

ENGROSSED HOUSE
BILL NO. 2385

By: Seikel of the House
and
Cain of the Senate

An Act relating to poor persons; amending Section 2, Chapter 291, O.S.L. 1992 (56 O.S. Supp. 1995, Section 227), which relates to the Developmental Disabilities Services Division within the Department of Human Services; providing for preferences; modifying criteria for qualified corporations; requiring confidentiality for certain complaint review for determining qualified corporations; providing exceptions; and providing an effective date.

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

SECTION 1. AMENDATORY Section 2, Chapter 291, O.S.L. 1992 (56 O.S. Supp. 1995, Section 227), is amended to read as follows:

Section 227. A. The Developmental Disabilities Services Division within the Department of Human Services is hereby directed to offer a preference to qualified corporations within the state to provide residential or vocational services to residents of this state who have developmental disabilities. The Commission for Human Services is hereby authorized to promulgate rules to implement the

provisions of this act, provided such rules shall not unduly interfere with interstate commerce or discriminate against out-of-state corporations.

B. A qualified corporation shall:

1. Conduct at least fifty-one percent (51%) of its financial business within the State of Oklahoma, including both receipt and disbursement transactions;

2. Have its principal place of business within the State of Oklahoma and have on file in the Office of the Secretary of State of Oklahoma a certificate of incorporation or a certificate of qualification of foreign incorporation;

3. Provide residential or vocational services, or both, as determined by the Department of Human Services to the residents of this state who have developmental disabilities;

4. Be identified on a list maintained by the Developmental Disabilities Services Division of the Department of Human Services. This list shall include those corporations which demonstrate the capacity to maintain fiscal solvency, as determined by the Department of Human Services, and, if the corporation has been in existence for two or more years, the corporation's capacity to maintain fiscal solvency must be verified by two (2) or more annual financial audits, conducted by an independent certified public accountant;

5. Have a history of ethical business practices as established by a peer review panel, if prior business operations have been conducted. Complaints relating to ethical practices shall be reviewed by a peer review panel of five (5) members, to be appointed annually by the Administrator of the Developmental Disabilities Services Division. Members of the panel may be reappointed. The panel shall:

a. develop criteria to determine ethical business practices for qualified corporations,

- b. determine compliance of qualified corporations with such criteria, ~~and~~
- c. make recommendations to the Administrator of the Developmental Disabilities Services Division, who shall take appropriate action to remedy any unethical behavior, and
- d. maintain confidentiality in the review of complaints relating to ethical practices in determining qualified corporations throughout the review process, except to:
 - (1) employees of other state and federal agencies in the course of their official duties pertaining or relating to such review process, services, or residents,
 - (2) the members of the Legislature or its staff, and
 - (3) the office of the Governor; and

6. Be in full compliance with all assurances and monitoring standards required by the Department of Human Services or other relevant state and federal licensing and certification requirements.

C. The Department of Human Services shall be allowed discretion in its choice of providers for residential or vocational services, or both, when none of the qualified corporations can or are willing to provide such services.

D. The Developmental Disabilities Services Division shall not be prohibited from contracting with any new community-based nonprofit corporation to provide residential or vocational services in an unserved community.

E. The Developmental Disabilities Services Division shall be authorized to provide technical assistance, either directly or through the use of qualified consultants, to enhance the ability of Oklahoma-based corporations to provide new, innovative and effective services to residents of this state who have developmental disabilities.

SECTION 2. This act shall become effective November 1, 1996.

Passed the House of Representatives the 26th day of February,
1996.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1996.

President of the Senate