

SHORT TITLE: Public health and safety; exempting certain provider service networks from solvency requirements. Effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 1323

By: Monson

AS INTRODUCED

An Act relating to public health and safety; amending Section 6, Chapter 349, O.S.L. 1996 (63 O.S. Supp. 1997, Section 2513), which relates to provider service networks; exempting certain provider service networks from certain standards; and providing an effective date.

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

SECTION 1. AMENDATORY Section 6, Chapter 349, O.S.L. 1996 (63 O.S. Supp. 1997, Section 2513), is amended to read as follows:

Section 2513. A. The State Board of Health shall promulgate rules regarding the establishment and operation of provider service networks (PSNs) which shall address, at a minimum, the following:

1. Procedures to allow health care providers within a service area to enter into voluntary agreements to improve access to and the quality or affordability of health care;

2. Procedures for reviewing the plan of operation of a provider service network and standards for approval or disapproval of such plan; and

3. Financial solvency and network capacity standards to ensure a provider service network's ability to deliver promised services; provided, however, the Board shall exempt from such standards a provider service network which is in compliance with federal

solvency standards, pursuant to the provisions of the federal
Balanced Budget Act of 1997, and as certified by the Secretary of
the U.S. Department of Health and Human Services.

B. The rules promulgated by the Board shall provide that provider service networks shall be subject to the same quality assurance standards established by law or by rules promulgated by the Board for health maintenance organizations.

C. As used in this section, "provider service network" means a provider-based managed care entity, including physician-hospital organizations (PHOs), organized for the purpose of providing, financing, and managing the risk of health care services to subscribers.

SECTION 2. This act shall become effective November 1, 1998.

46-2-2312

CJ