

ENROLLED SENATE
BILL NO. 988

BY: TAYLOR and HANEY of the
SENATE

and

HAMILTON (James) and
STEIDLEY of the HOUSE

AN ACT RELATING TO THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES; AMENDING SECTION 2 OF ENROLLED HOUSE BILL NO. 2423 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO EXPENDITURES FOR CERTAIN CATEGORIES AND FOR CERTAIN AMOUNTS; MODIFYING AMOUNT OF CERTAIN EXPENDITURES; AMENDING SECTION 3 OF ENROLLED HOUSE BILL NO. 2423 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO EXPENDITURE LIMITATIONS AND PROVIDES CERTAIN EXEMPTIONS; MODIFYING AMOUNT OF CERTAIN EXPENDITURES; AMENDING SECTION 4 OF ENROLLED HOUSE BILL NO. 2423 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO THE DUTIES AND COMPENSATION OF EMPLOYEES AND PROVIDES FOR CERTAIN BUDGETARY LIMITATIONS; MODIFYING AMOUNT OF CERTAIN EXPENDITURES; AMENDING SECTION 15 OF ENROLLED HOUSE BILL NO. 2423 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO CERTAIN LIMITATIONS; MODIFYING AMOUNT OF CERTAIN EXPENDITURES; AUTHORIZING THE FINANCING AND REFINANCING OF CERTAIN LEASE-PURCHASE AGREEMENTS; REQUIRING FINANCING AND REFINANCING OF CERTAIN LEASE-PURCHASES BE COMPETITIVELY BID; AMENDING 62 O.S. 1991, SECTION 41.21, WHICH RELATES TO PAYMENT OF CLAIMS OR PAYROLLS; ADDING PROGRAMS ELIGIBLE FOR CERTAIN PROCEDURE; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. AMENDATORY Section 2 of Enrolled House Bill No. 2423 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 2. The funds appropriated to the Department of Human Services in Section 1 of ~~this act and~~ Enrolled House Bill No. 2423 of the 2nd Session of the 43rd Oklahoma Legislature, Sections 58 and 59 of Enrolled House Bill No. 2420 of the 2nd Session of the 43rd Oklahoma Legislature, and Sections 7, 8 and 9 of Enrolled Senate Bill No. 793 of the 2nd Session of the 43rd Oklahoma Legislature shall be expended in the following amounts and categories:

1. Services to Children and Youth ~~\$81,26~~
~~8,996.00~~

	<u>\$76,910,996.00</u>
2. Oklahoma Youth Services Agencies	11,040,000.00
3. Services for the Developmentally Disabled	73,648,391.00
4. Rehabilitative and Visual Services	14,163,576.00
5. School for the Blind	4,034,594.00
6. Services for the Deaf and Hearing Impaired	4,874,781.00
7. Title XIX Medical Payments	290,611,331.00 <u>286,494,474.00</u>
8. AFDC Entitlements	46,453,013.00
9. AABD State Supplement Payments	39,044,425.00
10. Day Care Payments	20,917,730.00
11. Family Support Services and Field Operations	65,384,101.00 <u>69,679,101.00</u>
12. Child Support Enforcement	1,780,352.00
13. Aging Services	15,862,195.00 <u>15,912,195.00</u>
14. <u>Administration Information and Data Services</u> Division	11,251,782.00 <u>10,690,558.00</u>
15. Oklahoma Medical Center	<u>35,157,577.00</u>
TOTAL	\$717,492,844.00 <u>\$710,801,763.00</u>

SECTION 2. AMENDATORY Section 3 of Enrolled House Bill No. 2423 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 3. Expenditures by the Department of Human Services from all sources of revenue during the fiscal year ending June 30, 1993, excluding expenditures for capital and special projects, shall not exceed the following:

1. Services to Children and Youth	\$133,891,496.00 <u>\$126,691,496.00</u>
2. Services for the Developmentally Disabled	150,161,628.00
3. Rehabilitative and Visual Services	43,110,466.00
4. School for the Blind	4,318,928.00
5. Services for the Deaf	

and Hearing Impaired	5,385,949.00
6. Disability Determination (Federal)	10,195,394.00
7. Title XIX Medical Payments	1,124,587,121.00 <u>1,119,019,062.00</u>
8. AFDC Entitlements	182,087,590.00
9. AABD State Supplement Payments	39,044,425.00
10. Day Care Payments	47,370,846.00
11. Family Support Services and Field Operations	129,314,495.00 <u>136,514,495.00</u>
12. Child Support Enforcement	15,721,083.00
13. Aging Services	31,292,092.00 <u>31,342,092.00</u>
14. Administration, Medical Services Administration and the Management Information <u>Data Services</u> Division	90,855,859.00 <u>88,705,859.00</u>
15. Oklahoma Medical Center	<u>218,824,000.00</u>
TOTAL	\$2,226,161,372.00 <u>\$2,218,493,313.00</u>

Receipt and expenditure of discretionary federal grant funds, exclusive of block grant funds, awarded after July 1, 1992, shall be exempt from the above expenditure limitations and from budgetary limitations provided for in Section 4 of this act, provided that any such funds used for operations shall be included in the agency's budget work program.

SECTION 3. AMENDATORY Section 4 of Enrolled House Bill No. 2423 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 4. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Department of Human Services by law shall be set by the Director of Human Services. The Department of Human Services for the fiscal year ending June 30, 1993, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitations</u>	<u>Amount</u>
Average Full-time-equivalent Employees, Excluding Medical Residents	13,710.8

Payroll, Salaries or Wages, Including
Tax-sheltered Deferment Contracts

and Longevity Payments Authorized
by State Statute, and Excluding
Medical Residents \$335,009,337.00

Professional and Personal Services Contracts,
Excluding the Master Reimbursement
Contract with the University of Oklahoma
Health Sciences Center;
Other Payments for Patient Care Services
Rendered by University Physicians;
the Contract with the Oklahoma Professional
Review Organization for Review
of Medical Services Utilization;
and the Contract for Medical Claims
Processing \$7,955,750.00

Lease-Purchase Agreements \$10,404,000.00

Purchase of Equipment \$20,051,120.00

Expenditure of Federal Funds ~~\$1,319,154,431.00~~
\$1,312,682,969.00

Total Expenditures for Operations ~~\$2,226,161,371.00~~
\$2,218,493,313.00

SECTION 4. AMENDATORY Section 15 of Enrolled House Bill
No. 2423 of the 2nd Session of the 43rd Oklahoma Legislature, is
amended to read as follows:

Section 15. For the purpose of providing funding for the
Medicaid program for the fiscal year ending June 30, 1993, the State
Treasurer shall transfer from the Oklahoma Health Care Provider Fund
to the Human Services Medical and Assistance Fund, no more than the
following amounts for these categories:

Hospitals \$13,967,883.00
Nursing Facilities ~~6,226,715.00~~
\$7,712,126.00

Pharmacists \$3,099,370.00

Intermediate Care
Facilities for the
Mentally Retarded
(Public and Private) ~~1,206,952.00~~
\$2,133,830.00

SECTION 5. The Oklahoma Medical Center is hereby authorized to
refinance for an additional term of four (4) years the linear
accelerator for which authorization to lease was provided in Section
13 of Chapter 265, O.S.L. 1990. The refinancing of said lease-
purchase shall be competitively bid in accordance with the
provisions of the Oklahoma Central Purchasing Act, Section 85.1 et
seq. of Title 51 of the Oklahoma Statutes.

SECTION 6. The Oklahoma Medical Center is hereby authorized to
enter into a lease-purchase financing arrangement for heart
catheterization laboratory equipment for a term not to exceed the
lesser of the depreciable life of the equipment or eight (8) years.
The provision is limited to equipment for the Oklahoma Medical
Center complex in Oklahoma City. The financing of said lease-
purchase shall be competitively bid in accordance with the

provisions of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 51 of the Oklahoma Statutes.

SECTION 7. The Department of Mental Health and Substance Abuse Services is authorized to refinance its outstanding lease-purchase agreement for a Unisys mainframe computer for a total of sixty (60) months. The refinancing of said lease-purchase shall be competitively bid in accordance with the provisions of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 51 of the Oklahoma Statutes.

SECTION 8. AMENDATORY 62 O.S. 1991, Section 41.21, is amended to read as follows:

Section 41.21 A. Except as otherwise provided by subsections B and C of this section, procedures for effecting payment of claims or payrolls shall include the following:

1. All claims and payrolls which are to be used to authorize the payment of money from the State Treasury, shall be filed with the Director of State Finance for audit and settlement prior to being filed for payment with the State Treasurer. The Director of State Finance may, at his discretion, establish a procedure to permit consolidated payment to vendors for claims involving more than one agency of the state when audit and settlement of such claims, as hereinafter provided, can in all respects be accomplished.

2. The Division of Central Accounting and Reporting shall preaudit all claims against contracts, purchase orders and other commitments before entering such claims against the appropriation allotment accounts.

3. After claims and/or payrolls have been properly audited and recorded against the respective appropriation allotment accounts, the Division of Central Accounting and Reporting shall certify such claims and/or payrolls to the State Treasurer for payment. It shall be the responsibility of the Division of Central Accounting and Reporting to determine:

- a. that all legal requirements concerning the expenditure of monies involved in each claim or payroll have been complied with,
- b. that funds have been properly and legally allotted for the payment of the claim or payroll and that a sufficient balance exists for the payment of same.

Sufficient space shall be provided on each claim and/or payroll for the Director of State Finance to indicate that the claim or payroll has been approved for payment by the Division of Central Accounting and Reporting. The Director of State Finance shall authorize bonded employees in the Division of Central Accounting and Reporting to execute the signed approval of each claim or payroll which shall be certified to the State Treasurer for payment.

B. Notwithstanding the provisions of subsection A of this section, the Department of Human Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to public assistance, social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and policies established by the Oklahoma Commission for Human Services. The following programs shall be eligible for this procedure:

1. Aid to Families with Dependent Children;
2. Aid to Aged, Blind and Disabled;
3. Medical Assistance;
4. Vocational Rehabilitation;
5. Day Care;
6. Visual Services;

7. Refugee Resettlement;
8. Low Income Heating and Energy Assistance;
9. General Assistance;
10. Crippled Children;
11. Social Services under Title XX of the U.S. Social Security Act;

12. Adoption Subsidies;
13. Foster Care;
14. Medical Examination;
15. Area Agencies on Aging; ~~and~~
16. Sheltered Workshops;
17. Contracted Group Homes;
18. Rehabilitative Client Interpreters;
19. Rehabilitative Client Drivers; and
20. Any contract for service for which the Office of Public Affairs has approved as qualifying for a fixed and uniform rate pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes.

The Department of Human Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The Department of Human Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

C. Provisions of subsection A of this section notwithstanding, the Oklahoma State Regents for Higher Education and the Director of State Finance shall jointly establish a system for the settlement of claims, excepting payroll, by entities of The Oklahoma State System of Higher Education. The settlement system shall include policy, procedures, and performance criteria for participation. The State Regents are authorized to approve or disapprove the participation of any institution or other entity of the State System in the claims settlement system.

D. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to him for payment by the Division of Central Accounting and Reporting or the Department of Human Services. The State Treasurer, at his discretion and within such limitations as he may prescribe, may authorize the Director of State Finance or the Department of Human Services to write the checks or warrants for payment of claims and payrolls that have been certified by the respective agency. The Director of State Finance and the Department of Human Services shall provide the State Treasurer a register of each payment for each check or warrant written. Provided, in lieu of checks or warrants:

1. The Director of State Finance may, with the concurrence of the State Treasurer, establish a procedure to effect the settlement of interagency claims by transfer entry; and

2. At the discretion of the State Treasurer, payment of claims and payrolls may be made by the electronic transfer of funds.

Such optional settlement modes may be implemented when the authorized officer or officers of the state are satisfied such modes will substantially operate to the benefit of the state and without sacrifice to the security and integrity of the monies and records of the state.

E. The Director of State Finance is authorized to use a numeric or alphanumeric designation to cross-reference claims or payrolls to check warrant numbers, transfer entry or optional settlement mode used in the payment thereof.

SECTION 9. This act shall become effective July 1, 1992.

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

Passed the Senate the 21st day of May, 1992.

President of the Senate

Passed the House of Representatives the 21st day of May, 1992.

Speaker of the House of Representatives