

ENROLLED 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), Turner and Thomas
of the House

and

Stipe, Crutchfield, Morgan,
Rabon, Easley, Helton,
Wilcoxson, Laughlin,
Martin, Fisher, Capps,
Dunlap, Johnson, Milacek,
Harrison, Weedn, Price,
Mickle, Kerr, Shurden,
Long, Wilkerson, Muegge and
Littlefield of the Senate

An Act relating to 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), which relates to the Oklahoma Health Care Authority Act; directing the Authority to reduce certain inequities in Medicaid benefits to certain beneficiaries; directing certain amendments to certain Medicaid program; requiring certain financial incentive for certain purpose; providing for certain reimbursement rate increases; and declaring an emergency.

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 ± 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. For the purpose of reducing inequities between the health care benefits available to Medicaid beneficiaries in the rural and the urban areas of the state and to improve the health care available to rural beneficiaries, the Authority shall:

1. Amend the Medicaid fee-for-service program to:

a. increase the hospital inpatient day limit,

b. increase the hospital reimbursement rate for:

(1) emergency room services,

(2) ambulatory surgical services,

(3) maternity services for mother and child, and

(4) critical access hospital services, and

c. increase the reimbursement rate for services provided to eligible persons including, but not limited to:

(1) dental services,

(2) home health services,

(3) ambulance services,

(4) laboratory services, and

(5) services provided by other Medicaid-authorized medical service providers, including, but not limited to optometrists, chiropractors, opticians, psychologists, speech pathologists and occupational therapists; and

2. Implement financial incentives for physicians to practice in underserved rural communities, which may include, but shall not be limited to, increases in physician reimbursement rates.

SECTION 2. 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 25th day of May, 2000.

Speaker of the House of
Representatives

Passed the Senate the 25th day of May, 2000.

President of the Senate