

MINUTES OF A REGULARLY SCHEDULED BOARD MEETING  
OF THE OKLAHOMA HEALTH CARE AUTHORITY BOARD  
Held at Oklahoma Health Care Authority  
Oklahoma City, Oklahoma  
June 14, 2007  
1:00PM

Manner and Time of Notice of Meeting: A public notice was placed on the front door of the Oklahoma Health Care Authority on June 12, 2007.

Pursuant to a roll call of the members, a quorum was declared to be present, and Chairman Roggow called the meeting to order at 1:03pm.

BOARD MEMBERS PRESENT:

Member Roberts, Member Hoffman,  
Member Miller, Member Langenkamp,  
Governor Anoatubby, Vice-Chairman  
McFall and Chairman Roggow

OTHERS PRESENT:

Mike Dover, Variety Health  
Bill Lance, Chickasaw Nation  
Brent Wilborn, OPCA  
Rebecca Moore, OAHCP  
Johnetta Adams  
Richard Bushes  
Elmer Bushes  
Erin Boeckman, Capitol Network  
Jeff Packham

DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF MINUTES OF THE REGULARLY SCHEDULED BOARD MEETING HELD MAY 10, 2007

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

MOTION:

Member Langenkamp moved for approval of the May 10, 2007 minutes as presented. Vice-Chairman McFall.

FOR THE MOTION:

Member Roberts, Member Hoffman,  
Member Miller, Member Langenkamp,  
Governor Anoatubby, Vice-Chairman  
McFall and Chairman Roggow

FINANCIAL UPDATE

Anne Garcia

Ms. Garcia that revenues for OHCA through April, accounting for receivables, were **\$2,301,482,627** or **.7 % under** budget. Expenditures for OHCA, accounting for encumbrances, were **\$2,232,529,140** or **2.7% under** budget. The state dollar budget variance through April is **\$46,081,594 positive**.

The budget variance is primarily attributable to the following (in millions):

<b>Expenditures:</b>	
Medicaid Program Variance	16.8
Administration	4.3
<b>Revenues:</b>	
Taxes and Fees	(4.5)
Drug Rebate	1.7
Overpayments/Settlements	5.2
Prior Year Carryover	25.4
<b>Total FY 07 Variance</b>	<b>\$ 46.1</b>

For a more detailed financial report, see Item 3A of the board packet.

**MEDICAID DIRECTOR'S UPDATE**

Lynn Mitchell, M.D.

Dr. Mitchell reported that the March thru May numbers are showing a flattening for SoonerCare. Dr. Mitchell then discussed the general overview of the SoonerCare Programs which are basically done on a 12 month comparison timeframe program by programs. She then discussed the Fast Facts, June O-EPIC numbers shows we are serving 2,426 members in the ESI Program, and the IP Program is serving 422 members for June. She then discussed the Pharmacy handout and stated Dr. Nesser will be presented some updated pharmacy items for consideration. Dr. Mitchell reported on the Prenatal Dental Program which started May 1, 2007 has served 110 women during the month of May. The EPSDT bonus program has 248 providers who qualify, and they will be splitting \$789,000. Dr. Mitchell reported on the NASMD meeting. The Executive Committee did meet with Dennis Smith, Director of Medicaid/CMS and discussed numerous topics that included the Public Hospital Cost, GME, Provider Tax, AMP, S-Chip reauthorization, Transitional Medical Assistance. In general CMS viewpoint is going to make sure that states are utilizing federal dollars appropriately. Dr. Mitchell noted that at the NASMD Round Table discussion consisted of 37 states and were asked to respond to questions related IT, Service Expansion, Eligibility Expansion, Pharmacy Programs, Health Disparities, Preventive Activities, and Citizenship. Dr. said that Oklahoma offered discussion on every area. For detailed information, see Item 3B of the board packet.

**LEGISLATIVE UPDATE**

Nico Gomez

Mr. Gomez presented the 2007 Legislative Summary. He discussed various bills and the outcome of those bills. He stated that it was a productive session for OHCA. For further legislative details, see Item 3C of the packet.

**STATE FISCAL YEAR 2008 APPROPRIATIONS**

Juarez McCann

Mr. McCann discussed the budget request in the following categories: 1)Annualizations; 2)Maintenance; 3)Mandates; and 4) Provider Rate Increases. He noted that the total FY08 Appropriations is \$771,709,298. Mr. McCann stated that the Budget Work Program will be submitted prior to July 1, 2007. For detailed information, see Item 3D of the board packet.

Mr. Fogarty gave a report on the June 1<sup>st</sup> meeting in Washington, D.C. with the Oklahoma Congressional Delegation and OHCA staff and Board Member Roberts and Board Member McFall. He noted that it was held in one location and with 4 out of 7 Oklahoma Congressional Delegates present. Mr. Fogarty stated that at the APHSA Meeting, Oklahoma was on the agenda with presentations regarding Focus on Excellence, the All Kids Act and the O-EPIC program. On June 20<sup>th</sup> the OHCA Tribal Consultation Meeting was held in Shawnee with over 200 present and was very successful. Mr. Fogarty said that he will be attending the NASMD Best Practices in Los Angeles on July 11-13 and will be presenting also.

**ITEM 5/DISCUSSION ITEM-REPORTS TO THE BOARD BY BOARD COMMITTEES**

Chairman Roggow

**AUDIT FINANCE COMMITTEE**

Member Miller

Member Miller reported the committee did not meet.

**PERSONNEL COMMITTEE**

Member Hoffman

Member Hoffman stated that the Personnel Committee did meet. He stated that currently 80% of OHCA staff is women, with 30% minority and with a 9.9% turnover rate.

**RULES COMMITTEE**

Member Roberts

Member Roberts reported the Rules Committee did meet and Cindy Roberts will be presenting those rules discussed.

**LEGISLATIVE COMMITTEE**

Member Langenkamp

Member Langenkamp stated the Legislative Committee meeting was held and suggested a card of thanks to the legislators and discussed the newspaper article regarding O-EPIC.

Mr. Pallotta stated that the Conflict of Interest Panel met with regard to Item 5B and Item 5C and found no conflicts.

**ITEM 5B/CONSIDERATION AND VOTE TO ADD THE THERAPEUTIC CATEGORY OF OCULAR ALLERGY TREATMENTS TO THE PRODUCT BASED PRIOR AUTHORIZATION PROGRAM UNDER 63 OKLAHOMA STATUTES 5030.5.**

Dr. Nancy Nesser, Directory of Pharmacy

Dr. Nesser stated that the Drug Utilization Review Board recommends the addition of the Ocular Allergy products to the Product Based Prior Authorization program.

Tier 1	Tier 2
cromolyn sodium	Alomide® Alocril® Alamast®
Zaditor OTC®	Optivar® Elestat® Patanol® Pataday® Ketotifen Emadine® Alrex®

The following is the criteria for Tier 2 Product:

1)FDA approved diagnosis. 2)A trial of at least one Tier 1 product of a similar type(ie: cromolyn sodium prior to use of a mast cell stabilizer product or OTC ketotifen prior to use of an antihistamine, dual action, or corticosteroid product)for a minimum of two weeks in the last 30 days. 3)Documentation of clinical need for Tier 2 product over Tier 1 should be noted on the petition. 4)Clinical exceptions granted for products with allergic reaction or contraindication.

**ITEM 5C/CONSIDERATION AND VOTE TO ADD THE DRUG QUALAQUIN® TO THE SCOPE/UTILIZATION-BASED PRIOR AUTHORIZATION PROGRAM UNDER OAC 317:30-5-77.2 (e).**

Dr. Nancy Nesser, Directory of Pharmacy

Dr. Nesser stated that the Drug Utilization Review Board recommends prior authorization of Qualaquin® (quinine sulfate). Recommended approval would be based on an FDA approved diagnosis of malaria. Off label use for the prevention/treatment of leg cramps and other related conditions will not be covered.

**MOTION:**

Vice- Chairman McFall moved for approval of Item 5B and Item 5C as presented. Member Anoatubby seconded.

**FOR THE MOTION:**

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 6A/RECOMMENDATION REGARDING CONFLICTS OF INTEREST PANEL REGARDING RULES**

Howard Pallotta, Director of Legal Services

Mr. Pallotta stated that the Conflicts of Interest Panel met with regard to Item 6B and Item 6C and found no conflicts.

**ITEM 6B/CONSIDERATION AND VOTE OF DECLARATION OF EMERGENCY FOR  
EMERGENCY RULES A-G LISTED UNDER ROMAN NUMERAL I OF THE RULES AGENDA**

Cindy Roberts, Director of Program Integrity and Planning

Ms. Roberts presented the following rules for declaration of emergency:

- A. Revising pharmacy rules to: (1) allow for coverage of certain over-the-counter products if the particular product is both cost-effective and clinically appropriate; (2) remove specific drug names from policy; and (3) clean up out-dated terminology. **(Reference APA WF # 07-06)**
- B. Revising rules to: (1) remove the prior authorization requirement for the initial evaluation of physical therapy services for children; and (2) issue provider specific rules for outpatient occupational therapy services. **(Reference APA WF # 07-23)**
- C. Revising Physician rules to clarify payment for venipuncture and catheterization services. **(Reference APA WF # 07-15)**
- D. Revising Dental rules to allow prior authorization information for periodontal scaling and root planing to be submitted after the services have been provided in certain situations. **(Reference APA WF # 07-18)**
- E. Revising O-EPIC Individual Plan (IP) rules to allow 12 months of SoonerCare eligibility to the newborn of an O-EPIC IP member. **(Reference APA WF # 07-19)**
- F. Rules are being issued to establish guidelines for ICF/MR level of care medical eligibility determinations for TEFRA children. **(Reference APA WF # 07-21)**
- G. Revising eligibility rules for long term services to comply with provisions of the Deficit Reduction Act of 2005 which: (1) requires a change in the disclosure and treatment of annuities purchased on or after 2/8/06; (2) establishes an upper limit for the excluded value of a home; (3) requires that included in the definition of "assets" are funds used to purchase a promissory note, loan, or mortgage, unless certain circumstances exist; and (4) redefines "assets" to include the purchase of a life estate interest in another individual's home. **(APA WF # 07-24)**

MOTION:

Vice-Chairman McFall moved that an emergency existed for Item 6B; Rules A-G as presented. Member Hoffman seconded.

FOR THE MOTION:

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 6C/CONSIDERATION AND VOTE OF SUBSTANTIVE CHANGE IN EMERGENCY RULES  
A-G LISTED UNDER ROMAN NUMERAL I OF THE RULES AGENDA**

Cindy Roberts, Director of Program Integrity and Planning

Ms. Roberts presented the following rules for approval of substantive changes.

- A. Revising pharmacy rules to: (1) allow for coverage of certain over-the-counter products if the particular product is both cost-effective and clinically appropriate; (2) remove specific drug names from policy; and (3) clean up out-dated terminology. **(Reference APA WF # 07-06)**
- B. Revising rules to: (1) remove the prior authorization requirement for the initial evaluation of physical therapy services for children; and (2) issue provider specific rules for outpatient occupational therapy services. **(Reference APA WF # 07-23)**
- C. Revising Physician rules to clarify payment for venipuncture and catheterization services. **(Reference APA WF # 07-15)**
- D. Revising Dental rules to allow prior authorization information for periodontal scaling and root planing to be submitted after the services have been provided in certain situations. **(Reference APA WF # 07-18)**
- E. Revising O-EPIC Individual Plan (IP) rules to allow 12 months of SoonerCare eligibility to the newborn of an O-EPIC IP member. **(Reference APA WF # 07-19)**
- F. Rules are being issued to establish guidelines for ICF/MR level of care medical eligibility determinations for TEFRA children. **(Reference APA WF # 07-21)**
- G. Revising eligibility rules for long term services to comply with provisions of the Deficit Reduction Act of 2005 which: (1) requires a change in the disclosure and treatment of annuities purchased on or after 2/8/06; (2) establishes an upper limit for the excluded value of a home; (3) requires that included in the definition of "assets" are funds used to purchase a promissory note, loan, or mortgage, unless certain circumstances exist; and (4) redefines "assets" to include the purchase of a life estate interest in another individual's home. **(APA WF # 07-24)**

MOTION:

Vice- Chairman McFall moved for Item 6C; A-G as presented. Member Hoffman seconded.

FOR THE MOTION:

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 7A/CONSIDERATION AND VOTE UPON A PROPOSED REIMBURSEMENT METHOD FOR NURSING FACILITIES SERVING ADULTS**

Cindy Roberts, Director of Program Integrity and Planning

Ms. Roberts reported that under HB 2842 the Legislature directed the Authority to develop a graduated or tiered reimbursement methodology for calculating state Medicaid program reimbursement. Under this direction the Authority solicited bids from qualified vendors to establish a system to support an incentive reimbursement methodology for Oklahoma Nursing Facilities. This program is titled "Focus on Excellence" and the contracted vendor is *My Inner View*. Ms. Roberts noted that no other changes to the legislation were made so the Authority also has to satisfy the requirements under HB2019 (the Quality of Care Fee legislation) and SB 1622 (the facility specific Direct Care Staffing legislation). For the period beginning July 1, 2007 the Authority will pay an incentive payment of one percent of the

total of the Direct Care and Other Care Cost components of the rate established under the Direct Care Staffing regulation methodology to facilities that have signed contract amendments to participate in the Focus on Excellence program. Participation is defined as signing a contract amendment stating so and fulfilling the requirements for initial survey data needed by June 30 for the annual surveys.

*Incentive Add-on value:* Ms. Roberts said that the value of a point earned under the Focus on Excellence and the value of the participation incentive will be determined as 1% of the sum of the Base Rate plus the Other Cost Component. The amount for this bonus will be \$1.09 (one percent of the sum of the Base Rate of \$103.20 and the Other Component of \$5.54). The cost of the above will be \$5,115,957 (\$958,219 in patient spend-down, \$1,357,086 in state funds and \$2,800,652 in federal matching funds).

MOTION:

Vice- Chairman McFall moved for Item 7A as presented. Member Hoffman seconded.

FOR THE MOTION:

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 7B/CONSIDERATION AND VOTE UPON A PROPOSED REIMBURSEMENT METHOD FOR NURSING FACILITIES SERVING AID PATIENTS**

Cindy Roberts, Director of Program Integrity and Planning

Ms. Roberts stated that under HB 2842 the Legislature directed the Authority to develop a graduated or tiered reimbursement methodology for calculating state Medicaid program reimbursement. Under this direction the Authority solicited bids from qualified vendors to establish a system to support an incentive reimbursement methodology for Oklahoma Nursing Facilities. This program is titled "Focus on Excellence" and the contracted vendor is *My Inner View*. No other changes to the legislation were made so the Authority also has to satisfy the requirements under HB2019 (the Quality of Care Fee legislation) and SB 1622 (the facility specific Direct Care Staffing legislation). Ms. Roberts stated that for the period beginning July 1, 2007 the Authority will pay an incentive payment of one percent of the total of the Direct Care and Other Care costs components of the rate established under the Direct Care Staffing regulation methodology to Regular Nursing Facilities serving Aids Patients that have signed contract amendments to participate in the Focus on Excellence program. Participation is defined as signing a contract amendment stating so and fulfilling the requirements for initial survey data needed by June 30 for the annual surveys.

*Incentive Add-on value:* Ms. Roberts stated that the value of a point earned under the Focus on Excellence and the value of the participation incentive will be determined as 1% of the sum of the Base Rate plus the Other Cost Components of the Regular Nursing Facility Rates. The amount for this bonus will be \$1.09 (one percent of the sum of the Base Rate of \$103.20 and the Other Component of \$5.54). The cost of the

above will be \$11,658 (\$2,183 in patient spend-down, \$3,092 in state funds and \$6,383 in federal matching funds).

MOTION: Member Hoffman moved for approval of Item 7B as presented. Vice-Chairman McFall seconded.

FOR THE MOTION: Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 8/RECOMMENDATION REGARDING CONFLICTS OF INTEREST PANEL REGARDING CONTRACTS**

Howard Pallotta, Director of Legal Services

Mr. Pallotta stated the Conflicts of Interest Panel met regarding Item 8A and found no conflicts.

**ITEM 8A/CONSIDERATION AND VOTE TO AUTHORIZE EXPENDDITURE OF FUNDS FOR CONTRACTED SERVICES TO ENHANCE AND MODIFY EDS CORPORATION STATE FISCAL YEAR 2008 MMIS OPERATIONS CONTRACT**

Beth VanHorn, Director of Legal Operations

Ms. VanHorn stated that EDS is contracted to operate OHCA's MMIS (Medicaid Management Information System) through December 31, 2010. OHCA is requesting enhancements and modifications to support new program initiatives consisting of In Rule Software; K2 Software; Navigator Clinical Software; Additional Personnel; MITA self assessment; Base Pool Increase; Expansion Pool Increase and Electronic Provider Enrollment. Ms. VanHorn note that the federal match will be 90% for approved APD development projects; otherwise 75%.

Ms. VanHorn stated that staff recommends Board approval for OHCA to proceed with procurement of the above services by modifying the existing EDS contract (original contract procured by competitive bidding) and Modification of our existing contract with EDS which requires approval of the Department of Central Services (DCS) and the Centers for Medicare and Medicaid Services (CMS).

MOTION: Member Roberts moved for approval of Item 8A as presented. Member Hoffman seconded.

FOR THE MOTION: Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**ITEM 9/DISCUSSION ITEM - PROPOSED EXECUTIVE SESSION AS RECOMMENDED BY THE GENERAL COUNSEL AND AUTHORIZED BY THE OPEN MEETINGS ACT, 25 OKLA. STATE. §307(B)(1), (4), and (7)**

Howard Pallotta, Director of Legal Services



MOTION:

Vice- Chairman McFall moved for Executive Session. Member Anoatubby seconded.

FOR THE MOTION:

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow

**NEW BUSINESS**

None

**ADJOURNMENT**

MOTION:

Vice- Chairman McFall moved for adjournment. Member Hoffman seconded

FOR THE MOTION:

Member Roberts, Member Hoffman, Member Miller, Member Langenkamp, Governor Anoatubby, Vice-Chairman McFall and Chairman Roggow