

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1650

By: McEntire

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5
6 AS INTRODUCED

7 An Act relating to managed care; amending 56 O.S.
8 2021, Section 4002.12, as last amended by Section 2,
9 Chapter 334, O.S.L. 2022 (56 O.S. Supp. 2022, Section
10 4002.12), which relates to minimum rates of
11 reimbursement; extending the date the Oklahoma Health
12 Care Authority shall establish minimum rates of
13 reimbursement; adding reimbursement fee schedule
14 relating to anesthesia; and providing an effective
15 date.

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

17 SECTION 1. AMENDATORY 56 O.S. 2021, Section 4002.12, as
18 last amended by Section 2, Chapter 334, O.S.L. 2022 (56 O.S. Supp.
19 2022, Section 4002.12), is amended to read as follows:

20 Section 4002.12 A. Until July 1, ~~2026~~ 2031, the Oklahoma
21 Health Care Authority shall establish minimum rates of reimbursement
22 from contracted entities to providers who elect not to enter into
23 value-based payment arrangements under subsection ~~B~~ C of this
24 section or other alternative payment agreements for health care
items and services furnished by such providers to enrollees of the
state Medicaid program. Except as provided by subsection ~~F~~ J of

1 this section, until July 1, ~~2026~~ 2031, such reimbursement rates
2 shall be equal to or greater than:

3 1. For an item or service provided by a participating provider
4 who is in the network of the contracted entity, one hundred percent
5 (100%) of the reimbursement rate for the applicable service in the
6 applicable fee schedule of the Authority; or

7 2. For an item or service provided by a non-participating
8 provider or a provider who is not in the network of the contracted
9 entity, ninety percent (90%) of the reimbursement rate for the
10 applicable service in the applicable fee schedule of the Authority
11 as of January 1, 2021.

12 B. Notwithstanding any other provision in this section,
13 anesthesia will continue to be reimbursed equal to or greater than
14 the anesthesia fee schedule established by the Authority as of
15 January 1, 2021. Anesthesia providers may also enter into value-
16 based payment arrangements for services furnished to enrollees to
17 the state Medicaid program.

18 C. A contracted entity shall offer value-based payment
19 arrangements to all providers in its network capable of entering
20 into value-based payment arrangements. Such arrangements shall be
21 optional for the provider but shall be tied to reimbursement
22 incentives when quality metrics are met. The quality measures used
23 by a contracted entity to determine reimbursement amounts to
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1 providers in value-based payment arrangements shall align with the
2 quality measures of the Authority for contracted entities.

3 ~~C.~~ D. Notwithstanding any other provision of this section, the
4 Authority shall comply with payment methodologies required by
5 federal law or regulation for specific types of providers including,
6 but not limited to, Federally Qualified Health Centers, rural health
7 clinics, pharmacies, Indian Health Care Providers and emergency
8 services.

9 ~~D.~~ E. A contracted entity shall offer all rural health clinics
10 (RHCs) contracts that reimburse RHCs using the methodology in place
11 for each specific RHC prior to January 1, 2023, including ~~any and~~
12 all annual rate updates. The contracted entity shall comply with
13 all federal program rules and requirements, and the transformed
14 Medicaid delivery system shall not interfere with the program as
15 designed.

16 ~~E.~~ F. The Oklahoma Health Care Authority shall establish
17 minimum rates of reimbursement from contracted entities to Certified
18 Community Behavioral Health Clinic (CCBHC) providers who elect
19 alternative payment arrangements equal to the prospective payment
20 system rate under the Medicaid State Plan.

21 ~~F.~~ G. The Authority shall establish an incentive payment under
22 the Supplemental Hospital Offset Payment Program that is determined
23 by value-based outcomes for providers other than hospitals.

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1 ~~G.~~ H. Psychologist reimbursement shall reflect outcomes.

2 Reimbursement shall not be limited to therapy and shall include, but
3 not be limited to, testing and assessment.

4 ~~H.~~ I. Coverage for Medicaid ground transportation services by
5 licensed Oklahoma emergency medical services shall be reimbursed at
6 no less than the published Medicaid rates as set by the Authority.

7 All currently published Medicaid Healthcare Common Procedure Coding
8 System (HCPCS) codes paid by the Authority shall continue to be paid
9 by the contracted entity. The contracted entity shall comply with
10 all reimbursement policies established by the Authority for the
11 ambulance providers. Contracted entities shall accept the modifiers
12 established by the Centers for Medicare and Medicaid Services
13 currently in use by Medicare at the time of the transport of a
14 member that is dually eligible for Medicare and Medicaid.

15 ~~F.~~ J. 1. The rate paid to participating pharmacy providers is
16 independent of subsection A of this section and shall be the same as
17 the fee-for-service rate employed by the Authority for the Medicaid
18 program as stated in the payment methodology at OAC 317:30-5-78,
19 unless the participating pharmacy provider elects to enter into
20 other alternative payment agreements.

21 2. A pharmacy or pharmacist shall receive direct payment or
22 reimbursement from the Authority or contracted entity when providing
23 a health care service to the Medicaid member at a rate no less than
24 that of other health care providers for providing the same service.

1 ~~J.~~ K. The Authority shall specify in the requests for proposals
2 a reasonable time frame in which a contracted entity shall have
3 entered into a certain percentage, as determined by the Authority,
4 of value-based contracts with providers.

5 ~~K.~~ L. Capitation rates established by the Oklahoma Health Care
6 Authority and paid to contracted entities under capitated contracts
7 shall be updated annually and in accordance with 42 C.F.R., Section
8 438.3. Capitation rates shall be approved as actuarially sound as
9 determined by the Centers for Medicare and Medicaid Services in
10 accordance with 42 C.F.R., Section 438.4 and the following:

11 1. Actuarial calculations must include utilization and
12 expenditure assumptions consistent with industry and local
13 standards; and

14 2. Capitation rates shall be risk-adjusted and shall include a
15 portion that is at risk for achievement of quality and outcomes
16 measures.

17 ~~L.~~ M. The Authority may establish a symmetric risk corridor for
18 contracted entities.

19 ~~M.~~ N. The Authority shall establish a process for annual
20 recovery of funds from, or assessment of penalties on, contracted
21 entities that do not meet the medical loss ratio standards
22 stipulated in Section 4002.5 of this title.

23 ~~N.~~ O. 1. The Authority shall, through the financial reporting
24 required under subsection G of Section ~~17~~ 4002.12b of this ~~act~~

1 title, determine the percentage of health care expenses by each
2 contracted entity on primary care services.

3 2. Not later than the end of the fourth year of the initial
4 contracting period, each contracted entity shall be currently
5 spending not less than eleven percent (11%) of its total health care
6 expenses on primary care services.

7 3. The Authority shall monitor the primary care spending of
8 each contracted entity and require each contracted entity to
9 maintain the level of spending on primary care services stipulated
10 in paragraph 2 of this subsection.

11 SECTION 2. This act shall become effective November 1, 2023.

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