

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 2ND CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 HOUSE BILL NO. 1528

6 By: Settle and Begley of the
7 House

8 and

9 Haney and Hobson of the
10 Senate

11 2ND CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to health services agencies;
13 transferring certain personnel, property, records and
14 outstanding financial obligations from the Department
15 of Mental Health and Substance Abuse Services to the
16 Department of Corrections; providing certain
17 restrictions for transfer; amending Section 8,
18 Chapter 326, O.S.L. 1996, as amended by Section 7,
19 Chapter 392, O.S.L. 1998 (63 O.S. Supp. 1998, Section
20 5022), which relates to the Health Care Authority;
21 removing requirement for certain reports by certain
22 nursing home facilities; removing certain audit;
23 allowing for certain participation; requiring
24 adjustment of nursing facility per diem rate;
25 requiring determination of rate based on certain
26 published documents; amending Section 3, Chapter 336,
27 O.S.L. 1993, as last amended by Section 1, Chapter
28 338, O.S.L. 1998 (56 O.S. Supp. 1998, Section
29 1010.3), which relates to the Oklahoma Medicaid
30 Healthcare Options System; extending time period for
31 development of certain programs; amending Section 12,
32 Chapter 359, O.S.L. 1997 (22 O.S. Supp. 1998, Section
471.11), which relates to certain substance abuse
treatment programs; providing type of program
considered to be within scope of the Oklahoma Drug
Court Act; providing for deposition of certain
proceeds; authorizing sale of certain timber and
requiring deposit of certain funds; providing for
codification; providing for noncodification;
providing an effective date; and declaring an
emergency.

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

A. Effective July 1, 1999, all property, records, one Physical
Plant Operator I position and any incumbent, three Physical Plant

1 Operator II positions and any incumbents, one Senior Physical Plant
2 Operator position and any incumbents, and any outstanding financial
3 obligations or encumbrances related to the powerhouse and energy
4 management bond and maintenance at Western State Psychiatric Center
5 are hereby transferred from the Department of Mental Health and
6 Substance Abuse Services to the Department of Corrections.

7 B. Effective July 1, 1999, five Fire and Safety Officer I
8 positions and any incumbents at Western State Psychiatric Center are
9 hereby transferred from the Department of Mental Health and
10 Substance Abuse Services to the Department of Corrections.

11 C. Classified employees being transferred to the Department of
12 Corrections shall not be transferred into positions which are in the
13 unclassified service. Classified employees being transferred to the
14 Department shall be eligible to be hired or promoted into
15 unclassified positions for which they meet the qualifications. Any
16 persons, including but not limited to, classified employees being
17 transferred to the Department, accepting positions at the Department
18 which are unclassified shall be hired or promoted into such
19 positions and shall be in the unclassified service. All classified
20 employees being transferred to the Department shall maintain their
21 status as classified employees unless hired or promoted into an
22 unclassified position.

23 SECTION 2. AMENDATORY Section 8, Chapter 326, O.S.L.
24 1996, as amended by Section 7, Chapter 392, O.S.L. 1998 (63 O.S.
25 Supp. 1998, Section 5022), is amended to read as follows:

26 Section 5022. A. The Oklahoma Health Care Authority shall
27 grant a wage and salary adjustment (including employee benefits) to
28 be paid as an enhancement to the facility per diem for specified
29 employees in nursing facilities serving adults (NFs) and
30 intermediate care facilities for the mentally retarded (ICFs/MR)
31 effective May 1, 1997. The adjustment shall not exceed Three
32 Dollars and fifteen cents (\$3.15) per patient day (PPD) for NFs,

1 Four Dollars and twenty cents (\$4.20) PPD for standard private
2 ICFs/MR, and Five Dollars and fifteen cents (\$5.15) PPD for
3 specialized private ICFs/MR. The wage enhancement expenditures paid
4 by the facilities shall be audited quarterly against appropriately
5 inflated base period expenditures for the specified employees.
6 Allowable program expenditures are limited to enhanced salaries,
7 wages and benefits for the specified employees, in addition to
8 additional specified staff cost for increased quality of care.
9 Following the reporting quarter, the Oklahoma Health Care Authority
10 shall make an adjustment based on the difference between the
11 enhancement payments (the maximum) and the actual cost (if less) as
12 reported by the facility during the preceding quarter. The
13 specified employee positions to be covered under this section shall
14 be limited to the following: licensed practical nurse, nurse aide,
15 certified medication aide, social service director, other social
16 service staff, activities director, social worker, therapy aide
17 assistant, and activities staff.

18 B. Beginning October 1, 1998, any nursing home facility found
19 to be in compliance with the State Wage Enhancement Program for two
20 (2) consecutive audited quarters beginning with the 4th Qtr FY98
21 (April 1-June 30, 1998) shall not be required to submit a any
22 quarterly enhancement report but shall be subject to the Authority's
23 regular cost reporting process and the Authority's normal auditing
24 procedures. Furthermore, these compliant facilities will no longer
25 be required to account for these funds separate and apart from the
26 standard per diem rate.

27 ~~C. The Authority may perform random audits of any nursing home~~
28 ~~facility that has been removed from the quarterly reporting process.~~
29 ~~Facilities subsequently found to be in noncompliance will be~~
30 ~~required to submit quarterly reports until they can demonstrate~~
31 ~~compliance for two (2) consecutive quarters~~ Those facilities
32 choosing not to participate in the program and those participating

1 facilities which have not demonstrated compliance for two (2)
2 consecutive quarters, beginning with the 4th Qtr FY98 (April 1-June
3 30, 1998), will be allowed one (1) year, beginning July 1, 1999, to
4 meet compliance requirements. During this one-year period, these
5 facilities shall be subject to the quarterly reporting process and
6 will be required to reimburse the Authority for expenditures
7 determined to be in noncompliance with the wage enhancement program.
8 Facilities within these groups which are subsequently found to be in
9 compliance for two (2) consecutive audited quarters will no longer
10 be required to submit quarterly enhancement reports. Facilities not
11 in compliance by June 30, 2000, will no longer be allowed to
12 participate in the program.

13 D. A change in ownership of a facility which was noncompliant
14 at June 30, 2000, and was excluded from participating in the wage
15 enhancement program, will be allowed to participate in the program
16 and will have one (1) year to demonstrate compliance.

17 SECTION 3. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 5023 of Title 63, unless there
19 is created a duplication in numbering, reads as follows:

20 Effective January 1, 2000, and every January thereafter, the
21 Oklahoma Health Care Authority will adjust the nursing facility per
22 diem rate in an amount equal to the total amount of the savings to
23 the Medicaid program as a result of the automatic cost-of-living
24 adjustment on Social Security benefits received by nursing home
25 recipients, as published in the Federal Register.

26 SECTION 4. AMENDATORY Section 3, Chapter 336, O.S.L.
27 1993, as last amended by Section 1, Chapter 338, O.S.L. 1998 (56
28 O.S. Supp. 1998, Section 1010.3), is amended to read as follows:

29 Section 1010.3 A. 1. There is hereby established the Oklahoma
30 Medicaid Healthcare Options System. The Oklahoma Health Care
31 Authority shall be responsible for converting the present system of
32 delivery of the Oklahoma Medicaid Program to a managed care system.

1 2. The System shall be administered by the Oklahoma Health Care
2 Authority and shall consist of a statewide system of managed care
3 contracts with participating providers for the provision of
4 hospitalization, eye care, dental care and medical care coverage to
5 members and the administration, supervision, monitoring and
6 evaluation of such contracts. The contracts for the managed care
7 health plans shall be awarded on a competitive bid basis.

8 3. The System shall use both full and partial capitation models
9 to service the medical needs of eligible persons. The highest
10 priority shall be given to the development of prepaid capitated
11 health plans provided, that prepaid capitated health plans shall be
12 the only managed care model offered in the high density population
13 areas of Oklahoma City and Tulsa.

14 B. The Oklahoma Medicaid Healthcare Options System shall
15 initiate a process to provide for the orderly transition of the
16 operation of the Oklahoma Medicaid Program to a managed care program
17 within the System.

18 C. The System shall develop managed care plans for all persons
19 eligible for Title XIX of the federal Social Security Act, 42
20 U.S.C., Section 1396 et seq., as follows:

21 1. On or before January 1, 1996, managed care plans shall be
22 developed for a minimum of fifty percent (50%) of the participants
23 in the Temporary Assistance for Needy Families (TANF) program and
24 participants categorized as noninstitutionalized medically needy.
25 On or before July 1, 1997, all participants in the Temporary
26 Assistance for Needy Families (TANF) program and participants
27 categorized as noninstitutionalized medically needy shall be
28 enrolled in a managed care plan;

29 2. On or before July 1, 1999, managed care plans shall be
30 developed for all participants categorized as aged, blind or
31 disabled;

1 3. On or before July 1, ~~2000~~ 2001, managed care plans shall be
2 developed for all participants who are institutionalized ~~or who are~~
3 ~~seriously and persistently mentally ill~~; and

4 4. On or before July 1, ~~1998~~ 2000, a proposal for a Medicaid
5 waiver to implement a managed care pilot program for participants
6 with long-term care needs shall be developed and presented to the
7 Joint Legislative Oversight Committee established in Section 1010.7
8 of this title. The pilot program shall provide a continuum of
9 services for participants including, but not limited to, case
10 management, supportive assistance in residential settings, homemaker
11 services, home-delivered meals, adult day care, respite care,
12 skilled nursing care, specialized medical equipment and supplies,
13 and institutionalized long-term care. Payment for these services
14 shall be on a capitated basis. The Joint Legislative Oversight
15 Committee shall review the waiver application for the pilot program
16 on or before December 1, ~~1998~~ 2000. In no instance shall the waiver
17 application be presented to the Health Care Financing Administration
18 prior to the review by the Committee.

19 D. The Oklahoma Health Care Authority shall apply for any
20 federal Medicaid waivers necessary to implement the System. The
21 application made pursuant to this subsection shall be designed to
22 qualify for federal funding primarily on a prepaid capitated basis.
23 Such funds may only be used for eye care, dental care, medical care
24 and related services for eligible persons.

25 E. Effective July 1, 1995, except as specifically required by
26 federal law, the System shall only be responsible for providing care
27 on or after the date that a person has been determined eligible for
28 the System, and shall only be responsible for reimbursing the cost
29 of care rendered on or after the date that the person was determined
30 eligible for the System.

1 SECTION 5. AMENDATORY Section 12, Chapter 359, O.S.L.
2 1997 (22 O.S. Supp. 1998, Section 471.11), is amended to read as
3 follows:

4 Section 471.11 A. Nothing in this act shall preclude the
5 establishment of substance abuse treatment programs in support of a
6 deferred prosecution program authorized by Section 305.1 of Title 22
7 of the Oklahoma Statutes. Any such programs established after ~~the~~
8 ~~effective date of this act~~ July 1, 1997, or in existence on ~~the~~
9 ~~effective date of this act~~ July 1, 1997, may be known as a drug
10 court program; provided, the program is not contrary to public
11 interest or provision of law.

12 B. Any drug court program established and in existence prior to
13 July 1, 1997, which is not limited to treatment programs in support
14 of deferred prosecution programs shall be considered a drug court
15 program, as defined in Section 471.1 of this title, for all purposes
16 of the Oklahoma Drug Court Act.

17 SECTION 6. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 63.20 of Title 72, unless there
19 is created a duplication in numbering, reads as follows:

20 All proceeds derived from the use, sale or lease of properties
21 under the control of the War Veterans Commission, the disposition of
22 which is specifically authorized by the Legislature, shall be
23 deposited in the Capital Improvement Program Revolving Fund created
24 by Section 63.19 of Title 72 of the Oklahoma Statutes to be expended
25 according to law.

26 SECTION 7. NEW LAW A new section of law not to be
27 codified in the Oklahoma Statutes reads as follows:

28 The Department of Veterans Affairs and the War Veterans
29 Commission are hereby authorized to sell timber located at the
30 Talihina Veterans Center. Proceeds shall be deposited in the
31 Capital Improvement Program Revolving Fund created by Section 63.19
32

1 of Title 72 of the Oklahoma Statutes to be expended according to
2 law.

3 SECTION 8. This act shall become effective July 1, 1999.

4 SECTION 9. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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