

SHORT TITLE: Oklahoma Health Care Authority; clarifying language and references; effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 834

By: Rozell

AS INTRODUCED

An Act relating to Public Health and Safety; amending Section 6, Chapter 332, O.S.L. 1993, as last amended by Section 11, Chapter 3, O.S.L. 1996, and Section 7, Chapter 332, O.S.L. 1993, as last amended by Section 11, Chapter 292, O.S.L. 1997, (63 O.S. Supp. 1997, Sections 5008 and 5009), which relate to the Oklahoma Health Care Authority; clarifying language and references; deleting obsolete language; and providing an effective date.

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

SECTION 1. AMENDATORY Section 6, Chapter 332, O.S.L. 1993, as last amended by Section 11, Chapter 3, O.S.L. 1996 (63 O.S. Supp. 1997, Section 5008), is amended to read as follows:

Section 5008. A. The Administrator of the Oklahoma Health Care Authority shall have the training and experience necessary for the administration of the Authority, as determined by the Oklahoma Health Care Authority Board, including, but not limited to, prior experience in the administration of managed health care. The Administrator shall serve at the pleasure of the Board.

B. The Administrator of the Oklahoma Health Care Authority shall be the chief executive officer of the Authority and shall act for the Authority in all matters except as may be otherwise provided

by law. The powers and duties of the Administrator shall include, but not be limited to:

1. Supervision of the activities of the Authority;
2. Formulation and recommendation of rules for approval or ~~rejection~~ disapproval by the Oklahoma Health Care Authority Board and enforcement of rules and standards promulgated by the Board;
3. Preparation of the plans, reports and proposals required by the Oklahoma Health Care Authority Act, ~~Section 5003 et seq. of this title,~~ other reports as necessary and appropriate, and an annual budget ~~for~~ subject to the review and approval of the Board;
4. Employment of such staff as may be necessary to perform the duties of the Authority including, but not limited to, an attorney to provide legal assistance to the Authority for the state Medicaid program; and
5. Establishment of a contract bidding process which:
 - a. encourages competition among entities contracting with the Authority for state-purchased and state-subsidized health care; provided, however, the Authority may make patient volume adjustments to any managed care plan whose prime contractor is a state-sponsored, nationally accredited medical school. The Authority may also make education or research supplemental payments to state-sponsored, nationally accredited medical schools based on the level of participation in any managed care plan by managed care plan participants,
 - b. coincides with the state budgetary process, and
 - c. specifies conditions for awarding contracts to any insuring entity.

C. The Administrator may appoint advisory committees as necessary to assist the Authority with the performance of its duties or to provide the Authority with expertise in technical matters.

SECTION 2. AMENDATORY Section 7, Chapter 332, O.S.L. 1993, as last amended by Section 11, Chapter 292, O.S.L. 1997 (63 O.S. Supp. 1997, Section 5009), is amended to read as follows:

Section 5009. A. On and after July 1, 1993, the Oklahoma Health Care Authority shall be the state entity designated by law to assume the responsibilities for the preparation and development for converting the present delivery of the Oklahoma Medicaid Program to a managed care system. The system shall emphasize:

1. Managed care principles, including a capitated, prepaid system with either full or partial capitation, provided that highest priority shall be given to development of prepaid capitated health plans;

2. Use of primary care physicians to establish the appropriate type of medical care a Medicaid recipient should receive; and

3. ~~Preventative~~ Preventive care.

The Authority shall also study the feasibility of allowing a private entity to administer all or part of the managed care system.

B. On and after January 1, 1995, the Authority shall be the designated state agency for the administration of the Oklahoma Medicaid Program.

1. The Authority shall contract with the Department of Human Services for the determination of Medicaid eligibility and other administrative or operational functions related to the Oklahoma Medicaid Program as necessary and appropriate.

2. To the extent possible and appropriate, upon the transfer of the administration of the Oklahoma Medicaid Program, the Authority shall employ the personnel of the Medical Services Division of the Department of Human Services.

3. The Department of Human Services and the Authority shall jointly prepare a transition plan for the transfer of the administration of the Oklahoma Medicaid Program to the Authority. The transition plan shall include provisions for the retraining and

reassignment of employees of the Department of Human Services affected by ~~said~~ such transfer. ~~The transition plan shall be submitted to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before January 1, 1995.~~

C. In order to provide adequate funding for the unique training and research purposes associated with the demonstration program conducted by the entity described in paragraph 7 of subsection B of Section ~~4~~ 6201 of ~~this act~~ Title 74 of the Oklahoma Statutes, and to provide services to persons without regard to their ability to pay, the Oklahoma Health Care Authority shall analyze the feasibility of establishing a Medicaid reimbursement methodology for nursing facilities to provide a separate Medicaid payment rate sufficient to cover all costs allowable under Medicare principles of reimbursement for the facility to be constructed or operated, or constructed and operated, by the organization described in paragraph 7 of subsection B of Section ~~4~~ 6201 of ~~this act~~ Title 74 of the Oklahoma Statutes.

SECTION 3. This act shall become effective November 1, 1998.

46-2-2586

CJ