

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1571

By: Monson

AS INTRODUCED

An Act relating to insurance; requiring the development of a health care plan for children and pregnant women; stating objectives of the health care plan; stating responsibilities for development of the health care plan; providing implementation date; requiring a progress report; stating basic provisions of health care plan; stating responsibilities of employers; requiring administration by the Basic Health Benefits Board; stating intent of the Legislature; providing certain provisions of the health care plan; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6521 of Title 36, unless there is created a duplication in numbering, reads as follows:

The Legislature, recognizing that the health care system is failing to meet the needs of children and pregnant women in the state, and that there is a widening gap between those who can avail themselves of the best medical services in the state and those who cannot obtain basic acute illness and preventive care, hereby calls for the development of a health care plan for children and pregnant women which will:

1. Guarantee financial access to necessary, appropriate and effective health care services, regardless of family income, employment status, ethnic origin, geographical location or health status;

2. Establish a one-class system of medical care by replacing, with private insurance, the portion of the Medicaid program currently serving children and pregnant women, and by requiring uniform benefits;

3. Require all segments of society to share in the responsibility of funding the system;

4. Allow the patient to choose an insurance plan and physicians which best suits the needs of the patient. Also, allow physicians to choose plans and caseloads which are acceptable for them;

5. Make the administrative procedures of the system simple and accessible;

6. Allow compensation for services to be set by the marketplace, not the federal government; and

7. Contain costs through increased use of preventive services, use of case managers and cost-sharing.

The developmental process and recommendations of the Legislature for the health care plan for children and pregnant women are set forth in Sections 2 through 4 of this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6522 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. The health care plan for children and pregnant women shall be developed by the Oklahoma Basic Health Benefits Board with the assistance of and recommendations from the Department of Human Services and the Division of Maternal and Infant Care of the State Health Department in accordance with the provisions of this act. The plan shall provide prenatal, preventive, acute, chronic and

rehabilitative services to all children and pregnant women, regardless of the level or source of income.

B. The health care plan for children and pregnant women shall be developed and implemented by June 1, 1994. On or before January 1, 1994, the Board shall submit to the Legislature a report detailing the development of the plan and the design for

implementing the plan. SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6523 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. The health care plan for children and pregnant women shall provide access to private health insurance through either an employer or a state insurance fund administered by the Basic Health Benefits Board. Employers shall either:

1. Provide a basic package of benefits through private health insurance for dependents; or
2. Pay into the state-administered insurance fund.

B. The comprehensive package of benefits received by children and pregnant women under the health care plan shall be the same whether private insurance is offered through an employer or the state-administered insurance fund.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6524 of Title 36, unless there is created a duplication in numbering, reads as follows:

It is the intent of the Legislature that the following be included in the health care plan for children and pregnant women:

1. Under the health care plan for children and pregnant women, in accordance with standards established by the Department of Human Services, every child or pregnant woman shall receive an insurance card. The card will allow that person to receive health care benefits through the state-administered insurance fund;

2. Federal and state Medicaid dollars which are currently expended for children and pregnant women shall be transferred to the state-administered insurance fund;

3. The Basic Health Benefits Board shall contract with multiple insurers for private insurance for all children and pregnant women who do not receive employer-based insurance;

4. All children and pregnant women not covered through the employer-based system will be covered by the state-administered insurance fund;

5. Insurers, whether contracting with the state or with an employer, shall be required to provide a standard benefit package. No insurer shall exclude coverage of any preexisting condition;

6. All insurers providing a standard benefit package, whether through an employer or the state-administered fund, shall accept all eligible children and pregnant women;

7. All employers shall provide an insurance package with specified benefits for dependents and pregnant employees or pay to the state-administered fund a percent of the wages of all employees, up to the Social Security wage base. The share of a dependent's premium paid by the employee must be equal to or less than the premium for the employee, and shall not exceed twenty-five percent (25%) of the total premium. Payment into the fund by the employer and premium rates may be adjusted to ensure adequate funds are generated to purchase private health insurance;

8. All individuals shall fund the system through cost-sharing which includes deductibles and coinsurance and shall be a fixed percentage of the total cost of care. All individuals shall pay part of the cost for preventive care, regardless of the participant's income. Families participating in the state-administered insurance fund with incomes below one hundred and thirty-three percent (133%) of the federal poverty level shall be exempt from premiums. The Board shall establish a variable annual

premium rate for state-contracted private insurance for families with various income levels. Based on national standards, the Board shall determine eligibility for subsidies for participants in the state fund;

9. Participants in the health care plan may choose providers and insurance plans that best suit their needs. Physicians and other health care providers may choose whether to participate in the various insurance plans;

10. Insurers participating in the health care plan shall be required to develop simple, standardized forms and payment systems, and an explanation of benefits that is uncomplicated and uniform;

11. Health care provider reimbursement through the state-administered insurance fund and the employer-based system shall be comparable; and

12. The health care plan shall control costs by covering only necessary and effective services. Cost-containment will be realized by the utilization of comprehensive preventive health services, simplified billing procedures to reduce administrative costs, and the use of coinsurance and deductibles.

SECTION 5. This act shall become effective June 1, 1993.

SECTION 6. 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.

44-1-5456

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