

ENGROSSED HOUSE
BILL NO. 2077

By: Adkins of the House

and

Monson and Pruitt of the
Senate

(public health - amending Section 5, Chapter 332,
O.S.L. 1993, as last amended by Section 1, Chapter
143, O.S.L. 1998 (63 O.S. Supp. 1999, Section 5007) -
Oklahoma Health Care Authority Act - amending Section
2, Chapter 161, O.S.L. 1995, as renumbered by Section
7, Chapter 221, O.S.L. 1996, and as last amended by
Section 1, Chapter 201, O.S.L. 1999 (63 O.S. Supp.
1999, Section 5030.1) - Medicaid Drug Utilization
Review Board -

effective date)

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

SECTION 1. AMENDATORY Section 5, Chapter 332, O.S.L.
1993, as last amended by Section 1, Chapter 143, O.S.L. 1998 (63
O.S. Supp. 1999, Section 5007), is amended to read as follows:

Section 5007. A. There is hereby created the Oklahoma Health
Care Authority Board. ~~On and after July 1, 1994, as the terms of
the initially appointed members expire, the~~ The Board shall be
composed of seven appointed members who shall serve for terms of
four (4) years and shall be appointed as follows:

1. Two members shall be appointed by the President Pro Tempore
of the Senate;

2. Two members shall be appointed by the Speaker of the House
of Representatives; and

3. Three members shall be appointed by the Governor. Two of the members appointed by the Governor shall be consumers.

B. Members appointed pursuant to this paragraph, with the exception of the consumer members, shall include persons having experience in medical care, health care services, health care delivery, health care finance, health insurance and managed health care. Consumer members shall have no financial or professional interest in medical care, health care services, health care delivery, health finance, health insurance or managed care. In making the appointments, the appointing authority shall also give consideration to urban, rural, gender and minority representation.

C. As the terms of office of members appointed before July 1, 1995, expire, appointments made on or after July 1, 1995, shall be subject to the following requirements:

1. One member appointed by the Governor shall be a resident of the First Congressional District. The term of office of the member appointed by the Governor and serving as of the effective date of this act shall expire on September 1, 2003;

2. One member appointed by the President Pro Tempore of the Senate shall be a resident of the Second Congressional District and a consumer. The term of office of the member appointed by the President Pro Tempore of the Senate and serving as of the effective date of this act shall expire on September 1, 1999;

3. One member appointed by the President Pro Tempore of the Senate shall be a resident of the Third Congressional District. The term of office of the member appointed by the President Pro Tempore of the Senate and serving as of the effective date of this act shall expire on September 1, 2004;

4. One member appointed by the Speaker of the House of Representatives shall be a resident of the Fourth Congressional District. The term of office of the member appointed by the Speaker

of the House of Representatives and serving as of the effective date of this act shall expire on September 1, 2001;

5. One member appointed by the Speaker of the House of Representatives shall be a resident of the Fifth Congressional District and a consumer. The term of office of the member appointed by the Speaker of the House of Representatives and serving as of the effective date of this act shall expire on September 1, 1998;

6. One member appointed by the Governor shall be a resident of the Sixth Congressional District and a consumer. The term of office of the member appointed by the Governor and serving as of the effective date of this act shall expire on September 1, 2000; and

7. The second consumer member appointed by the Governor shall be appointed at large. The term of office of the member appointed by the Governor and serving as of the effective date of this act shall expire on September 1, 2002.

D. The terms of the members serving on the Board as of the effective date of this act shall expire on September 1 of the year in which the respective terms expire. Thereafter, as new terms begin, members shall be appointed to four-year staggered terms which shall expire on September 1. Should a member serve less than a four-year term, the term of office of the member subsequently appointed shall be for the remainder of the four-year term.

E. On and after July 1, 1994, any subsequently appointed administrator of the Authority shall be appointed by the Board. The administrator shall have the training and experience necessary for the administration of the Authority, as determined by the 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.

F. The Board shall have the power and duty to:

1. Establish the policies of the Oklahoma Health Care Authority;

2. Appoint the Administrator of the Authority;

3. Adopt and promulgate rules as necessary and appropriate to carry out the duties and responsibilities of the Authority. The Board shall be the rulemaking body for the Authority; and

4. Adopt, publish and submit by January 1 of each year to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives appropriate administrative policies and the business plan for that year. All actions governed by said administrative policies and annual business plan shall be examined annually in an independent audit.

G. 1. A vacancy in a position shall be filled in the same manner as provided in subsection A of this section.

2. A majority of the members of the Board shall constitute a quorum for the transaction of business and for taking any official action. Official action of the Board must have a favorable vote by a majority of the members present.

3. Members appointed pursuant to subsection A of this section shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

H. The Board and the Authority shall act in accordance with the provisions of the Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the Administrative Procedures Act.

SECTION 2. AMENDATORY Section 2, Chapter 161, O.S.L. 1995, as renumbered by Section 7, Chapter 221, O.S.L. 1996, and as last amended by Section 1, Chapter 201, O.S.L. 1999 (63 O.S. Supp. 1999, Section 5030.1), is amended to read as follows:

Section 5030.1 A. There is hereby created within the Oklahoma Health Care Authority the Medicaid Drug Utilization Review Board, which shall be responsible for the development, implementation and assessment of retrospective and prospective drug utilization programs under the direction of the Authority.

B. The Medicaid Drug Utilization Review Board shall consist of ~~ten (10)~~ eleven (11) members appointed by the administrator of the Authority as follows:

1. Four physicians, licensed and actively engaged in the practice of medicine or osteopathic medicine in this state, of which:

- a. three shall be physicians chosen from a list of not less than six names submitted by the Oklahoma State Medical Association, and
- b. one shall be a physician chosen from a list of not less than two names submitted by the Oklahoma Osteopathic Association;

2. Four licensed pharmacists actively engaged in the practice of pharmacy, chosen from a list of not less than six names submitted by the Oklahoma Pharmaceutical Association;

3. One person representing the lay community, who shall not be a physician or a pharmacist, but shall be a health care professional with recognized knowledge and expertise in at least one of the following:

- a. clinically appropriate prescribing of covered outpatient drugs,
- b. clinically appropriate dispensing and monitoring of covered outpatient drugs,
- c. drug use review, evaluation and intervention, and
- d. medical quality assurance; ~~and~~

4. One person representing the pharmaceutical industry who is a resident of the State of Oklahoma, chosen from a list of not less than two names submitted by the Pharmaceutical Research and Manufacturers of America; and

5. One person representing Medicaid beneficiaries who shall be a currently eligible Medicaid beneficiary.

C. No person employed by the Oklahoma Health Care Authority or on the Health Care Authority Board shall be appointed to or serve as a member of the Medicaid Drug Utilization Review Board. Any position on the Medicaid Drug Utilization Review Board currently filled by an employee of the Authority or a member of the Health Care Authority Board shall be deemed vacant on the effective date of this act. Any person appointed to fill a vacant position pursuant to this subsection shall hold such position for the balance of the unexpired term and may be reappointed.

D. Members shall serve terms of three (3) years, except that one physician, one pharmacist and the lay representative shall each be initially appointed for two-year terms in order to stagger the terms. The Medicaid beneficiary representative shall serve a term of three (3) years or until no longer eligible for Medicaid benefits, whichever comes first, and may be reappointed as provided by this subsection so long as the person continues to remain eligible for Medicaid benefits.

E. In making the appointments, the administrator shall provide, to the extent possible, for geographic balance in the representation on the Medicaid Drug Utilization Review Board. Members may be reappointed for a period not to exceed three three-year terms and one partial term. Vacancies on the Medicaid Drug Utilization Review Board shall be filled for the balance of the unexpired term from new lists submitted by the entity originally submitting the list for the position vacated.

~~D.~~ F. The Medicaid Drug Utilization Review Board shall elect from among its members a chair and a vice-chair who shall serve one-year terms, provided they may succeed themselves.

~~E.~~ G. The proceedings of all meetings of the Medicaid Drug Utilization Review Board shall comply with the provisions of the Oklahoma Open Meeting Act and shall be subject to the provisions of the Administrative Procedures Act.

~~F.~~ H. The Medicaid Drug Utilization Review Board may advise and make recommendations to the Authority regarding existing, proposed and emergency rules governing retrospective and prospective drug utilization programs. The Oklahoma Health Care Authority Board shall promulgate rules pursuant to the provisions of the Administrative Procedures Act for implementation of the provisions of this section.

SECTION 3. This act shall become effective November 1, 2000.

Passed the House of Representatives the 2nd day of March, 2000.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 2000.

President of the Senate