

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

CONFERENCE COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL NO. 924

By: Haney and Hobson of the
Senate

and

Hamilton and Settle of
the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to various health service agencies; amending Section 19 of Enrolled Senate Bill No. 923 of the 2nd Session of the 46th Oklahoma Legislature, which relates to the State Department of Health; providing citation for certain funds; amending Section 20 of Enrolled Senate Bill No. 923 of the 2nd Session of the 46th Oklahoma Legislature, which relates to the State Department of Health; removing requirements for transfer of certain funds; criteria for certain projects, and delivery of certain report; authorizing prescription of certain medications under the State Medicaid plan for certain individuals; amending 62 O.S. 1991, Section 41.21, as last amended by Section 3, Chapter 164, O.S.L. 1997 (62 O.S. Supp. 1997, Section 41.21), which relates to payment of claims or payroll; authorizing certain procedures for claims or payments for certain programs; amending Section 1, Chapter 375, O.S.L. 1997 (63 O.S. Supp. 1997, Section 1-110.1), which relates to the Children First Fund; requiring certain reports; specifying program requirements; amending 63 O.S. 1991, Section 1-227.8, which relates to the Child Abuse Prevention Fund; requiring provision of certain information; amending Section 8, Chapter 326, O.S.L. 1996 (63 O.S. Supp. 1997, Section 5022), which relates to nursing facilities; specifying allowable program expenditures; modifying requirements for submitting certain reports; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY Section 19 of Enrolled Senate Bill No. 923 of the 2nd Session of the 46th Oklahoma Legislature, is amended to read as follows:

Section 19. The State Department of Health shall transfer the sum of Ten Million Four Hundred Fifty Thousand Thirteen Dollars (\$10,450,013.00) from the funds appropriated in Section 61 of Enrolled House Bill No. 3050 of the 2nd Session of the 46th Oklahoma Legislature and Section 8 of this act to the Children First Fund established pursuant to Section 1-110.1 of Title 63 of the Oklahoma Statutes to be expended in accordance with law.

SECTION 2. AMENDATORY Section 20 of Enrolled Senate Bill No. 923 of the 2nd Session of the 46th Oklahoma Legislature, is amended to read as follows:

~~Section 20. It is the intent of the Legislature that the funds transferred in Section 19 of this act shall be used for the purpose of establishing family resource programs to be known as the Children First Program.~~

~~Projects shall comply with the uniform components of the State Plan for the Prevention of Child Abuse. The State Department of Health shall contract with a university-related program for a performance-based evaluation of programs. Program sites shall fully cooperate and comply with the evaluation process and sites shall provide weekly caseload and referral information to the State Department of Health.~~

The State Department of Health shall work with the Oklahoma Health Care Authority to establish and submit a rule that will provide Medicaid funding for the Children First Program and other home visitation family resource programs in the fully capitated areas of the state participating in the SoonerCare Plus Program, as well as in the partially capitated areas participating in the SoonerCare Choice program.

~~The State Department of Health shall deliver a progress and evaluation report on the Children First Program to the President Pro Tempore of the Senate, the Speaker of the House of Representatives and the Governor on or before January 15, 1999.~~

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1010.12 of Title 56, unless there is created a duplication in numbering, reads as follows:

Subject to the provisions of subsection B of Section 204 of Title 56 of the Oklahoma Statutes, effective September 1, 1998, children age eighteen (18) or younger may be prescribed non-sedating antihistamines under the state Medicaid plan without prior authorization by the Medicaid Drug Utilization Review Board. Adults age nineteen (19) or older shall continue to be subject to the prior authorization procedures of the Medicaid Drug Utilization Review Board for non-sedating antihistamines.

SECTION 4. AMENDATORY 62 O.S. 1991, Section 41.21, as last amended by Section 3, Chapter 164, O.S.L. 1997 (62 O.S. Supp. 1997, Section 41.21), is amended to read as follows:

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

1. All miscellaneous claims and payroll claims 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; provided, the Director of State Finance may establish alternative procedures for the settlement of claims through the Office of State Finance whenever such procedures are deemed more advantageous and consistent with the requirements of Section 41.1 et seq. of this act title. Such procedures may include, but are not limited to, at the discretion of the Director of State Finance:

- a. 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,
- b. procedures based upon valid statistical sampling models for preaudit of claims, except for payroll claims and travel claims, against contracts, purchase orders and other commitments before

entering such claims against the appropriation allotment accounts, and

- c. policies, procedures and performance criteria for the participation of agencies or departments, not authorized in subsections B through H of this section, to engage in an alternative system for the settlement of claims through the Office of State Finance; and

2. After claims or payrolls or both have been properly audited and recorded against the respective contracts, purchase orders, other commitments and appropriation allotment accounts, the Division of Central Accounting and Reporting shall certify such claims 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 material legal requirements concerning the expenditure of monies involved in each claim or payroll have been complied with, and
- 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 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. 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 rules, 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. Day Care;
5. Refugee Resettlement;
6. Low Income Heating and Energy Assistance;
7. General Assistance;
8. Crippled Children;
9. Social Services under Title XX of the U.S. Social Security Act, 42 U.S.C., Section 301 et seq.;
10. Adoption Subsidies;
11. Foster Care;
12. Medical Examination;
13. Area Agencies on Aging;
14. Any contract for service for which the Department of Central Services has approved as qualifying for a fixed and uniform rate pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes;
15. Sheltered Workshops;
16. Contracted Group Homes;
17. Rehabilitative Client Interpreters;
18. Rehabilitative Client Drivers; and
19. Maternal and Child Health Services Block Grant.

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. The State Department of Rehabilitation Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and policies

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established by the Commission for Rehabilitation Services for the following programs:

1. Vocational and other rehabilitation;
2. Educational services;
3. Disability Determination Services; and
4. Visual Services.

The State Department of Rehabilitation 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 State Department of Rehabilitation 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.

D. The Oklahoma State Regents for Higher Education and the Director of State Finance shall jointly establish a system for the settlement of claims, except for 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.

E. Agencies administering certain major federal assistance programs are authorized to establish a preaudit and settlement system for claims or payments or both relating to the purposes of the stated federal assistance programs. The State Treasurer shall establish procedures for the state in accordance with Federal Banking and National Automated Clearing House Association standards and agencies shall be required to utilize automated clearing house procedures established by the State Treasurer provided that no individual or entity shall be required to have a bank account unless required by federal law or federal regulation. Agencies shall be further required to present these transactions to the Office of State Finance in a summarized format and shall include any accounting information necessary as determined by the Req. No. 3348Page 6

Director of State Finance including, but not limited to, information related to Public Law 101-453 the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503.

Expenditures for administration of the stated federal assistance programs shall not be eligible for these procedures.

The following programs shall be eligible for this procedure:

1. National School Lunch Program;
2. Job Training Partnership Act, 29 U.S.C., Section 1501 et seq.;
3. Chapter 1 Programs - Local Education Agencies;
4. Pell Grant Program;
5. School Breakfast Program;
6. Federal, State and Local Partnerships for Educational Improvement;
7. Unemployment Trust Fund;
8. Special Education State Grants;
9. Alcohol and Drug Abuse and Mental Health Services Block Grant;
10. Child and Adult Care Food Program;
11. Special Supplemental Food Program for Women, Infants and Children;
12. Community Development Block Grant;
13. Community Services Block Grant;
14. Vocational Education - Basic Grants to States;
15. Capitalization Grants for State Revolving Funds;
16. Highway Planning and Construction (contractor estimates and right-of-way payments);
17. Special Milk Program;
18. Summer Food Service;
19. U.S. Departments of Health and Human Services, Housing and Urban Development, Education, and the Bureau of Indian Affairs grant awards administered by the Oklahoma Department of Education and ultimately received by eligible subrecipients;
20. Home Investment Partnership Program;
21. Emergency Shelter Grant Program;
22. Rental Rehabilitation;

23. Emergency Homeless Program;
24. Weatherization;
25. Employment Service;
26. Veterans State Nursing Home Care;
27. Cooperative Extension Service;
28. Rehabilitative Services-Base Support;
29. Medical Assistance;
30. Social Security Disability Insurance;
31. Food Stamps;
32. Payments to States for Child Care Assistance;
33. Drug Free Schools and Communities - State Grants;
34. Drug Control and System Improvement - Formula Grant;
35. Disaster Assistance; ~~and~~
36. Low Income Heating and Energy Assistance;
37. Children's Health Insurance Program; and
38. Capitalization Grants for Drinking Water State Revolving Fund.

The Director of State Finance shall establish a disbursing fund which shall receive all federal, state matching and other funds which make up the total funding sources for each of the above federal programs.

F. The Director of State Finance shall be authorized to process payments for federal tax withholding without claim forms. The Director of State Finance shall establish a separate fund for the purpose of accumulating federal income tax withholding from payrolls and remitting same to the United States Treasury.

G. The Department of Education and the State Department of Vocational and Technical Education are authorized to establish a preaudit and settlement system for claims and/or payments of state funded assistance to school districts and institutions within the Oklahoma State System of Higher Education. The payment system shall be neutral as to interest income to the state and the school districts.

H. The Director of State Finance shall be authorized to process, without claim forms, interest payments to the U.S. Treasury as required by Public Law 191-453, the Cash Management

Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503.

Agencies are responsible for the accrual of such interest liability of the state and shall provide payment to the Office of State Finance in the amount and method prescribed by the Office of State Finance. Any liability of the U.S. Treasury as determined by Public Law 191-453, the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503 shall be deposited in the State Treasury and transferred by the Director of State Finance to the General Revenue Fund of the state subsequent to final determination and necessary audit resolution.

I. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to the State Treasurer for payment by the Division of Central Accounting and Reporting or the Department of Human Services or institutions within The Oklahoma State System of Higher Education. The State Treasurer, within such limitations as the State Treasurer may prescribe, may authorize the Director of State Finance, the Department of Human Services, or an institution within The Oklahoma State System of Higher Education 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, the Department of Human Services, and The Oklahoma State System of Higher Education institutions 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.

J. 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.

K. The Department of Human Services and the Director of State Finance shall jointly establish a system for the settlement of claims, except for payroll, by the Department of Human Services. The settlement system shall include policy, procedures and performance criteria for participation.

SECTION 5. AMENDATORY Section 1, Chapter 375, O.S.L. 1997 (63 O.S. Supp. 1997, Section 1-110.1), is amended to read as follows:

Section 1-110.1 A. There is hereby created in the State Treasury a revolving fund for the State Department of Health to be designated the "Children First Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies deposited to the credit of the fund by law. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Department of Health for operation of Children First family resource programs. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment. ~~The State Department of Health shall report annually to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor by January 15 on administrative expenditures from the fund for the prior fiscal year.~~

B. The State Department of Health shall deliver a progress and evaluation report, including a full accounting of administrative expenditures from the fund for the prior fiscal year, to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor annually by January 15.

C. Projects shall comply with the uniform components of the State Plan for the Prevention of Child Abuse. The State

Department of Health shall contract with a university-related program for a performance-based evaluation of programs. Program sites shall fully cooperate and comply with the evaluation process and sites shall provide weekly caseload and referral information to the State Department of Health.

SECTION 6. AMENDATORY 63 O.S. 1991, Section 1-227.8, is amended to read as follows:

Section 1-227.8 A. There is hereby created in the State Treasury a revolving fund for the State Board of Health to be designated the "Child Abuse Prevention Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received pursuant to the provisions of Section 1-227.6 of Title 63 of the Oklahoma Statutes, Section 5 of this act, and such other sources as the Legislature may provide.

B. The Child Abuse Prevention Fund shall be used by the Office of Child Abuse Prevention for funding grants and contracts for child abuse and neglect prevention programs and services as provided for in Section 1-227.6 of Title 63 of the Oklahoma Statutes. The Office shall use the Child Abuse Prevention Fund to fund only those grants and contracts approved by the State Board of Health, pursuant to the provisions of subsection C of Section 1-227.4 of Title 63 of the Oklahoma Statutes, and which comply with the comprehensive state plan and district plans prepared pursuant to the provisions of the Child Abuse Prevention Act, and for no other purpose. The Child Abuse Prevention Fund shall not be used for the costs of the Office incurred in administering such grants and contracts.

C. All projects funded through the Child Abuse Prevention Fund shall provide quarterly caseload and programmatic information to the Office of Child Abuse Prevention.

SECTION 7. AMENDATORY Section 8, Chapter 326, O.S.L. 1996 (63 O.S. Supp. 1997, Section 5022), is amended to read as follows:

Section 5022. A. The Oklahoma Health Care Authority shall grant a wage and salary adjustment (including employee benefits) to be paid as an enhancement to the facility per diem for

specified employees in nursing facilities serving adults (NFs) and intermediate care facilities for the mentally retarded (ICFs/MR) effective May 1, 1997. The adjustment shall not exceed Three Dollars and fifteen cents (\$3.15) per patient day (PPD) for NFs, Four Dollars and twenty cents (\$4.20) PPD for standard private ICFs/MR, and Five Dollars and fifteen cents (\$5.15) PPD for specialized private ICFs/MR. The wage enhancement expenditures paid by the facilities shall be audited quarterly against appropriately inflated base period expenditures ~~for the fiscal year ending June 30, 1997,~~ for the specified employees. ~~Not later than forty-five (45) days following the end of each calendar quarter,~~ Allowable program expenditures are limited to enhanced salaries, wages and benefits for the specified employees, in addition to additional specified staff cost for increased quality of care. Following the reporting quarter, the Oklahoma Health Care Authority shall make an adjustment based on the difference between the enhancement payments (the maximum) and the ~~average~~ actual cost (if less) as reported by the facility during the preceding quarter. The specified employee positions to be covered under this section shall be limited to the following: licensed practical nurse, nurse aide, certified medication aide, social service director, other social service staff, activities director, social worker, therapy aide assistant, and activities staff.

B. Beginning October 1, 1998, any nursing home facility found to be in compliance with the State Wage Enhancement Program for two (2) consecutive audited quarters shall not be required to submit a quarterly enhancement report but shall be subject to the Authority's regular cost reporting process and the Authority's normal auditing procedures.

C. The Authority may perform random audits of any nursing home facility that has been removed from the quarterly reporting process. Facilities subsequently found to be in noncompliance will be required to submit quarterly reports until they can demonstrate compliance for two (2) consecutive quarters.

SECTION 8. This act shall become effective September 1, 1998.

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