Oklahoma Health Care Authority

Performance & Health Improvement: Alignment with Agency Budget Priorities

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EXECUTIVE SUMMARY

A. Introduction

Medicaid is the largest health care provider in Oklahoma. In State Fiscal Year (SFY) 2018, the program provided coverage to approximately one million Oklahomans, or nearly one-in-four residents. In calendar year 2017 (the most recent year available), the program covered 29,031 births out of a statewide total of 50,214 (58 percent).

The Oklahoma Health Care Authority (OHCA) administers Medicaid, which is known in Oklahoma as SoonerCare. The OHCA's overarching goal for the SoonerCare program is to address the health care needs of Oklahomans through provision of high quality, accessible and cost-effective care.

> *SoonerCare is the largest health plan in Oklahoma and serves over 60 percent of all Oklahomans under the age of 18.*

SoonerCare operates under a "Section 1115 Research and Demonstration Waiver" from the federal government, which permits the State to provide health and support services to most SoonerCare members through an accountable system of care. The portions of the program that operate under the waiver include SoonerCare Choice managed care and the Insure Oklahoma premium assistance program.

The OHCA's managed care structure is designed to ensure that all SoonerCare Choice members are engaged with a Patient Centered Medical Home and have access to care management, when appropriate. The OHCA supports these primary care providers through care management of members with complex, and often costly, physical and/or mental health or substance use disorder treatment needs.

The OHCA furnishes some care management directly and contracts for additional care management resources through partnerships with several "Health Access Networks", including networks affiliated with the two university systems. The OHCA also contracts with a "Health Management Program" vendor to deliver intensive care management to members with, or at risk for, adverse health outcomes associated with chronic health conditions.

B. Performance and Health Improvement Program

The OHCA employs an agency-wide strategic planning process to identify multi-year goals that align with this overarching vision. The current five-year strategic plan was developed in 2018 and includes an emphasis on identifying "key performance measures" and developing and implementing a comprehensive Performance and Health Improvement process to achieve improved outcomes across the measures.

The 2018 strategic plan identified the need for a durable OHCA Performance & Health Improvement structure to support quality-related initiatives. The strategic plan also promoted the creation of a broad performance measure set, inclusive of the key performance measures, to be used in identifying opportunities for performance improvement and tracking agency progress over time.

The OHCA monitors Performance and Health Improvement at the agency level through quantitative measures selected for their relevance to agency (and broader State) goals. The OHCA evaluates the measures over time, to identify favorable or unfavorable trends, and compares Oklahoma performance to national benchmarks, where available. The OHCA, through its PHIP strategy, uses the measures to identify priority areas for improvement and assess whether interventions are having the intended impact on performance.

The OHCA tracks performance across five broad categories that capture the range of agency activities are relate to SFY 2020 budget priorities:

- Access to Care & Preventive Health Services, including primary care, immunizations, prenatal care, oral health, tobacco cessation

- Mental Health & Substance Use Disorder Treatment

- Care Management, including for chronic conditions prevalent in the SoonerCare population, such as asthma, diabetes, heart failure and hypertension

- Long Term Care, including services to the aged and persons with physical or intellectual disabilities

- Administration & Cost Containment

C. PHIP Focus Areas and SFY 2020 Budget Priorities

Access and Prevention

Access to Care is a basic expectation for managed care programs and is fundamental to improving member health and outcomes. If access to primary and preventive care is restricted due to a lack of providers or available appointments, members are more likely to go to the emergency department for services that are better suited to a doctor or nurse practitioner's office. Members also are at greater risk of having medical programs go undetected at an early stage, resulting in higher acuity and costlier treatment, including a greater likelihood of hospitalization.

The OHCA's Patient Centered Medical Homes and Health Access Networks have front-line responsibility for ensuring access to preventive and primary care services. The agency

supports their activities, as well as the work of prenatal care providers, through multiple initiatives aimed at educating and engaging members, and encouraging healthier behaviors.

For example, the OHCA has partnered with the Health Access Networks to identify and reach-out to members who are frequent users of the emergency room for non-emergent care. The networks counsel these members and help to connect them to a Patient Centered Medical Home. An independent study found that emergency room visits by members who underwent this intervention dropped 31 percent in the year following the intervention.

SFY 2020 Budget Priorities: The OHCA's SFY 2020 budget contains priorities that promote access to primary care and preventive services. These include:

- Restoration of provider rates
- Health Management Program and Health Access Network redesign
- Promoting access to Applied Behavioral Analysis for treatment of Autism Spectrum Disorder
- PACE expansion
- Contracts with Therapy Assistants
- Removing limitations on prescriptions
- Enhancing adult dental services
- Obesity reduction/nutrition counseling
- Diabetes self-management training
- Wellpass text messaging
- New care management solution
- Rx electronic prior authorization

Mental Health and Substance Use Disorder Treatment

Mental health conditions and substance use disorder (SUD) both are prevalent in the SoonerCare population, particularly among adults who qualify for SoonerCare on the basis of a disability. Mental health needs extend from episodic crises to serious mental illnesses such as schizophrenia, bipolar disorder and major depression. SUD includes alcohol and illicit drug dependency, as well as dependency on prescribed opioids to treat chronic pain. SUD, particularly opioid dependency, is a growing problem, not just for Oklahoma's SoonerCare population but for the entire State and nation.

Many SoonerCare members with mental health conditions and/or SUD also have chronic physical health conditions. Treating the member's mental health/SUD condition often is a prerequisite for enabling the member to manage effectively his or her physical health needs.

The Oklahoma Department of Mental Health and Substance Abuse Services has responsibility for a significant portion of the SoonerCare mental health benefit and funding. The OHCA works to support DMHSAS in its activities, including implementation of Integrated Health Homes. The Integrated Health Home model of care is a national initiative to co-locate physical and behavioral health services in a common setting as a way to encourage persons with co-

morbidities to receive "whole person" care. The OHCA has dedicated a program liaison to assist ODMHSAS in expanding the Home Health program, including through provider education and recruitment.

The OHCA is taking a leading role in addressing SUD treatment needs in the State, in particular the growing opioid dependency crisis. The agency has implemented a multi-faceted strategy for combating opioid dependency, both directly and through contracts with agency partners.

For example, the OHCA has partnered with its Health Management Program vendor to conduct extended, onsite education ("practice facilitation") of PCMH providers who are among the program's top opioid prescribers. The practice facilitators, who are trained in pain management, work with providers over a six-month period to improve patient care management.

An independent evaluation of the program found that it is having a positive impact on prescribing patterns. Over 60 percent of patients surveyed by the evaluator reported that their provider had made a change in their prescription. A noteworthy 24 percent stated that they no longer took any prescription pain medication.

SFY 2020 Budget Priorities: The OHCA's SFY 2020 budget contains priorities that promote access to mental health and SUD treatment. These include:

- Restoration of provider rates
- Health Management Program and Health Access Network redesign
- Promoting access to Applied Behavioral Analysis for treatment of Autism Spectrum Disorder
- PACE expansion
- Removing prior authorization for Medication Assisted Treatment
- New care management solution

Chronic Care Management

Chronic diseases are among the costliest of all health problems.   Providing care to individuals with chronic diseases, many of whom meet the federal disability standard, has placed a significant burden on state Medicaid budgets. The federal Centers for Disease Control estimates that total expenditures related to treating selected major chronic conditions in Oklahoma will reach nearly $10.5 billion in 2020. The estimated portion attributable to SoonerCare members will be more than $1.2 billion (state and federal).

The OHCA's objective is to ensure that all SoonerCare members with chronic conditions have access to care management. The Health Management Program focuses exclusively on serving members with chronic physical conditions (and often behavioral health co-morbidities). The Health Access Networks provide care management to members with targeted conditions, including asthma and diabetes, although this is not their only activity.

The OHCA's internal Chronic Care Unit is responsible for several special populations, including members with sickle cell disease, hemophilia and Hepatitis-C. The CCU also

provides care management to high risk members with chronic conditions who are not enrolled in a HAN or the HMP.

The OHCA and its partners have had a significant impact on the health, quality of life and service utilization/costs of members receiving care management. For example, the OHCA has partnered with the Health Management Program vendor to perform health coaching on members with chronic conditions who are identified as high risk through data analytics (e.g., forecasted to have very high emergency room and hospital utilization). The most prevalent of these conditions is hypertension.

Health coaches provide face-to-face and telephonic support to members with hypertension, including: education on management of the condition, such as regular blood pressure testing and adherence to medication regimen; education on proper diet, exercise and other healthy lifestyle decisions; assistance in arranging referrals to specialists and transportation to appointments; and support in resolving any social service needs that could become barriers to care.

An independent evaluation of the initiative found that emergency room utilization among members with hypertension was 32 percent below forecast and hospital utilization was 45 percent below forecast in the twelve months following the intervention. Fifty percent of the members reported being in better health, with nearly all attributing the improvement to the Health Management Program.

SFY 2020 Budget Priorities: The OHCA's SFY 2020 budget contains priorities that promote access to care management. These include:

- Health Management Program and Health Access Network redesign
- PACE expansion
- Obesity reduction/nutrition counseling
- Diabetes self-management training
- Wellpass text messaging
- New care management solution

Long Term Care

The OHCA is responsible for reimbursement of nursing facility services as well as the management and reimbursement of the Medically Fragile home and community-based services (HCBS) waiver. Nursing facility expenditures are the fourth largest Medicaid service category and represent more than ten percent of the OHCA's budget.

The Oklahoma Department of Human Services is responsible for administering the ADvantage HCBS waiver, which is the largest long-term care waiver serving individuals who quality for nursing facility level of care. The OHCA and DHS collaborate to promote the effective and efficient administration of HCBS waivers.

The OHCA oversees a number of initiatives that promote quality of care. The OHCA also collaborates with DHS to promote quality and service coordination for HCBS waivers.

Focus on Excellence (FOE) is the OHCA program designed to measure and ensure the integrity, quality and overall wellness of consumers and long-term care facilities. FOE creates financial incentives for nursing facilities the opportunity to achieve above and beyond the standard level of care already being provided. All Oklahoma nursing facilities are eligible to participate in the program. Currently, 290 nursing facilities actively participate in FOE.

FOE has successfully promoted quality of care through financial incentives. For example:

- A majority of participating facilities have taken steps to improve person-centered care. More than 60 facilities have achieved the highest rating of five stars for person-centered care.

- Overall member satisfaction has remained consistently high. Based on the most recent member survey in 2016, 92 percent of survey respondents reported that they were satisfied with their nursing care. The OHCA increased the member/family satisfaction qualifying threshold for FOE incentive payments in 2013 to further promote quality.

SFY 2020 Budget Priorities: The OHCA's SFY 2020 budget contains priorities that promote access to high quality long-term care. These include:

- Restoring provider rates
- Health Management Program and Health Access Network redesign
- PACE expansion

Administration and Cost Containment

The OHCA's overarching goal for the SoonerCare program is to address the health care needs of Oklahomans through provision of high quality, accessible and cost-effective care. Oklahoma Medicaid expenditures (state and federal combined) total over $5.2 billion, of which approximately 95 percent are for direct program services on behalf of SoonerCare members. Although administration accounts for only five percent of the budget, the OHCA's capacity to manage program services efficiently and effectively is essential to SoonerCare operating as a careful steward of taxpayer dollars.

Several of the current initiatives described previously were developed with the objectives of promoting administrative efficiency and controlling program costs. The OHCA also is engaged to develop purchasing strategies that control program costs. In June 2018, OHCA received a first-of-a-kind approval from CMS to enter into Value Based or Outcomes Based Agreements with pharmaceutical manufacturers. The objective of this program is to determine if these types of agreements will reduce costs and improve access to needed medications.

The OHCA also maintains a rigorous framework of internal and external auditing and on-going performance monitoring. The OHCA maintains audit functions in the Program Integrity Division, staffed by 40 FTEs, which audits compliance with state and federal regulations across

our programs and within the provider network. Program Integrity is responsible for ensuring payments are made to legitimate providers for appropriate and compliant services provided to eligible members. During SFY2018 the Program Integrity Division conducted 431 provider audits and recovered $5.3 million in overpayments.

Since 2015, the OHCA's total program expenditures have grown at an average annual rate of 2.6 percent, with expenditures actually flat or declining in some years. By comparison, national Medicaid expenditures have increased annually by at least four percent.

Unlike many states, Oklahoma does not contract with private managed care organizations (MCOs) to administer its managed care model. When states contract with MCOs, a portion of the MCO payments support the MCOs' administrative costs and profits, rather than health care costs.   At the same time, the Medicaid agency must continue to perform traditional administrative functions, such as eligibility verification and maintaining a Medicaid Management Information System (MMIS), in additional to administrative functions related to oversight of the MCOs. <u>In Federal Fiscal Year 2016, Oklahoma's administrative costs as a percentage of total Medicaid costs was fourth lowest in the country</u>.

<u>SFY 2020 Budget Priorities</u>: The OHCA's SFY 2020 budget contains priorities that promote administrative excellence and cost containment. These include:

- Restoring provider rates
- Health Management Program and Health Access Network redesign
- Promoting access to Applied Behavioral Analysis for treatment of Autism Spectrum Disorder
- PACE expansion
- Contracting with Therapy Assistants
- Enhanced utilization management (outpatient imaging and lab)
- Removing prior authorization for Medication Assisted Treatment
- Removing limitations on prescriptions
- Enhanced adult dental services
- Obesity reduction/nutrition counseling
- New care management solution
- MMIS project planning
- Rx electronic prior authorization
- OK benefits data exchange

Alignment of Performance Improvement and Budget Priorities

The OHCA's SFY 2020 budget priorities align closely with the agency's strategy for performance and health improvement. Many of the priorities will contribute to improvement across multiple PHIP focus areas. The table below summarizes the PHIP-budget alignment. The body of the report describes the initiatives and their relationship to the budget in greater detail.

Initiative	Performance and Health Improvement Focus Area				
	Access and Preventive Care	Care Management	Mental Health and Substance Use Disorder Treatment	Long Term Care	Administration and Cost Containment
Restore Provider Rates	✓		✓	✓	✓
Health Management Program (HMP) and Health Access Network (HAN) Redesign	✓	✓	✓	✓	✓
Promote Access to Applied Behavioral Analysis (ABA) for treatment of Autism Spectrum Disorder (ASD)	✓		✓		✓
PACE Expansion	✓	✓	✓	✓	✓
Contract with Therapy Assistants	✓				✓
Enhanced Utilization Management (Outpatient Imaging and Lab)					✓
Remove PA for MAT	✓		✓		✓
Remove Limitations on Prescriptions	✓				✓
Enhance Adult Dental Services	✓				✓
Obesity Reduction/Nutrition Counseling	✓	✓			✓
Diabetes Self-Management Training	✓	✓			
Wellpass Text Messaging	✓	✓			✓
New Care Management Solution	✓	✓	✓		✓
MMIS Project Planning					✓
Rx Electronic PA	✓				✓
OK Benefits Data Exchange					✓