

ENGROSSED HOUSE
BILL NO. 2127

By: Mass, Adair, Hutchison,
Reese, Ferguson, Askins,
Bonny, Braddock, Stites,
Matlock, Dunegan, Covey,
Wells, Leist, Hefner,
Beutler, Ervin, Frame,
Kirby, Langmacher,
McCarter, Pettigrew, Pope
(Clay) and Turner of the
House

and

Stipe of the Senate

(public health - amending Section 7, Chapter 332,
O.S.L. 1993, as last amended by Section 11, Chapter
292, O.S.L. 1997 (63 O.S. Supp. 1999, Section 5009) -
Oklahoma Health Care Authority Act - elimination of
certain inequities in Medicaid benefits -
effective date)

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

SECTION 1. 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. 1999, 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 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 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 ~~±~~ 6201 of ~~this act~~ Title 74 of the Oklahoma Statutes.

D. On and after the effective date of this act, the Authority shall eliminate inequities between the health care benefits available to Medicaid beneficiaries in the rural and the urban areas of the state. Specifically, the Authority shall improve the health care available to rural beneficiaries by removing limitations on health care services, including but not limited to the twelve-day annual hospital inpatient stay limitation, and limitations on the number of allowable monthly prescriptions and physician visits.

SECTION 2. This act shall become effective November 1, 2000.

Passed the House of Representatives the 29th day of February, 2000.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 2000.

President of the Senate