

1 **SENATE FLOOR VERSION**

2 February 28, 2022

3 SENATE BILL NO. 1337

By: McCortney

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5
6 An Act relating to the state Medicaid program;
7 amending 63 O.S. 2021, Section 5005, which relates to
8 definitions used in the Oklahoma Health Care
9 Authority Act; deleting obsolete definition; amending
10 63 O.S. 2021, Section 5006, which relates to the
11 Oklahoma Health Care Authority; removing certain
12 obsolete powers and duties; amending 63 O.S. 2021,
13 Section 5008, which relates to the Administrator of
14 the Authority; eliminating certain obsolete power and
15 duty; amending 63 O.S. 2021, Section 5009, which
16 relates to the Oklahoma Medicaid program; removing
17 obsolete provisions relating to conversion of
18 delivery system; repealing 56 O.S. 2021, Sections
19 1010.2, 1010.3, 1010.4, and 1010.5, which relate to
20 the state Medicaid program; repealing 63 O.S. 2021,
21 Sections 5009.5, 5011, and 5028, which relate to the
22 state Medicaid program; and providing an effective
23 date.

24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 63 O.S. 2021, Section 5005, is
amended to read as follows:

Section 5005. For purposes of the Oklahoma Health Care
Authority Act:

1. "Administrator" means the chief executive officer of the
Authority;

2. "Authority" means the Oklahoma Health Care Authority;

1 3. "Board" means the Oklahoma Health Care Authority Board; and

2 4. ~~"Health services provider" means health insurance carriers,~~
3 ~~pre-paid health plans, hospitals, physicians and other health care~~
4 ~~professionals, and other entities who contract with the Authority~~
5 ~~for the delivery of health care services to state and education~~
6 ~~employees and persons covered by the state Medicaid program; and~~

7 5. "State-purchased health care" or "state-subsidized health
8 care" means medical and health care, pharmaceuticals and medical
9 equipment purchased with or supported by state and federal funds
10 through the Oklahoma Health Care Authority, the Department of Mental
11 Health and Substance Abuse Services, the State Department of Health,
12 the Department of Human Services, the Department of Corrections, the
13 Oklahoma Department of Veterans Affairs, other state agencies
14 administering state-purchased or state-subsidized health care
15 programs, the Oklahoma State Regents for Higher Education, the State
16 Board of Education and local school districts.

17 SECTION 2. AMENDATORY 63 O.S. 2021, Section 5006, is
18 amended to read as follows:

19 Section 5006. A. There is hereby created the Oklahoma Health
20 Care Authority. The Authority shall have the power and duty to:

21 1. Purchase health care benefits for Medicaid recipients, and
22 others who are dependent on the state for necessary medical care, as
23 specifically authorized by law;

1 2. ~~Enter into contracts for the delivery of state-purchased~~
2 ~~health care and establish standards and criteria which must be met~~
3 ~~by entities to be eligible to contract with the Authority for the~~
4 ~~delivery of state-purchased health care;~~

5 3. ~~Develop a proposed standard basic health care benefits~~
6 ~~package or packages to be offered by health services providers, for~~
7 ~~Medicaid recipients;~~

8 4. Study all matters connected with the provision of state-
9 purchased and state-subsidized health care coverage;

10 ~~5.~~ 3. Develop and submit plans, reports and proposals, provide
11 information and analyze areas of public and private health care
12 interaction pursuant to the provisions of the Oklahoma Health Care
13 Authority Act;

14 ~~6.~~ 4. Serve as a resource for information on state-purchased
15 and state-subsidized health care access, cost containment and
16 related health issues;

17 ~~7.~~ 5. Administer programs and enforce laws placed under the
18 jurisdiction of the Authority pursuant to the Oklahoma Health Care
19 Authority Act, and such other duties prescribed by law;

20 8. ~~Collaborate with and assist the Insurance Commissioner in~~
21 ~~the development of a Uniform Claim Processing System for use by~~
22 ~~third party payors and health care providers;~~

1 ~~9. Collaborate with and assist the State Department of Health~~
2 ~~with the development of licensure standards and criteria for pre-~~
3 ~~paid health plans; and~~

4 ~~10.~~ 6. Exercise all incidental powers which are necessary and
5 proper to carry out the purposes of the Oklahoma Health Care
6 Authority Act.

7 B. All positions within the Authority shall be unclassified
8 until approval of the annual business and personnel plan submitted
9 by January 1, 1995, by the Governor and the Legislature. In the
10 annual business plan submitted January 1, 1995, the Board shall
11 include a personnel plan which shall list, describe and justify all
12 unclassified positions within the Authority and their compensation.
13 All other employees and positions shall be classified and subject to
14 the provisions of the Merit System of Personnel Administration as
15 provided in the Oklahoma Personnel Act.

16 SECTION 3. AMENDATORY 63 O.S. 2021, Section 5008, is
17 amended to read as follows:

18 Section 5008. A. The Administrator of the Oklahoma Health Care
19 Authority shall have the training and experience necessary for the
20 administration of the Authority. The Administrator shall be
21 appointed by the Governor with the advice and consent of the Senate
22 and shall serve at the pleasure of the Governor and may be removed
23 or replaced without cause. Compensation for the Administrator shall
24 be determined by the Governor. The Administrator may be removed

1 from office by a two-thirds (2/3) vote of the members elected to and
2 constituting each chamber of the Legislature.

3 B. The Administrator of the Oklahoma Health Care Authority
4 shall be the chief executive officer of the Authority and shall act
5 for the Authority in all matters except as may be otherwise provided
6 by law. The powers and duties of the Administrator shall include
7 but not be limited to:

8 1. Supervision of the activities of the Authority;

9 2. Formulation and recommendation of rules for approval or
10 rejection by the Oklahoma Health Care Authority Board and
11 enforcement of rules and standards promulgated by the Board;

12 3. Preparation of the plans, reports and proposals required by
13 the Oklahoma Health Care Authority Act, Section 5003 et seq. of this
14 title, other reports as necessary and appropriate, and an annual
15 budget for the review and approval of the Board; and

16 4. Employment of such staff as may be necessary to perform the
17 duties of the Authority including but not limited to an attorney to
18 provide legal assistance to the Authority for the state Medicaid
19 program; ~~and~~

20 ~~5. Establishment of a contract bidding process which:~~

21 ~~a. encourages competition among entities contracting with~~
22 ~~the Authority for state-purchased and state-subsidized~~
23 ~~health care; provided, however, the Authority may make~~
24 ~~patient volume adjustments to any managed care plan~~

1 ~~whose prime contractor is a state sponsored,~~
2 ~~nationally accredited medical school. The Authority~~
3 ~~may also make education or research supplemental~~
4 ~~payments to state sponsored, nationally accredited~~
5 ~~medical schools based on the level of participation in~~
6 ~~any managed care plan by managed care plan~~
7 ~~participants,~~

8 ~~b. coincides with the state budgetary process, and~~

9 ~~c. specifies conditions for awarding contracts to any~~
10 ~~insuring entity.~~

11 C. The Administrator may appoint advisory committees as
12 necessary to assist the Authority with the performance of its duties
13 or to provide the Authority with expertise in technical matters.

14 SECTION 4. AMENDATORY 63 O.S. 2021, Section 5009, is
15 amended to read as follows:

16 Section 5009. A. ~~On and after July 1, 1993, the Oklahoma~~
17 ~~Health Care Authority shall be the state entity designated by law to~~
18 ~~assume the responsibilities for the preparation and development for~~
19 ~~converting the present delivery of the Oklahoma Medicaid Program to~~
20 ~~a managed care system. The system shall emphasize:~~

21 ~~1. Managed care principles, including a capitated, prepaid~~
22 ~~system with either full or partial capitation, provided that highest~~
23 ~~priority shall be given to development of prepaid capitated health~~
24 ~~plans;~~

1 ~~2. Use of primary care physicians to establish the appropriate~~
2 ~~type of medical care a Medicaid recipient should receive; and~~

3 ~~3. Preventative care.~~

4 ~~The Authority shall also study the feasibility of allowing a~~
5 ~~private entity to administer all or part of the managed care system.~~

6 B. On and after January 1, 1995, the Oklahoma Health Care
7 Authority shall be the designated state agency for the
8 administration of the Oklahoma Medicaid Program.

9 1. The Authority shall contract with the Department of Human
10 Services for the determination of Medicaid eligibility and other
11 administrative or operational functions related to the Oklahoma
12 Medicaid Program as necessary and appropriate.

13 2. To the extent possible and appropriate, upon the transfer of
14 the administration of the Oklahoma Medicaid Program, the Authority
15 shall employ the personnel of the Medical Services Division of the
16 Department of Human Services.

17 3. The Department of Human Services and the Authority shall
18 jointly prepare a transition plan for the transfer of the
19 administration of the Oklahoma Medicaid Program to the Authority.
20 The transition plan shall include provisions for the retraining and
21 reassignment of employees of the Department of Human Services
22 affected by the transfer. The transition plan shall be submitted to
23 the Governor, the President Pro Tempore of the Senate and the
24

1 Speaker of the House of Representatives on or before January 1,
2 1995.

3 ~~C.~~ B. In order to provide adequate funding for the unique
4 training and research purposes associated with the demonstration
5 program conducted by the entity described in paragraph 7 of
6 subsection B of Section 6201 of Title 74 of the Oklahoma Statutes,
7 and to provide services to persons without regard to their ability
8 to pay, the Oklahoma Health Care Authority shall analyze the
9 feasibility of establishing a Medicaid reimbursement methodology for
10 nursing facilities to provide a separate Medicaid payment rate
11 sufficient to cover all costs allowable under Medicare principles of
12 reimbursement for the facility to be constructed or operated, or
13 constructed and operated, by the organization described in paragraph
14 7 of subsection B of Section 6201 of Title 74 of the Oklahoma
15 Statutes.

16 SECTION 5. REPEALER 56 O.S. 2021, Sections 1010.2
17 1010.3, 1010.4, and 1010.5, are hereby repealed.

18 SECTION 6. REPEALER 63 O.S. 2021, Sections 5009.5, 5011,
19 and 5028, are hereby repealed.

20 SECTION 7. This act shall become effective November 1, 2022.

21 COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES
22 February 28, 2022 - DO PASS

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