ENGROSSED HOUSE
BILL NO. 2360

By: Ross of the House

and

Monson of the Senate

An Act relating to poor persons; amending 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), which relates to the Oklahoma Medicaid Healthcare Options Act; adding certain contract provisions; requiring participating providers to contract with certain providers; requiring certain filings; requiring Authority to establish certain 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 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 contract with essential community and special needs providers for the provision of medical services to eligible persons whenever possible. Such participating provider shall file all records relating to such contracts with the Authority. The Authority shall establish such contract terms and guidelines for use by such 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 providers identified as traditional Medicaid providers by the Oklahoma Health Care Authority as of the year II January, 1995.

SECTION 2. 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.

Passed the House of Representatives the 25th day of February, 1998.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1998.

President of the Senate