STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2701 By: Ross of the House

and

Monson of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Health Care Authority; amending Section 1, Chapter 336, O.S.L. 1993, as amended by Section 1, Chapter 421, O.S.L. 1997 and Section 5, Chapter 336, O.S.L. 1993, as amended by Section 5, Chapter 204, O.S.L. 1995 (56 O.S. Supp. 1997, Sections 1010.1 and 1010.5), which relate to the Oklahoma Medicaid Healthcare Options Act; deleting language relating to establishing cost sharing option for providing certain health care coverage; requiring the Oklahoma Health Care Authority to develop recommendations for certain options for providing health insurance coverage for specified persons and in developing such options to consider certain additional provisions; designating inclusion of certain requirement; requiring providers to meet certain standards and providing exception; defining term; stating required financial criteria for each option; requiring the presentation of recommendations to certain entity by specified date; adding certain contract provisions; requiring participating providers to

contract with certain providers; requiring certain filings; requiring Authority to establish contain contract terms and guidelines; defining term; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 336, O.S.L. 1993, as amended by Section 1, Chapter 421, O.S.L. 1997 (56 O.S. Supp. 1997, Section 1010.1), is amended to read as follows:

Section 1010.1 A. Sections 1010.1 through 1010.7 of this title shall be known and may be cited as the "Oklahoma Medicaid Healthcare Options Act".

B. In order to establish a coordinated approach to delivering and monitoring health care services and to ensure an efficient and appropriate level of quality health care services to eligible persons requiring such services, there is hereby established a statewide managed care system of comprehensive health care delivery through the Oklahoma Medicaid Program, which shall include, but not be limited to, prepaid capitated plans and primary case management plans, and which shall be offered in all geographic areas of the state.

C. Effective December 1, 1997, the Oklahoma Health Care Authority shall provide coverage under the state Medicaid program to children under the age of six (6) years whose family incomes do not exceed one hundred eighty-five percent (185%) of the federal poverty level. The Authority shall further provide coverage under the state Medicaid program to all children age six (6) years or older, whose family incomes do not exceed one hundred eighty-five percent (185%)

of the federal poverty level, who are required to be covered at one hundred percent (100%) of the federal poverty level pursuant to federal requirements.

D. 1. The Authority shall ~~establish a cost-sharing option~~ develop recommendations for providing health insurance coverage ~~under the state Medicaid program to low income families who do not receive cash assistance~~ for uninsured low-income individuals and families who are not currently eligible for the state Medicaid program and whose incomes do not exceed two hundred fifty percent (250%) of the federal poverty level. Such ~~option shall incorporate purchase of premiums on the basis of a sliding fee scale, provided that children and pregnant women who are otherwise eligible for Medicaid services shall not be required to purchase such premiums.~~

~~2. The Authority shall promulgate rules for establishing the cost-sharing option and the sliding fee scale pursuant to the provisions of this subsection.~~

~~3. The Authority shall implement such cost-sharing option on or before December 1, 1998.~~

~~E. The Authority shall promulgate rules establishing the amount of premium to be paid in areas of the state where services under the state Medicaid program are provided on a fee-for-service basis.~~

~~F. The Authority shall submit to the federal Health Care Financing Administration, on or before October 1, 1997, an application for any waivers required to amend the state Medicaid plan to enact the provisions of this section~~ recommendations shall include options for:

a. providing coverage under the state Medicaid program,

b. operating a private insurance program by the Oklahoma Health Care Authority, and

c. providing private coverage under private health insurance plans.

2. In developing such options, the Authority shall:

a. consider utilizing monies received by this state pursuant to the provisions of Chapter 2 of Section J of Public Law 105-33, the State Children's Health Insurance Program, to contract with a private health insurer for a program for children up to eighteen (18) years of age in families with incomes between one hundred eighty-five percent (185%) and two hundred percent (200%) of the federal poverty level,

b. consider optimizing continuity of children's health care by contracting, if possible, with a private health carrier that participates in SoonerCare and offers eligible children a broad-based, a statewide preferred-provider network that includes essential community and special needs providers, and

c. include a requirement that participating providers shall offer to contract with essential community and special needs providers for the provision of medical services to eligible persons. Where applicable, such providers shall be required to meet the same standards as all other contracted providers; provided, however, board certification shall not be a required standard.

3. As used in this subsection, "essential community and special needs providers" means:

a. federally qualified health centers as defined in 42 U.S.C., Section 1395x, and nonfederally funded community health centers as defined by the Oklahoma Health Care Authority,

b. community mental health centers as designated by the Department of Mental Health and Substance Abuse Services,

c. Title X family planning providers, and

d. those physicians and pharmacists identified as traditional Medicaid providers in the year one traditional provider list developed by the Oklahoma Health Care Authority.

4. Each option may be based on a sliding fee scale for payment of premiums. For each option, the Authority shall provide an estimate of total and state cost based on a range of alternatives for levels of cost-sharing of premiums. Each option presented by the Authority shall consider ways to access federal Title XXI funds under the State Children's Health Insurance Program for eligible participants.

5. The Authority shall present its recommendations to the Joint Legislative Oversight Committee for the Oklahoma Health Care Authority on or before December 1, 1998.

SECTION 2. AMENDATORY Section 5, Chapter 336, O.S.L. 1993, as amended by Section 5, Chapter 204, O.S.L. 1995 (56 O.S. Supp. 1997, Section 1010.5), is amended to read as follows:

Section 1010.5 As a condition of the contract with any proposed or potential participating provider pursuant to the Oklahoma Medicaid Healthcare Options Act, the Oklahoma Health Care Authority shall require such contract terms as are necessary, in its judgment, to ensure adequate performance by a participating provider of the provisions of each contract executed pursuant to the Oklahoma Medicaid Healthcare Options Act. Required contract provisions shall include, but ~~are~~ not be limited to:

1. The maintenance of deposits, performance bonds, financial reserves, or other financial providers which have posted other security, equal to or greater than that required by the Oklahoma Medicaid Healthcare Options System, with a state agency for the performance of managed care contracts if funds would be available from such security for the System upon default by the participating provider;

2. Requirements that all records relating to contract compliance shall be:

a. available for inspection by the Authority ~~or are~~,

b. submitted in accordance with rules promulgated by the Oklahoma Health Care Authority Board ~~and that such records be~~,

c. maintained by the participating provider for five (5) years~~. Such records shall also be~~, and

d. made available by a participating provider ~~on~~ upon request of the secretary of the United States Department of Health and Human Services, or its successor agency;

3. Authorization for the Authority to directly assume the operations of a participating provider under circumstances specified in the contract. Operations of the participating provider shall be assumed only as long as ~~it is~~ necessary to ensure delivery of uninterrupted care to members enrolled with the participating provider and to accomplish the orderly transition of those members to other participating providers ~~participating in~~ within the System, or until the participating provider whose operations have been assumed reorganizes or otherwise corrects the contract performance failure. The operations of a participating provider shall not be assumed unless, prior to ~~that~~ such action, notice is delivered to the provider and an opportunity for a hearing is provided; ~~and~~

4. ~~Requirement~~ A requirement that, if the Authority finds that the public health, safety or welfare requires emergency action, it may assume the operations of ~~the~~ a participating provider ~~on~~, upon notice to the participating provider and pending an administrative hearing which it shall promptly institute. Notice, hearings and actions pursuant to this subsection shall be in accordance with Article II of the Administrative Procedures Act; and

5. A requirement that a participating provider shall offer to contract with essential community and special needs providers for the provision of medical services to eligible persons. Where applicable, such providers shall be required to meet the same standards as all other contracted providers. Participating providers shall file all records relating to such contracts with the Authority. The Authority shall establish such contract terms and guidelines for use by participating providers as are necessary to ensure compliance with the provisions of this paragraph. As used in this paragraph, "essential community and special needs providers" means:

a. federally qualified health centers as defined in 42 U.S.C., Section 1395x, as amended, and nonfederally funded community health centers as defined by the Oklahoma Health Care Authority,

b. community mental health centers as designated by the Department of Mental Health and Substance Abuse Services,

c. Title X family planning providers, and

d. those physicians and pharmacists identified as traditional Medicaid providers in the year one traditional provider list developed by the Oklahoma Health Care Authority.

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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