

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

CONFERENCE COMMITTEE
SUBSTITUTE FOR ENGROSSED
HOUSE BILL NO. 1860

By: Hamilton and Settle of
the House

and

Haney and Hobson of the
Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Health Care Authority; amending Section 3, Chapter 336, O.S.L. 1993, as last amended by Section 1, Chapter 321, O.S.L. 1996 (56 O.S. Supp. 1996, Section 1010.3), which relates to the Oklahoma Medicaid Healthcare Options System; updating language; modifying enrollment in certain plan; providing for certain managed care pilot program; specifying such pilot program; requiring review of the waiver application for such pilot program by certain date; prohibiting presentation of such waiver to certain entity prior to such review; amending 74 O.S. 1991, Section 7052, as last amended by Section 9 of Enrolled House Bill No. 1644 of the 1st Session of the Oklahoma Legislature, which relates to the Medical Technology and Research Authority of Oklahoma; modifying appointment to such authority; extending time period for completion of certain managed care plans; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 3, Chapter 336, O.S.L. 1993, as last amended by Section 1, Chapter 321, O.S.L. 1996 (56 O.S. Supp. 1996, Section 1010.3), is amended to read as follows:

Section 1010.3 A. 1. There is hereby established the Oklahoma Medicaid Healthcare Options System. ~~On and after July 1, 1993, the~~ The Oklahoma Health Care Authority shall be responsible for converting the present system of delivery of the Oklahoma Medicaid Program to a managed care system.

2. The System shall be administered by the Oklahoma Health Care Authority and shall consist of a statewide system of managed care contracts with participating providers for the provision of

hospitalization, eye care, dental care and medical care coverage to members and the administration, supervision, monitoring and evaluation of such contracts. The contracts for the managed care health plans shall be awarded on a competitive bid basis.

3. The System shall use both full and partial capitation models to service the medical needs of eligible persons. The highest priority shall be given to the development of prepaid capitated health plans provided, that prepaid capitated health plans shall be the only managed care model offered in the high density population areas of Oklahoma City and Tulsa.

B. ~~On or before July 1, 1993, the~~ The Oklahoma Medicaid Healthcare Options System shall initiate a process to provide for the orderly transition of the operation of the Oklahoma Medicaid Program to a managed care program within the System.

C. The System shall develop managed care plans for all persons eligible for Title XIX of the federal Social Security Act, 42 U.S.C., Section 1396 et seq., as follows:

1. On or before January 1, 1996, managed care plans shall be developed for a minimum of fifty percent (50%) of the participants in the ~~Aid to Families with Dependent Children (AFDC)~~ Temporary Assistance for Needy Families (TANF) program and participants categorized as noninstitutionalized medically needy. On or before July 1, 1997, all participants in the ~~Aid to Families with Dependent Children (AFDC)~~ Temporary Assistance for Needy Families (TANF) program and participants categorized as noninstitutionalized medically needy shall be enrolled in a managed care plan;

2. On or before July 1, ~~1997~~ 1999, managed care plans shall be developed for all participants categorized as aged, blind or disabled; ~~and~~

3. On or before July 1, 1999, managed care plans shall be developed for all participants who are institutionalized or who are seriously and persistently mentally ill; and

4. On or before July 1, 1998, a proposal for a Medicaid waiver to implement a managed care pilot program for participants with long-term care needs shall be developed and presented to the

Joint Legislative Oversight Committee established in Section 1010.7 of Title 56 of the Oklahoma Statutes. The pilot program shall provide a continuum of services for participants, including but not limited to, case management, supportive assistance in residential settings, homemaker services, home-delivered meals, adult day care, respite care, skilled nursing care, specialized medical equipment and supplies, and institutionalized long-term care. Payment for these services shall be on a capitated basis. The Joint Legislative Oversight Committee shall review the waiver application for the pilot program on or before December 1, 1998. In no instance shall the waiver application be presented to the Health Care Financing Administration prior to the review by the Committee.

D. The Oklahoma Health Care Authority shall apply for any federal Medicaid waivers necessary to implement the System. The application made pursuant to this subsection shall be designed to qualify for federal funding primarily on a prepaid capitated basis. Such funds may only be used for eye care, dental care, medical care and related services for eligible persons.

E. Effective July 1, 1995, except as specifically required by federal law, the System shall only be responsible for providing care on or after the date that a person has been determined eligible for the System, and shall only be responsible for reimbursing the cost of care rendered on or after the date that the person was determined eligible for the System.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 7052, as last amended by Section 9 of Enrolled House Bill No. 1644 of the 1st Session of the 46th Oklahoma Legislature, is amended to read as follows:

Section 9. A. There is hereby created a body corporate and politic to be known as the "Medical Technology and Research Authority of Oklahoma", and by that name the Authority may sue and be sued, and plead and be impleaded. The Authority is hereby constituted an agency of the state, and the exercise by the Authority of the powers conferred by this act shall be deemed to be essential governmental functions of the state with all the

attributes thereof. Provided, however, the Authority is authorized to carry liability insurance to the extent authorized by the Authority, and in addition thereto it shall be subject to the workers' compensation laws of the State of Oklahoma the same as a private employer.

B. The Authority shall consist of two (2) ex officio members and six (6) appointed members. Each ex officio member and each appointed member shall have one (1) vote for purposes of conducting the business of the Authority. One ex officio member shall be the President of the University of Oklahoma, or the designee of the same. One ex officio member shall be the Chief Executive Officer of the University Hospitals Authority, or the designee of same. The six appointed members shall serve overlapping terms and shall be chosen as follows: two (2) members shall be appointed by the Governor; one member shall be appointed by the Speaker of the House of Representatives; one member shall be appointed by the President Pro Tempore of the Senate; one member shall be appointed by the President of the University of Oklahoma; and one member shall be appointed by the ~~Director of the Department of Human Services~~ University Hospitals Authority Board. The appointed members shall be residents of the state, and shall have been qualified electors therein for a period of at least one (1) year preceding their appointment. Appointed members initially appointed shall continue in office for terms of from three (3) to seven (7) years, respectively, from the date of their appointment, and thereafter until their respective successors shall be duly appointed and qualified, with the term of each initially appointed member to be designated by the Governor at the time of the appointment, with one member to be appointed to a three-year term, one member to be appointed to a four-year term, one member to be appointed to a five-year term, one member to be appointed to a six-year term, and two (2) members to be appointed to a seven-year term; but their successors shall each be appointed for a term of seven (7) years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. At the expiration of any term, the person holding such office shall

continue to serve until such person's duly appointed successor shall be appointed and qualified. Any member of the Authority shall be eligible for reappointment, and no member shall be removed from office except for good cause shown.

C. The Authority shall elect one of its members as chairman and another as vice-chairman, and also shall elect a secretary, treasurer and such other officers as the Authority may deem appropriate. A majority of the members of the Authority (exclusive of vacancies) shall constitute a quorum and the vote of a majority of the members (exclusive of vacancies) shall be necessary for any action taken by the Authority. No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority.

D. Before the issuance of any improvement revenue bonds under the provisions of this act, each member of the Authority shall execute a surety bond in the penal sum of Twenty-five Thousand Dollars (\$25,000.00) and the secretary and treasurer shall execute a surety bond in the penal sum of One Hundred Thousand Dollars (\$100,000.00), each such surety bond to be conditioned upon the faithful performance of the duties of his or her office, to be executed by a surety company authorized to transact business in the State of Oklahoma as surety, and to be filed in the office of the Secretary of State.

E. The members of the Authority shall not be entitled to compensation for their services, but each member shall be reimbursed for actual expenses necessarily incurred in the performance of duties on behalf of the Authority, provided that members of the Authority shall be compensated for their travel expenses pursuant to the State Travel Reimbursement Act. All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the Authority hereunder beyond the extent to which monies shall have been provided under the authority of this act.

SECTION 3. 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.

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