

Oklahoma's Program Funding Challenges – Premium Assistance Program for the Uninsured

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Headlines Leading to Funding Needs

- "Rising Costs for Everyone: Health Providers Struggle with Problem of State's Many Uninsured, Underinsured"
July 2003
- "State Considers Small Biz Medicaid"
August 2003

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Headlines Leading to Funding Needs

- "Insurance Survey Conducted"
October 2003
- Governor Henry Eyes Expanded Health Coverage
November 2003

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Headlines Leading to Funding Needs

- "Oklahoma's Health-Care Dilemma: Sooner or Later, Something's Got to be Done to Fix the System"
December 2003
- State Leaders Working on a Plan to Get Oklahomans Insured
December 2003

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The BIG Headline!!

- **Governor Henry Unveils Cigarette Tax-Funded Health Plan**
January 2004

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Governor's Original Plan – January 2004

- Net \$.52 per pack increase in cigarette taxes
- Estimated to generate \$130 million annually
- **\$100 million targeted at health care programs for uninsured**

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The Final Proposal – May 2004

- HB 2660 -
 - *Enumerated the tobacco tax increases (net increase of \$.55 per pack of cigarettes)*
 - *Detailed the distribution of the new revenue*
 - *Created several revolving funds*
 - *Detailed new tax cuts*
- Tax collection arrangements between the state and Native American tribes are worked out in compacts that are not included as a part of actual legislation.

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Proposal Details – Allocation of Revenue - \$149.3 million

- **\$50 million: health care for uninsured**
- \$49.3 million: replace enhanced FMAP dollars
- \$17.6 million: state's trauma care system
- \$7 million: OU / comprehensive cancer care center
- \$7 million: OSU / tele-medicine and indigent care

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Proposal Details – Allocation of Revenue

- \$149.3 million - continued

- \$6 million: adolescent substance abuse treatment centers and services
- \$5 million: increased Medicaid reimbursement to locally-owned hospitals
- \$3 million: increased Medicaid reimbursement for ER physicians and ambulance services
- \$2.5 million: TEFRA
- \$1.5 million: tobacco cessation efforts
- \$1 million: breast and cervical cancer treatment

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Will the Tobacco Tax Make it to Ballot?

- House of Representatives
 - 39 for / 8 against
- Senate
 - 66 for / 33 against

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State Question 713

Vote713
Health.Yes!

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Paid Advertisements Indicated Supporters - - - -and Opposition

[illegible]

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Proponents vs Opponents

"Governor Henry says ads funded by big tobacco companies opposing SQ 713 are misleading and should be pulled from the airwaves."

- **Proponents:** Tax would also discourage smoking, especially among children.
- **Opponents:** Proposal isn't a healthcare issue - it is a tax issue.

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"Vote Yes" Campaign Begins



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"Vote Yes"



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"Vote Yes"



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Campaign Showed Activities of Other States



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November 2, 2004

SQ 713 passes,
by a vote of the people,
by 53%

Estimated monthly collections =
\$22.2 million

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Collections to Date (in millions)

- December 2004: \$10.8
- January 2005: \$8.5
- February 2005: \$7.5
- March 2005: \$11.7
- April 2005: \$12
- May 2005: \$11.3
- **June 2005: \$20**