

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1658

By: McEntire of the House

and

Rosino of the Senate

7
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9 COMMITTEE SUBSTITUTE

10 An Act relating to poor persons; 56 O.S. 2021,
11 Section 4002.5, as amended by Section 9, Chapter 395,
12 O.S.L. 2022 (56 O.S. Supp. 2022, Section 4002.5),
13 which relates to ensuring access to Medicaid Act;
14 adding when an entity shall obtain a certificate of
15 authority; health maintenance organization; accident
16 and health insurer; prepaid dental plan organization;
17 providing an effective date; and declaring an
18 emergency.

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

20 SECTION 1. AMENDATORY 56 O.S. 2021, Section 4002.5, as
21 amended by Section 9, Chapter 395, O.S.L. 2022 (56 O.S. Supp. 2022,
22 Section 4002.5), is amended to read as follows:

23 Section 4002.5 A. A contracted entity shall be responsible for
24 all administrative functions for members enrolled in its plan
 including, but not limited to, claims processing, authorization of

1 health services, care and case management, grievances and appeals,
2 and other necessary administrative services.

3 B. ~~A contracted entity selected by the Oklahoma Health Care~~
4 ~~Authority under Section 4 of this act shall obtain a certificate of~~
5 ~~authority as a health maintenance organization issued by the~~
6 ~~Insurance Department prior~~ Prior to the execution of ~~the~~ a contract
7 between ~~the~~ a contracted entity and the Oklahoma Health Care
8 Authority, the contracted entity shall obtain the appropriate
9 certificate of authority issued by the Insurance Department.

10 1. A contracted entity shall obtain a certificate of authority
11 issued by the Insurance Department to operate as a health
12 maintenance organization when the contracted services to be
13 delivered include physical health services, behavioral health
14 services, and prescription drug services.

15 2. A contracted entity shall obtain a certificate of authority
16 issued by the Insurance Department to operate as an accident and
17 health insurer or as a prepaid dental plan organization when the
18 contracted services to be delivered include dental services.

19 C. 1. To ensure providers have a voice in the direction and
20 operation of the contracted entities selected by the Oklahoma Health
21 Care Authority under Section 4 4002.3b of this ~~act~~ title, each
22 contracted entity shall have a shared governance structure that
23 includes:
24

- 1 a. representatives of local Oklahoma provider
2 organizations who are Medicaid providers,
3 b. essential community providers, and
4 c. a representative from a teaching hospital owned,
5 jointly owned, or affiliated with and designated by
6 the University Hospitals Authority, University
7 Hospitals Trust, Oklahoma State University Medical
8 Authority, or Oklahoma State University Medical Trust.

9 2. No less than one-third (1/3) of the contracted entity's
10 local governing body shall be comprised of representatives of local
11 Oklahoma provider organizations.

12 3. No less than two members of the contracted entity's clinical
13 and quality committees shall be representatives of local Oklahoma
14 provider organizations, and the committees shall be chaired or co-
15 chaired by a representative of a local Oklahoma provider
16 organization.

17 D. A contracted entity shall promptly notify the Authority of
18 all material changes affecting the delivery of care or the
19 administration of its program.

20 E. A contracted entity shall have a medical loss ratio that
21 meets the standards provided by 42 C.F.R., Section 438.8.

22 F. A contracted entity shall provide patient data to a provider
23 upon request to the extent allowed under federal or state laws,
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1 rules or regulations including, but not limited to, the Health
2 Insurance Portability and Accountability Act of 1996.

3 G. A contracted entity or a subcontractor of a contracted
4 entity shall not enforce a policy or contract term with a provider
5 that requires the provider to contract for all products that are
6 currently offered or that may be offered in the future by the
7 contracted entity or subcontractor.

8 H. Nothing in this act or in a contract between the Authority
9 and a contracted entity shall prohibit the contracted entity from
10 contracting with a statewide or regional accountable care
11 organization.

12 I. Nothing in this act, in a contract between the Authority and
13 a contracted entity, or in a contract between a contracted entity
14 and a provider shall prohibit any provider from contracting with
15 more than one contracted entity.

16 J. A contracted entity shall not withhold, fail to offer, or
17 make impracticable a contract with a provider on the basis of
18 independent practice or lack of hospital system affiliation.

19 K. All contracted entities shall:

20 1. Use the same drug formulary, which shall be established by
21 the Authority; and

22 2. Ensure broad access to pharmacies including, but not limited
23 to, pharmacies contracted with covered entities under Section 340B
24 of the Public Health Service Act. Such access shall, at a minimum,

1 meet the requirements of the Patient's Right to Pharmacy Choice Act,
2 Section 6958 et seq. of Title 36 of the Oklahoma Statutes.

3 L. Each contracted entity and each participating provider shall
4 submit data through the state-designated entity for health
5 information exchange to ensure effective systems and connectivity to
6 support clinical coordination of care, the exchange of information,
7 and the availability of data to the Authority to manage the state
8 Medicaid program.

9 SECTION 2. This act shall become effective July 1, 2023.

10 SECTION 3. It being immediately necessary for the preservation
11 of the public peace, health or safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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15 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated
16 03/01/2023 - DO PASS, As Amended and Coauthored.

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