

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	SB1337
Version:	CS
Request Number:	
Author:	Rep. McEntire
Date:	4/26/2022
Impact:	See below

Research Analysis

The committee substitute (CS) for SB 1337 strikes the title and enacting clause and provides legislative intent regarding the state's Medicaid program. The bill modifies and adds certain definitions to the measure.

The CS requires the Oklahoma Health Care Authority (OHCA) to enter into capitated contracts with contracted entities for the delivery of Medicaid services as well as with dental benefit managers. The measure prohibits OHCA to issue any requests for proposals or enter into any contract to transform the delivery system for the aged, blind, and disabled populations eligible for SoonerCare. The measure provides requirements if the state seeks to expand this program. The Authority is required to specify services covered in requests for proposals.

OHCA is directed to issue requests for proposals no later than July 1, 2022, for all Medicaid services other than dental services for the following Medicaid populations:

- pregnant women
- children
- deemed newborns
- parents and caretaker relatives and;
- the expanded population

Capitated contracts will cover all Medicaid services other than dental services including primary care, inpatient and outpatient services and emergency room services, behavioral health services and prescription drug services. PCS1 requires OHCA to specify the services not covered in the request for proposals. Capitated contracts will not cover providers of Durable Medical Equipment or Complex Rehabilitation Technology as defined in Oklahoma Administrative Code.

OHCA is directed to issue requests for proposals no later than January 1, 2023 for dental services for the following populations:

- pregnant women
- children
- deemed newborns
- parents and caretaker relatives
- the expanded population, and;
- members of the Children's Specialty Plan

The CS requires OHCA to issue a request for proposals no later than July 1, 2022 for the Children's Specialty Plan. The measure requires the contracted entity for the Children's Specialty Plan to coordinate with dental benefit managers for dental service benefits. The measure prohibits OHCA from implementing the transformation of the Medicaid delivery system until it receives written confirmation from the Centers for Medicare and Medicaid Services (CMS).

All capitated contracts will be the result of requests for proposals issued by OHCA. OHCA is also directed to award no less than three statewide capitated contracts to provide comprehensive integrated health services including but not limited to medical, behavioral health, and pharmacy services and no less than two capitated contracts to provide dental coverage to Medicaid members.

At least one of the awarded contracts must be provided to a provider-led entity unless no provider-led entity submits a responsive reply to fulfill the contract requirements. The CS provides the requirements for provider-led entities. Contracts will be awarded based on scoring criteria outlined in the measure. OHCA is required to develop network adequacy standards for all contracted entities that at a minimum meet the requirements of this act.

The measure also directs OHCA to establish such requirements as may be necessary to prohibit contracted entities from excluding essential community providers, providers who receive directed payments, and other providers as OHCA may specify from contracts with contracted entities. Each contracted entity is required to contract with local Oklahoma provider organizations for a model of care containing; care coordination, care management, utilization management, disease management, network management, or another model of care as approved by the Authority. OHCA will develop standard contract terms for contracted entities as well as oversee, monitor, and enforce the terms of capitated contracts specified in the bill.

The CS provides all of the functions contracted entities will be responsible for and all the requirements established by OHCA. The measure also provides all the requirements directed to OHCA to implement the Ensuring Access to Medicaid Act. The CS provides the requirements of the Advisory Committee and provides directives to the Oklahoma Insurance Department and the Insurance Commissioner. The measure modifies, adds, and updates statutory language.

REPEALER:

PCS1 repeals:

56 O.S. 2021, Sections 1010.2, 1010.3, 1010.4, 1010.5, 4002.3, and 4002.9

[§ 1010.2. Definitions](#)

[§ 1010.3. Establishment of Oklahoma Medicaid Healthcare Options System - Administration - Development of Managed Care Plans - Applications for Federal Medicaid Waivers](#)

[§ 1010.4. Implementation of System](#)

[§ 1010.5. Required Contract Provisions](#)

[§ 4002.3. Enrollment in a Capitated Managed Care Delivery Model](#)

[§ 4002.9. Non-compliance Remedies](#)

63 O.S. 2021, Sections 5009.5, 5011, and 5028

[§ 5009.5. Actuarial Certification - Medicaid](#)

[§ 5011. State and Education Employee Health Care Benefit Plans - Duties of Authority](#)

[§ 5028. Request for Proposals for Care Coordination Models for Aged, Blind and Disabled Persons](#)

Lastly, the measure declares an emergency and provides that this act will become effective only if SB 1396 of the 2nd Session of the 58th Oklahoma Legislature is enacted into law.

Prepared By: Dan Brooks

Fiscal Analysis

The Oklahoma Health Care Authority expects there would be some administrative costs in FY 23 to build out the new delivery system. This would include systems development and third party contractor costs. An amount has not yet been determined but there will be no appropriated dollars requested for FY 23. Any program fiscal impact for 1337 will be in FY 24 and we do not expect additional cost but do expect additional revenue associated with premium tax.

Prepared By: Stacy Johnson

Other Considerations

None.