

HEARING PURSUANT TO TITLE 74 OKLAHOMA STATUTES
SECTION 1325
FOR THE STATE OF OKLAHOMA

HEARING HELD AT OMES-GID OFFICE OF
MANAGEMENT & ENTERPRISE SERVICES EMPLOYEE
GROUP INSURANCE DIVISION
IN OKLAHOMA CITY, OKLAHOMA
ON SEPTEMBER 30, 2015

REPORTED BY: DAVID BUCK, CSR

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

The Panel:

**Scott Boughton, Legal Counsel for
OMES-EGID**

**Dana Dale, OMES Deputy Director of
Performance and Efficiency**

Diana O'Neal, EGID Deputy Administrator

**Teresa South, EGID Director of Network
Management**

Carol Bowman, EGID Senior Plan Analyst

**Paul King, EGID Chief Compliance
Officer**

**Joe McCoy, OMES Director of Performance
and Efficiency**

**Dr. Frank Lawler, EGID Chief Medical
Officer**

**JoAnna Younts, EGID Reimbursement
Consultant with Berkeley Research Group
(Appearing by Telephone)**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SPEAKERS

Brent Davis, Community Health Systems

**Rick Snyder, Oklahoma Hospital
Association**

Linda Malone, OU Physicians

**Terry Woodbeck, Tulsa Spine & Specialty
Hospital**

Mitzi McCullah, Integris Health

1 (9:30 a.m.)

2 MR. BOUGHTON: Good morning, everyone. Let's go
3 ahead and get started. It's about 9:30.

4 I am Scott Boughton, legal counsel for the
5 Employees Group Insurance Department of the Office of
6 Management Enterprises Services. We go by the acronym
7 OMES-EGID or sometimes just EGID. On April 9, 2015
8 Oklahoma House Bill 1567 was signed into law. The
9 bill provided that after November 1, 2015, health
10 plans offered by the Office of Management and
11 Enterprise Services may, quote, provide for the
12 application of deductibles and copayment or
13 coinsurance provisions that are based on contracts
14 with providers for specific services based on levels
15 of outcomes or cost, end quote. Pursuant to House
16 Bill 1567, we are here to discuss proposed changes to
17 reimbursement methodologies to providers contracted
18 with EGID. OMES-EGID is at this hearing to listen to
19 your views and concerns.

20 This is not an official meeting as defined
21 by the State's Open Meeting Act. This is a hearing
22 called pursuant to Title 74 Oklahoma Statutes Section
23 1325 which provides, quote, the Office of Management
24 and Enterprise Services shall scheduled a hearing
25 thirty days prior to adopting any major change in the

1 reimbursement rates or methodology. The Office shall
2 notify healthcare providers who provide services
3 pursuant to a contract with the Office at least 15
4 days prior to the hearing. The notice shall include
5 proposed changes to the reimbursement rates or
6 methodology. The Office shall also inform such health
7 care providers at the hearing of any proposed changes
8 to the reimbursement rates or methodology. At the
9 hearing the Office shall provide an open forum for
10 such health care providers to comment on the proposed
11 changes, end quote.

12 This meeting is being recorded and will be
13 transcribed. The transcript of this meeting, along
14 with EGID's responses to the comments you give us here
15 today will be posted on our website on or before
16 October 27th, 2015. As of today, EGID has received
17 written comments from Radiology Services of Ardmore
18 and Orthopedic Associates ASC.

19 There are sign up sheets in the back. If
20 you want your presence reflected in the transcript of
21 this hearing, please be sure to sign in.

22 At this hearing we're going to begin by
23 Deputy Director of Performance and Efficiency, Dana
24 Dale, giving us a PowerPoint presentation on EGID's
25 proposed Select Provider Network and bundled payment

1 options available to participating providers. This
2 will be followed by public comments.

3 Any person wishing to comment, after you are
4 recognized please come to the center podium to speak.
5 And if you would like to, give us your name and the
6 organization you represent.

7 Joining me at the panel is Dr. Frank Lawler,
8 our chief medical officer. Next to him is Paul King,
9 EGID's chief compliance officer. To my right is Diana
10 O'Neal, EGID's deputy administrator. To my left is
11 Dana Dale, OMES deputy director of performance and
12 efficiency. Next to her is Joe McCoy, OMES director
13 of performance and efficiency, Teresa South, EGID
14 director of network management and Carol Bowman, EGID
15 senior plan analyst.

16 Unfortunately, Frank Wilson, our
17 administrator, is not here today but we do have Deputy
18 Administrator Diane O'Neal, and she'd like to make a
19 few comments before we get started. Oh, I'm sorry,
20 also on the phone is JoAnna Younts. She is a
21 consultant with the Berkeley Research Group and is
22 helping us in these proceedings.

23 I'm sorry, go ahead.

24 MS. O'NEAL: Good morning and welcome. Today we
25 will be introducing a new Select Provider Network.

1 This is a new program that was developed after House
2 Bill 1567 passed this last legislative session. As
3 you will hear today, providers will have the
4 opportunity to contract with HealthChoice and the
5 Department of Corrections for services to be
6 reimbursed at one bundled rate. This is a voluntary
7 program. Providers can choose to contract for one or
8 more or none of the services.

9 So, again, thank you for coming today and at
10 this time I will turn it over to Dana Dale to walk us
11 through the presentation.

12 MS. DALE: Good morning. We will start with the
13 background on how we got here. On April 9th, 2015
14 House Bill 1567 was signed into law and, as Scott
15 said, health plans offered by the Office of Management
16 and Enterprises Services may provide for the
17 application of deductibles and copayment or
18 coinsurance provisions that are based on contract with
19 providers for specific services based on levels of
20 outcomes or cost. And that legislation was
21 effective -- or is effective November 1st, 2015.

22 In May of 2015 HealthChoice began discussing
23 bundled payment options with interested facilities
24 within the Oklahoma market. And on January 1st, 2016
25 the Select Provider Network will be introduced by

1 HealthChoice and the Oklahoma Department of
2 Corrections.

3 The Select Provider Network is a network of
4 participating facilities that will offer certain
5 services to members at a bundled price. It will be
6 available to members of the HealthChoice plans and
7 those in the custody of the Department of Corrections.
8 It is not available to participants in the
9 HealthChoice USA Plan and, when applicable, High
10 Deductible Health Plan participants must meet their
11 deductible first. There will be no out of pocket
12 costs to members when using select network providers
13 for specified services.

14 As far as the bundled price, the facility
15 will submit one bill for all services associated with
16 the bundled encounter and HealthChoice will make one
17 payment which will incorporate facility and
18 professional components, including anesthesiology.

19 Providers may choose to participate in the
20 Select Provider Network for selected categories or all
21 categories. As an example, a provider may choose to
22 be a Select Provider for colonoscopy/sigmoidoscopy
23 services but not for shoulder arthroscopy services, or
24 they may participate in both.

25 There will be contract amendments that are

1 required and those will be available through
2 HealthChoice and DOC Network Management.

3 For reimbursement allowable fees will be
4 determined through discussions with provider partners
5 and review of prevailing market ranges. And I want to
6 clarify, once the allowable fee is established it is
7 going to be the same fee for all participating
8 providers. Fee schedules will be available through
9 the secure HealthChoice and DOC websites or from
10 network management.

11 Communicating to HealthChoice members is
12 being done right now through Option Period materials
13 which include a description of the program.
14 HealthChoice Members Services will educate members
15 during the annual Option Period. And both the
16 HealthChoice and DOC websites will feature the most
17 current list of participating providers and the select
18 procedures offered.

19 For January 1st, 2016 the services that will
20 be offered are colonoscopies and sigmoidoscopies. And
21 for these services there will be a \$100 incentive
22 payment to the members in addition to no out of pocket
23 costs.

24 In the second quarter of 2016 we are
25 considering additional services and those would

1 include shoulder arthroscopy and computed tomography
2 of the head. And then for the remainder of 2016 and
3 forward we will work to get input from provider
4 partners and members and that will be key to
5 identifying additional opportunities for services.
6 Additions to the program may also be identified based
7 on local and national trends and successful Centers
8 for Medicare and Medicaid Services initiatives.

9 So, today we're having the public hearing
10 and then on October 9th, 2015 written comments will be
11 due. On October 27th, 2015 we'll have the final
12 recommendation posted to the HealthChoice and DOC
13 websites. And then on January 1st, 2016 is when we
14 will begin implementing the Select Provider Network.

15 I believe that's the end of the
16 presentation. Do you want to --

17 MR. BOUGHTON: Well, we're here to take your
18 comments and proposals and listen to them and consider
19 them. So, would anybody like to speak? Does anyone
20 have any questions? We have several folks here to
21 answer any questions you might have.

22 MR. DAVIS: This is Brent Davis with Community
23 Health Systems.

24 MR. BOUGHTON: Brent, will you come up? We're
25 trying to transcribe and he might have trouble with

1 it.

2 MR. DAVIS: Brent Davis with Community Health
3 Systems. And one of the questions I have about the
4 bill, you said you will receive one bill. Today
5 providers are independent, some are employed. So, how
6 can you reconcile receiving one bill when there's
7 multiple entities possibly participating?

8 MS. DALE: And it's my understanding that you as
9 the provider will submit one bill and we'll reimburse
10 you and then you will turn around and disburse to the
11 providers.

12 MR. DAVIS: If the hospital doesn't employ the
13 physician, and even if they do employ the physician
14 there's a separate corporation, the billing will be
15 the issue. I mean, we can reconcile the payment on
16 the back end by the use of a TPA or some other source,
17 but the one bill I think will be problematic.

18 MS. DALE: And that may be something that we just
19 need to address when we post our responses.

20 MR. SNYDER: Good morning, Rick Snyder from the
21 Oklahoma Hospital Association.

22 Could you say a little bit more about how
23 you plan to develop the price point for these
24 services? The presentation mentions discussions with
25 providers. Is it your intent to go with the lowest

1 bidder? How do you publicize those discussions with
2 providers? Or just tell me more about that process.

3 MS. DALE: It will not necessarily be the lowest
4 bidder. We'll use a combination of factors. We'll
5 use, you know, our historical utilization, we'll use
6 maybe allowables that other providers when they come
7 to us and give us, you know, kind of ideas or ranges.
8 So, it will be a process that we go through. And you
9 need additional -- I mean, we'll flesh that answer out
10 in our responses.

11 JoAnna, do you have any --

12 MS. YOUNTS: I unfortunately can't hear the
13 commenters at all.

14 MS. DALE: Oh, okay.

15 MS. YOUNTS: I guess the sense of the question
16 was asked about how to place into the pricing for
17 these procedures. I'm sorry, my voice is just
18 terrible. Was that the question?

19 MS. DALE: Yes, you're correct. The question is
20 how will we -- what's the process for determining the
21 allowable.

22 MS. YOUNTS: Yes. And your answer, historical
23 utilization, historical prices as well as market
24 prices too, benchmarking data, Medicare commercial
25 benchmarking data and those ranges will be considered

1 as well.

2 MR. SNYDER: The presentation indicates that this
3 program will start with colonoscopies and
4 sigmoidoscopies January 1st. It also indicates that
5 pricing information will be published on the website.
6 To my knowledge it's not yet published on the website.

7 MS. DALE: You're correct. And we will have that
8 by end of day Monday, which I believe is the 5th, and
9 we're working through our internal QA processes, et
10 cetera.

11 MR. SNYDER: Okay.

12 MS. DALE: But we'll have that on the secure
13 search engine that providers are familiar with.

14 Teresa, do you want to add anything to that?

15 MS. SOUTH: It will be on the HealthChoice
16 website on the fee schedule search engine. Contracted
17 providers have access to download that and all
18 non-contracted providers can certainly contact me and
19 request reimbursement information on the proposal.

20 MR. McCOY: This is Joe McCoy. While I'm not a
21 part of this process specifically, I'm very well aware
22 that we are looking for great input from our network
23 providers. We're going to listen to what they would
24 like to do and what they recommend a reasonable
25 reimbursement would be and proceed from that

1 information.

2 MS. DALE: We will have the codes and the
3 allowables, both of those for the colonoscopies,
4 sigmoidoscopies by end of day Monday.

5 MR. SNYDER: Okay. Thank you.

6 Is it your intent that a single price for
7 this package service be applied across the state?

8 MS. DALE: Right. We will have one allowable
9 established and that will provide -- that will be
10 applicable no matter the site.

11 MR. SNYDER: Which may require some of your
12 insureds to travel great distances in order to receive
13 that incentive?

14 MS. DALE: To avail themselves of the program,
15 right, because there might not be a participating
16 provider in their area.

17 MR. SNYDER: Right. And there might be only one
18 to -- I'm sorry, there might be one willing to
19 participate at a slightly different price. So, that's
20 I guess in form of a comment rather than a question.

21 MS. DALE: Absolutely.

22 MR. SNYDER: A final question is related to what
23 Brent asked. Has a process been identified for the
24 submission of claims that will identify the claim as a
25 package claim and has a process been developed for

1 your fiscal agent to process and correctly pay that
2 and show the out of pocket and so forth?

3 MS. DALE: Absolutely. Those processes are being
4 developed and are being tested. I believe the details
5 of those will be available --

6 MS. BOWMAN: On the website.

7 MS. DALE: -- on the website.

8 MS. SOUTH: And we will also be doing recruitment
9 and provider education immediately upon this being
10 finalized.

11 MR. SNYDER: Okay. Thank you.

12 MS. SOUTH: We have a plan.

13 MS. MALONE: Linda Malone, OU Physicians.

14 And as a large medical group in the State of
15 Oklahoma you've talked a lot about contracting with
16 the facility. Have you considered contracting
17 strictly with the medical group and then the medical
18 group will receive the payment and then negotiate the
19 rate with the hospital?

20 MS. DALE: Teresa, do you want to address that
21 now or do you want to address it in the written
22 response?

23 MS. SOUTH: I think we probably better address
24 that in the written response.

25 MS. MALONE: And then regarding the Department of

1 Corrections, OU Medical Center I think is required to
2 see those patients without remuneration. So, how does
3 that work for DOC in this bundle payment?

4 MS. BOWMAN: We'll respond also in the written
5 comments.

6 MS. MALONE: None of my questions?

7 MR. McCOY: Your questions are hard.

8 MS. SOUTH: You ask good questions.

9 MR. WOODBECK: Terry Woodbeck. I'm the CEO for
10 Tulsa Spine and Specialty Hospital in Tulsa, Oklahoma.

11 The question that I have is, if an
12 individual, we've signed up for the program, an
13 individual comes in for the test and then all of a
14 sudden goes south and has a heart attack and has to be
15 in intensive care, needs bypass surgery, et cetera, is
16 that included in that bundled price or is there an
17 exception if something happens to the patient that
18 they need services way beyond the services that were
19 actually bundled for?

20 MS. DALE: And we have considered that scenario
21 and I think we'll defer to answer in the written
22 comments so that we don't off the cuff answer that.
23 But we have considered that.

24 MR. WOODBECK: That is being considered?

25 MS. DALE: We have considered that scenario,

1 absolutely, yes.

2 MR. WOODBECK: Thank you.

3 MS. DALE: Thank you.

4 MS. McCULLAH: Mitzi McCullah, Integris Health.

5 Can you explain more about the hundred
6 dollar incentive member -- payment to the members in
7 addition to no out of pocket cost? I mean, I think
8 you'd really be wanting to incentivize the providers
9 to do these bundle payments when you're reducing
10 reimbursement everywhere else.

11 MS. DALE: And I would just say, right, on those,
12 on the sigmoidoscopies, colonoscopies since so many of
13 them are already no cost to the provider because a lot
14 of them fall under the ACA, preventative care, so this
15 was an additional incentive to also support our desire
16 for members to get that screening.

17 MS. McCULLAH: So is your benefit plan design
18 going to be making the members -- steering them to
19 these narrow networks for these bundled services?

20 MS. DALE: It's just one option for the members
21 to choose a participating provider. So --

22 MS. McCULLAH: But they have the right to go
23 anywhere they want --

24 MS. DALE: Absolutely.

25 MS. McCULLAH: -- for them still?

1 MS. DALE: Right. It's still the member's
2 choice.

3 MS. McCULLAH: Okay.

4 MS. DALE: Yes.

5 MR. BOUGHTON: Well, I guess that's all the
6 public comment we have. I guess we're going to go
7 ahead and close the public meeting. I think there
8 will still be -- folks will be hanging around if you
9 have some questions you might want to ask privately,
10 but that will conclude our public hearing and thank
11 you all for coming.

12 (Hearing concluded at 9:49 a.m.)
13
14
15
16
17
18
19
20
21
22
23
24
25

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

C E R T I F I C A T E

STATE OF OKLAHOMA)
) SS:
 COUNTY OF OKLAHOMA)

I, David Buck, Certified Shorthand Reporter within and for the State of Oklahoma, do hereby certify that the hearing was by me taken; that the above and foregoing hearing was taken in shorthand and thereafter transcribed; that the same was taken on September 30th, 2015, in Oklahoma City, Oklahoma; that I am not an attorney for nor a relative of any said parties, or otherwise interested in said action.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 2nd day of October, 2015.

 David Buck, CSR #1585