

ENROLLED SENATE
BILL NO. 439

By: Monson of the Senate

and

Roberts, Pettigrew and
Askins of the House

An Act relating to employee benefits; amending Section 2, Chapter 297, O.S.L. 1998 (74 O.S. Supp. 1998, Section 1306.3), which relates to the Payment Rate Review Task Force; extending reporting deadline; requiring the State and Education Employees Group Insurance Board to schedule reimbursement rate or methodology hearing; requiring the Board to provide notice of hearing; specifying when hearing will occur; providing certain information; allowing open forum; requiring Board to make fee schedules available; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 2, Chapter 297, O.S.L. 1998 (74 O.S. Supp. 1998, Section 1306.3), is amended to read as follows:

Section 1306.3 A. The Joint Liaison Committee on State and Education Employees Group Insurance Benefits shall create the Payment Rate Review Task Force, which shall review all payments made to providers of medical care by the Oklahoma State and Education Employees Group Insurance Board. The Task Force shall be composed of independent experts appointed by the Joint Liaison Committee on State and Education Employees Group Insurance Benefits. The Task Force shall annually review applicable changes in payment rates which will affect hospital inpatient and outpatient payment methodologies.

B. The Task Force shall study and make recommendations, as part of its annual report, regarding new institutional reimbursement policy and changes in each existing reimbursement policy by the Oklahoma State and Education Employees Group Insurance Board under which payments to an institution are made.

C. No later than ~~September~~ January 1 of each year, the Task Force shall submit a report to the Joint Liaison Committee on State and Education Employees Group Insurance Benefits containing an examination of issues affecting health care delivery to state and education employees in Oklahoma, including issues related to:

1. Trends in health care costs;
2. The financial condition of hospitals and the effect of the payments made to hospitals under this act on such condition;
3. Trends in the use of health care services under the Oklahoma State and Education Employees Group Insurance Board health plans; and
4. New methods used by employers, insurers, and others to address the use of health care services.

The Task Force shall make, as part of its annual report, recommendations to the Joint Liaison Committee on State and Education Employees Group Insurance Benefits concerning appropriate changes in reimbursement rates which should be used for inpatient and outpatient hospital services.

D. The Task Force shall consist of nine (9) members. The membership of the Task Force shall include individuals with recognized expertise in health economics, health facility management, reimbursement of health facilities or other providers of services which reflect the scope of the Task Force's responsibilities, a balance of urban and rural representatives, including hospital administrators, physicians, and registered nurses, employers, third-party payors, individuals skilled in the conduct and interpretation of biomedical, health services, and health economics research, and individuals having expertise in the research and development of technological and scientific advances in health care.

E. In order to identify medically appropriate patterns of health resources, the Task Force shall collect and assess information on medical and surgical procedures and services, including information on variations of medical practice and lengths of hospitalization and on other patient care data, giving special attention to treatment patterns for conditions which appear to involve excessively costly or inappropriate services not adding to the quality of care provided. The Task Force shall give special attention to the needs of updating existing diagnosis-related groups and establishing new diagnosis-related groups, to reflect appropriate differences in resource consumption in delivering safe, efficacious and cost-effective care.

F. In order to conduct its duties, the Task Force shall have unrestricted access to all payment rate information of the Oklahoma State and Education Employees Group Insurance Board immediately upon request.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1325 of Title 74, unless there is created a duplication in numbering, reads as follows:

The State and Education Employees Group Insurance Board shall schedule a hearing thirty (30) days prior to adopting any major change in the reimbursement rates or methodology. The Board shall notify health care providers who provide services pursuant to a

contract with the Board at least fifteen (15) days prior to the hearing. The notice shall include proposed changes to the reimbursement rates or methodology. The Board shall also inform such health care providers at the hearing of any proposed changes to the reimbursement rates or methodology. At the hearing the Board shall provide an open forum for such health care providers to comment on the proposed changes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1326 of Title 74, unless there is created a duplication in numbering, reads as follows:

The State and Education Employees Group Insurance Board shall make available, upon request, copies of relevant fee schedules to participating health care providers.

SECTION 4. This act shall become effective July 1, 1999.

SECTION 5. 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 Senate the 17th day of May, 1999.

President of the Senate

Passed the House of Representatives the 18th day of May, 1999.

Speaker of the House of Representatives