



**Mary Fallin**  
*Governor*

May 10, 2017

Becky Pasternik-Ikard, CEO  
Oklahoma Health Care Authority  
4345 North Lincoln Blvd.  
Oklahoma City, OK 73105

Ms. Pasternik-Ikard:

I want to thank you for the time and dedication you have put into implementing a care coordination model for persons on Medicaid who are aged, blind or disabled (ABD) in accordance with House Bill 1566 (2015). I understand the stakeholder engagement and request for proposal processes you have undertaken have been extensive and recognize you are working diligently toward a thoughtful and well executed transition to managed care for this vulnerable population. I also recognize the federal regulations related to Medicaid managed care have changed dramatically since HB 1566 was enacted making this implementation more challenging for the Oklahoma Health Care Authority (OHCA).

Many stakeholders have been expressing concerns about the impact of federal regulations on current supplemental payments, particularly the State Hospital Offset Payment Program (SHOPP), and the impact this may have on hospital funding. Given the need to thoroughly explore impacts, potential solutions (both federal and state) and the timing of the current legislative session **I am asking you to delay the start date of managed care to July 1, 2018.** While I recognize this will delay more robust care coordination to the ABD population it will allow an opportunity to continue work with hospitals to get the best resolution on SHOPP payments. I also understand this will require a review process with the Office of Management and Enterprise Services to ensure the OHCA is following state procurement requirements.

I continue to be supportive of the move to managed care, particularly for the ABD population who desperately need coordinated health services, and trust you will continue implementation activities between now and July 1, 2018. While I believe this will be a positive move for our most vulnerable Medicaid recipients we must take the time to do it right, both for them and our healthcare system.

Again, I appreciate your leadership and look forward to working with you in the future as we work to improve health outcomes in our state.

Sincerely,

A handwritten signature in black ink that reads "Mary Fallin".

Mary Fallin  
Governor

cc: President Pro Tempore Mike Schulz  
Speaker Charles McCall  
Senator Kim David  
Representative Glenn Mulready  
Secretary of Health and Human Services Terry Cline  
Chair Oklahoma Health Care Authority Board Ed McFall