. Woodson called the meeting to order. He welcomed special guests in attendance.

REVIEW OF MINUTES

Dr. Woodson directed attention to review of the minutes of the December 9, 2014, Regular Board meeting.

Dr. Alexopulos moved Board approval of the minutes of the December 9, 2014, regular Board meeting, as presented. Second Ms. Wolfe. Motion carried.

AYE: Alexopulos, Grim, Krishna, Stewart, Wolfe, Woodson

ABSTAIN: Starkey

ABSENT: Burger, Gerard

APPOINTMENTS

Trauma and Emergency Response Advisory Council Appointments (Presented by Henry F. Hartsell, Jr.)

Appointment: Susan M. Watkins

Authority: 63 O.S., § 1-103a.1.

Members: The Advisory Council shall consist of seven (7) members. Membership is defined in statute. One critical care nurse shall be appointed by the State Board of Health.

Dr. Grim moved Board approval of the recommended appointment, as presented. Second Dr. Stewart. Motion carried.

AYE: Alexopulos, Grim, Krishna, Starkey, Stewart, Wolfe, Woodson

ABSENT: Burger, Gerard
OKLAHOMA HOSPITAL ASSOCIATION PRESENTATION: Craig W. Jones, FACHE, President, Oklahoma Hospital Association

Transforming Health Care: A Proposal for Oklahoma’s Future
Presentation to the Oklahoma State Board of Health
January 13, 2015
Craig W. Jones, FACHE

This presentation was developed in conjunction with Manatt Health and informed by discussions with multiple public and private stakeholders.

Elements of the Proposal

The Case for Change
Payment and Delivery System Reforms
Broadening Coverage in Oklahoma

The “New Reality”

• Transitioning from “Curve 1 to 2”
  FIRST  vs.  SECOND
  – Volume  vs.  Value
  – Fee/Service vs. Quality/Efficiency
  – Acute care vs. Chronic care
  – Stand-alone vs. Highly integrated

Forces Driving Reform of Health Care in Oklahoma

To achieve a balanced budget, Oklahoma must control state spending.

Oklahoma spends approximately $5.8 billion annually (36% of which is state funds) on the Medicaid program.

Despite the state’s investment in health care, more than 550,000 remain uninsured (17% of the population) in Oklahoma; some of that care is shifted to the private sector.

Oklahoma has poor health outcomes, as evidenced by high rates of smoking, obesity, and diabetes.

The high rates of uninsured and poor health status contribute to the high cost of health care in Oklahoma.
Oklahoma Must Become a Value-Based Purchaser

- Medicaid spending per beneficiary in Oklahoma is less than the national average and less than spending in neighboring states.

Even so....

- Oklahoma can become a more prudent purchaser of care, ensuring access and improving transparency, accountability, and value.

Broadening Coverage Reduces Uncompensated Care Costs

- In 2012, Oklahoma hospitals absorbed $647 million in uncompensated care costs, which represented 6.1% of Oklahoma hospitals' total expenses.

- The cost of treating the uninsured disproportionately affects rural hospitals.
  - Uncompensated care accounted for 10-17% of the expenses for 20 rural Oklahoma hospitals (compared to the 6.1% state average).

- Rural hospitals are less able to shift costs to insured patients given their payer mix. (7 bankruptcies in recent years)

Behavioral Health Is a Key Investment Area

Top 10 Diagnoses for Readmissions 2011

- Mental disorders
- Schizophrenia, other psychotic
- Diabetic mellitus
- Other complications of pregnancy
- Alcoholism/abuse disorders
- Early maternal onset of labor
- Congestive Heart Failure
- Septicemia (except labor) CPTP and invasive bacterial

Four of the top 10 diagnoses related to readmissions are for behavioral health conditions.

Investing in Coverage Provides a High Rate of Return

- An additional $8.6 billion in available federal funds flows to the state over 10 years.
- 13,211* new jobs in Oklahoma are created over 10 years.
- $50 million in state expenditures for health services are replaced by federal dollars annually, including a significant amount for behavioral health services.

- Uncompensated care costs for hospitals, physicians, and other providers go down, particularly benefiting rural communities.

- Cost shifting between payers and between the uninsured and the insured is reduced.

Coverage Increases Resources for Behavioral Health

- Federal dollars are available to pay for mental health and substance abuse services currently funded with state dollars.

- Increasing coverage would result in the federal government covering $3.4 million of Department of Mental Health and Substance Abuse expenditures annually.

- The Department would then be able to use the freed up state dollars on other services that are not reimbursable by the federal government, e.g., social supports.

- The Department of Corrections would save $111 million in spending on prisoner hospitalizations.

- Individuals discharged from prison become eligible for Medicaid.

- Access to physical and behavioral health services during transition could help prevent recidivism.

In addition to these savings, the state would save $2.4 million in Department of Health expenditures for a total of $48.2 million in annual state savings.

With such factors as these, driving and/or influencing the status of Oklahoma’s health care...
Page 1:

**Goals for the State’s Investment in Health Care**

1. Improve quality, outcomes and value by holding providers accountable through value-based purchasing models emphasizing care coordination and transparency.
2. Improve access by broadening coverage, identifying gaps in provider capacity and targeting resources more effectively.
3. Contain costs by targeting medically complex, high-cost populations (e.g., individuals with co-morbid physical and behavioral health conditions) and reducing unnecessary emergency department visits and potentially preventable admissions and readmissions.
4. Improve sustainability and budget certainty of the Medicaid program.

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**Payment & Delivery System Reforms**

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**Proposed Building Blocks of Reform in Oklahoma**

**Medical Homes**
- Expand patient-centered medical homes (PCMHs) to all Medicare beneficiaries
- Establish linkages between and among PCMHs, hospitals and FQHCs
- Build on Health Access Network to support medical home development
- PCMH, partner hospitals and FQHCs eligible for shared savings

**Health Homes**
- Expand health homes for individuals with behavioral health conditions
- Establish linkages with hospitals and FQHCs
- Health homes, partner hospitals and FQHCs eligible for shared savings

**Community-Led Accountable Care Models**
- Establish linkages with hospitals and FQHCs
- Health homes, partner hospitals and FQHCs eligible for shared savings

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**Closing the Coverage Gap: Newly Eligible Adults**

**NEWLY ELIGIBLE ADULTS**
- Childless adults with income below 138% FPL ($16,105)
- Parents with incomes between 42% - 138% FPL (Example: family of two with parent and child, income between $6,606-$21,707)
- Estimated 233,334 individuals would enroll in coverage over 10 years based on medium take-up rate
OKLAHOMA STATE BOARD OF HEALTH MINUTES

January 13, 2015

Insure Oklahoma: Proposed Coverage Solution

1. Insure Oklahoma: Employer-sponsored insurance (ESI)
   Newly eligible adults with access to ESI.

2. Insure Oklahoma: Individual Plan
   Medically needs need newly eligible adults.

3. Insure Oklahoma: Individual Plan
   Newly eligible adults who do not have access to cost-effective ESI.

Coverage Proposal: Rationale and Considerations

1. Insure Oklahoma: ESI builds on the existing premium assistance program. Employer funding stays in the system.

2. Insure Oklahoma: Individual Plan builds on existing program and incorporates personal responsibility features for newly eligible adults, including cost-sharing and non-coverage of non-emergent use of the ER, and payment. Delivery system reforms holding providers accountable for improved quality and outcomes, with a particular focus on high need beneficiaries.

3. Insure Oklahoma: Individual Market provides premium assistance to individuals enrolled in commercial health plans coupled with personal responsibility features including premiums and cost-sharing.

Examples of the Newly Insured Adults

- Ratch
  Single working mother
  Annual income: $12,584
  Rancho is a single mom who works part time for a large company. In the program, she was awarded through a risk-sharing choice. However, she pays portion of the cost of premiums.

- Jim
  Working Adult
  Annual Income: $14,246
  Worked in a construction company. His employer was offered by his employer, the company had no longer offered other insurance. However, he works and his employees would cover the cost of the premiums, with the state covering the rest.

- Donna
  Unemployed Adult
  Annual income: $12,984
  Donna reports that her job as a nurse at a hospital due to treatment by ESI Saver. Because of the changes, she has not been offered to work at a new job at a lower income, her income is now $12,984, which is $500 less than her previous income.

Features of this New Coverage Approach for Okla.

- Benefits: Alignment of the alternative benefit plan for newly eligible adults with the benefits offered by OHP for the maximum extent possible.

- Premiums and Cost-Sharing: Targeted use of premiums and cost sharing for individuals with incomes above 100% FPL.

- Healthy Behavior Incentives: Incentives for meeting health or wellness standards, including elimination or reduction of co-pays or premiums.

- Work and Education Referrals: Referrals to job training and placement programs (e.g., www.OKjobcenter.com) for unemployed individuals with incentives for participation.

State Protections: Use of a trust fund and a provider fee backstop to cover the non-federal share of the newly eligible adoption of a provision to sunset coverage should the federal match rate go down. Sunset provision.

Thank You...

Comments or Questions?

janer@ochha.com
405-427-9537

States Cover ABP Benefits for New Adults at Enhanced Match

Appendix
The presentation concluded. Dr. Woodson thanked Mr. Jones for taking the time to present to the State Board of Health.

Mr. Starkey directed attention toward elements of the proposal seeking to address insurance coverage for Oklahomans. He asked the Board to consider endorsing the plan as presented. Following Board member discussion requesting additional time to review the presentation, and after consultation with Dr. Cline regarding the necessity for the agenda to reflect actionable items, the Board agreed to table the request for further consideration at a future board meeting.

**STRATEGIC MAP UPDATE PRESENTATION:** Mark Newman, Ph.D., Director, Office of State and...
Federal Policy

Public Policy & Advocacy Development

Mark S. Newman, Ph.D.
Director, Office of State and Federal Policy

Lead Public Health Policy & Advocacy Development

Goals

Identify & Establish Public Health Champions

- Identify Champions
  - Champions may be ordinary people with an extraordinary desire or passion to accomplish a goal
  - Champions must believe in the issue and be willing to face criticism for taking a stand
  - Finding and developing public health champions in the business community will be vital to future successes in public health

Identify & Establish Public Health Champions

- Establishing and Arming Champions
  - Provide the resources and knowledge to allow an individual to be considered a respected authority on a given issue
  - Provide educational materials about public health issues or legislation to answer both the hard questions as well as the easy ones
  - Meet with local boards of health and community leaders to help them understand how they may advocate for public health issues at the local level
  - Demonstrate how investments in prevention produce both short- and long-term savings in health care costs and are a driver for economic development
One pager informational handouts also provided to the Board regarding Department programs.

At Dr. Krishna, request, Dr. Mark Newman agreed to provide assistance to Board members as they prepare to meet with legislators as well as facilitate meetings with legislators at their request. Dr. Stewart thanked Dr. Newman for challenging the Board members in their advocacy efforts.

The presentation concluded.

CONSIDERATION OF STANDING COMMITTEES’ REPORTS AND ACTION

Executive Committee
Dr. Woodson invited the Board to attend the upcoming Certified Healthy Awards Ceremony on February 4, 2015 in Norman at the Embassy Suites.

Finance Committee
Ms. Wolfe directed attention to the Financial Brief provided to each Board member and presented the following SFY 2015 Finance Report and Board Brief as of December 29, 2014:

- Approximately $427 million budgeted for state fiscal year 2015
- Forecasted expenditure rate of 97.08% through June 30, 2015
- “Green Light” overall for Department, with three divisions in “Yellow Light” status:
  - Public Health Infrastructure is in “Yellow Light” status due to recent vacancies/retirements.
  - Information Technology is in “Yellow Light” status due to final IT contract amount being less than anticipated.
  - Health Improvement Services is in “Yellow Light” status due to program growth and vacancies including recent notification of $2 million State Innovation Model (SIM) grant award.


Accountability, Ethics, & Audit Committee
The Accountability, Ethics, & Audit Committee met with Jay Holland. Dr. Alexopulos indicated there were no known significant audit issues to report at this time.

Public Health Policy Committee
The Policy Committee met on Tuesday, January 13, 2015. Mr. Starkey stated the Policy Committee discussed legislative agenda items, budget request items and the agency’s future budget hearings with the House and Senate Appropriation Subcommittees.

The Committee discussed the advocacy components of the presentation on the strategic map by Mark Newman. Mark Newman will be providing talking points on all legislative and budget issues throughout the session to assist Board Members in speaking to legislators, community leaders, professional organizations, and the media. Members will receive legislative update reports following the January Board Meeting.
Board members are encouraged to contact Mark Newman for any questions or concerns regarding the legislative session.

Mr. Starkey also expressed his concern for the state budget, particularly the February forecast. With recent news of a Tulsa safety net organization unable to accept new patients, shortfalls are even more concerning and present compelling reasons to fully utilize federal dollars.

The next meeting of the Policy Committee will be prior to the February Board Meeting.

**PRESIDENT'S REPORT**

No report.

**COMMISSIONER'S REPORT**

Dr. Cline thanked Dr. Henry Hartsell and his staff for their planning efforts in kicking of the Governor’s Healthy Aging Summit held December 15th at the Reed Center in Midwest City. The initiative seeks to improve the health of older adults over the next four years.

Dr. Cline also highlighted the first session for the newly established Tribal Public Health Advisory Committee (TPHAC) represented by Oklahoma Indian Tribal Nations and tribal serving entities. The TPHAC’s primary purpose is to strengthening collaboration with tribal nations and key stakeholders related to public health responsibilities. Dr. Cline noted that the sessions will be conducted on a regular basis and those dates will be published soon.

Next, Dr. Cline commented on the ASTHO Million Hearts Collaborative. This is a partnership with the Centers for Disease Control and ASTHO seeking to address heart disease and stroke as the leading causes of death in the U.S. ASTHO Million Hearts has funded a public-private pilot project in southeast Oklahoma. The Oklahoma Heartland Project seeks to address and reduce heart attacks and strokes within a five county area.

Lastly, Dr. Cline highlighted a recent visit from the Robert Wood Johnson Foundation (RWJF). He thanked Gary Cox of the Oklahoma City County Health Department for organizing a portion of the visit. He also thanked Dr. Krishna for his hosting a dinner meeting during the visit as well. The RWJF awards many millions of dollars annually to improve health and healthcare.

The report concluded.

**NEW BUSINESS**

No new business.

**PROPOSED EXECUTIVE SESSION**

Dr. Krishna moved Board approval to go in to Executive Session at 12:30 PM pursuant to 25 O.S. Section 307(B)(4) for confidential communications to discuss pending department litigation, investigation, claim, or action; pursuant to 25 O.S. Section 307(B)(1) to discuss the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee and pursuant to 25 O.S. Section 307 (B)(7) for discussing any matter where disclosure of information would violate confidentiality requirements of state or federal law.

- Annual performance evaluation for the Commissioner of Health

Second Dr. Alexopulos. Motion carried.

**AYE:** Alexopulos, Grim, Krishna, Starkey, Stewart, Wolfe, Woodson

**ABSENT:** Burger, Gerard

Dr. Alexopulos moved Board approval to move out of Executive Session. Second Ms. Wolfe. Motion carried.
AYE: Alexopulos, Grim, Krishna, Starkey, Stewart, Wolfe, Woodson
ABSENT: Burger, Gerard

ADJOURNMENT
Mr. Grim moved Board approval to Adjourn. Second Alexopulos. Motion carried.
AYE: Alexopulos, Grim, Krishna, Starkey, Stewart, Wolfe, Woodson
ABSENT: Burger, Gerard

The meeting adjourned at 1:30 p.m.

Approved

Ronald W. Woodson, M.D.
President, Oklahoma State Board of Health
February 10, 2015