



STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

OHCA 2011-04

January 24, 2011

Dear Carrier:

The growth in the Insure Oklahoma program has revealed certain weaknesses in our Employer Sponsored Insurance (ESI) processing system and procedures.

Up to this point, we have accepted carriers and/or health plans which do not necessarily match our system processing capabilities. We have accommodated these plans using manual processing and procedures that are becoming untenable at this point.

While we are willing to work on enhancing the system processing capabilities, unfortunately we will have to scale back on previously approved carriers/plans until the changes are defined and implemented into our system.

This notice is advising you we will stop re-enrolling groups in the health plans that do not meet our system requirements by January 2012. Additionally, effective immediately, we will no longer approve health plans that cannot be accommodated in our system.

The plans in question can be identified by the rate schedule/billing procedures. If the rate schedule/billing procedure does not conform to our current processing capability, we will be ending the plan until we can accommodate the rate schedule/billing methodology. The rate schedule/billing procedure problem areas include:

- Rates not based on the following tier levels:
 - 3 tier - employee, spouse and children
 - 4 tier - employee, spouse, one child and two or more children.We cannot accommodate 2 tiers (employee and family), 5 tiers (employee, spouse, one child, two children, three children, or 4 tiers with an additional family rate.
- Insured moving to a new rate cell based on age or renewal (age-up) that is not in agreement with our system or the method confirmed by the carrier. Examples:
 - Carrier confirmed the age up method would be the 1st of the month following the birth date. The billing had increased the rate the birth month because the birth date was on the 1st.
 - Members age up on renewal based on age at end of renewal month instead of beginning of the renewal month
 - Age up on birth month when carrier has indicated age up only on renewal, etc.
- Multiple rates per employee age/sex and spouse age/sex

- Multiple rates per plan based on network
- Combined rates for other insured services such as dental, life and vision. We MUST be able to identify the health plan rate separately on the invoice.

We look forward to working with each carrier to define the particular billing/rate practices or methodologies unique to that carrier that must be programmed into our system.

If you have questions, please forward them to Matt Lucas at matthew.lucas@okhca.org

Sincerely,

A handwritten signature in black ink, appearing to read "Garth L. Splinter, M.D.", written in a cursive style.

Garth L. Splinter, M.D
State Medicaid Director