

ENROLLED HOUSE
BILL NO. 1528

By: Settle and Begley of the
House

and

Haney, Hobson and Williams
of the Senate

An Act relating to health services agencies; transferring certain personnel, property, records and outstanding financial obligations from the Department of Mental Health and Substance Abuse Services to the Department of Corrections; providing certain restrictions for transfer; amending Section 8, Chapter 326, O.S.L. 1996, as amended by Section 7, Chapter 392, O.S.L. 1998 (63 O.S. Supp. 1998, Section 5022), which relates to the Health Care Authority; removing requirement for certain reports by certain nursing home facilities; removing certain audit; allowing for certain participation; requiring adjustment of nursing facility per diem rate; requiring determination of rate based on certain published documents; amending Section 3, Chapter 336, O.S.L. 1993, as last amended by Section 1, Chapter 338, O.S.L. 1998 (56 O.S. Supp. 1998, Section 1010.3), which relates to the Oklahoma Medicaid Healthcare Options System; extending time period for development of certain programs; amending Section 12, 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 Operator II positions and any incumbents, one Senior Physical Plant Operator position and any incumbents, and any outstanding financial obligations or encumbrances related to the powerhouse and energy management bond and maintenance at Western State Psychiatric Center

are hereby transferred from the Department of Mental Health and Substance Abuse Services to the Department of Corrections.

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

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

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

Section 5022. A. The Oklahoma Health Care Authority shall grant a wage and salary adjustment (including employee benefits) to be paid as an enhancement to the facility per diem for specified employees in nursing facilities serving adults (NFs) and intermediate care facilities for the mentally retarded (ICFs/MR) effective May 1, 1997. The adjustment shall not exceed Three Dollars and fifteen cents (\$3.15) per patient day (PPD) for NFs, Four Dollars and twenty cents (\$4.20) PPD for standard private ICFs/MR, and Five Dollars and fifteen cents (\$5.15) PPD for specialized private ICFs/MR. The wage enhancement expenditures paid by the facilities shall be audited quarterly against appropriately inflated base period expenditures for the specified employees. Allowable program expenditures are limited to enhanced salaries, wages and benefits for the specified employees, in addition to additional specified staff cost for increased quality of care. Following the reporting quarter, the Oklahoma Health Care Authority shall make an adjustment based on the difference between the enhancement payments (the maximum) and the actual cost (if less) as reported by the facility during the preceding quarter. The specified employee positions to be covered under this section shall be limited to the following: licensed practical nurse, nurse aide, certified medication aide, social service director, other social service staff, activities director, social worker, therapy aide assistant, and activities staff.

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

~~C. The Authority may perform random audits of any nursing home facility that has been removed from the quarterly reporting process. Facilities subsequently found to be in noncompliance will be required to submit quarterly reports until they can demonstrate compliance for two (2) consecutive quarters. Those facilities choosing not to participate in the program and those participating facilities which have not demonstrated compliance for two (2) consecutive quarters, beginning with the 4th Qtr FY98 (April 1-June 30, 1998), will be allowed one (1) year, beginning July 1, 1999, to meet compliance requirements. During this one-year period, these facilities shall be subject to the quarterly reporting process and will be required to reimburse the Authority for expenditures determined to be in noncompliance with the wage enhancement program. Facilities within these groups which are subsequently found to be in compliance for two (2) consecutive audited quarters will no longer be required to submit quarterly enhancement reports. Facilities not in compliance by June 30, 2000, will no longer be allowed to participate in the program.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Department of Veterans Affairs and the War Veterans Commission are hereby authorized to sell timber located at the Talihina Veterans Center. Proceeds shall be deposited in the Capital Improvement Program Revolving Fund created by Section 63.19 of Title 72 of the Oklahoma Statutes to be expended according to law.

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

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

Passed the House of Representatives the 27th day of May, 1999.

Speaker of the House of
Representatives

Passed the Senate the 28th day of May, 1999.

President of the Senate