



STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

January 9, 2007

Dear Doctor,

As you may be aware, on January 3, the 10th U.S. Circuit Court of Appeals unanimously reversed a ruling by the U.S. District Court in Tulsa in the lawsuit filed by the Oklahoma Chapter of the American Academy of Pediatrics, Community Action Project of Tulsa and Medicaid members.

The U.S. District Court ruling required an increase of Medicaid's physician fees to 100 percent of the Medicare fee schedule. Apparently, there has been speculation that with the ruling reversed, the physician fee schedule would be reduced. We would like to assure you that the Oklahoma Health Care Authority has no plans to decrease any of our SoonerCare/Medicaid provider rates.

As many of you know, long before this lawsuit was filed in 2001, the agency and its board had identified provider rates as a very important issue in our long-term strategic planning, including the goal of paying physicians 100 percent of rates paid by Medicare. In fact, in our introduction to the agency's 2000-01 Annual Report we commented that paying better compensation to those who deliver health care was among the agency's highest priorities. In consultation with the OSMA and OOA we established a goal of paying physician rates equal to that paid by the federal Medicare program. We stand by that statement today. Also, the legislature has been very supportive of OHCA's efforts to address provider rate increases.

Access to quality health care for our members is our top priority. We are very appreciative of the partnerships we have formed with health care providers to ensure that this priority is met. We will continue to work with you to maintain the rate increases of recent years and continue to evaluate provider rates in the coming years.

We appreciate the services you provide to Oklahomans insured by SoonerCare.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Fogarty".

Mike Fogarty
CEO, Oklahoma Health Care Authority

A handwritten signature in black ink, appearing to read "Lynn Mitchell, MD, MPH".

Lynn Mitchell, M.D.
State Medicaid Director