

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

HOUSE BILL NO. 1697

By: Greenwood

AS INTRODUCED

An Act relating to health care benefits and the Oklahoma Health Care Authority; amending Section 4, Chapter 336, O.S.L. 1993, as last amended by Section 2, Chapter 326, O.S.L. 1996 and Section 5 Chapter 336, O.S.L. 1993, as amended by Section 5, Chapter 204, O.S.L. 1995 (56 O.S. Supp. 1998, Sections 1010.4 and 1010.5), which relate to the Oklahoma Healthcare Medicaid Options Act; directing the establishment of a system for the payment of health care premiums for certain persons; establishing limitations; directing access to out-of-network health care providers for certain Medicaid recipients under certain conditions; creating Committee to Study Postemployment Health-Related Benefits; specifying purpose of Committee; providing for Committee membership; providing for powers, duties and responsibilities of Committee members; providing for reimbursement; 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 4, Chapter 336, O.S.L. 1993, as last amended by Section 2, Chapter 326, O.S.L. 1996 (56 O.S. Supp. 1998, Section 1010.4), is amended to read as follows:

Section 1010.4 A. The Oklahoma Health Care Authority shall take all steps necessary to implement the Oklahoma Medicaid Healthcare Options System as required by the Oklahoma Medicaid Healthcare Options Act.

B. The implementation of the System shall include but not be limited to the following:

1. Development of operations plans for the System which include reasonable access to hospitalization, eye care, dental care, medical

care and other medically related services for members, including but not limited to access to twenty-four-hour emergency care;

2. Contract administration and oversight of participating providers;

3. Technical assistance services to participating providers and potential participating providers;

4. Development of a complete plan of accounts and controls for the System including, but not limited to, provisions designed to ensure that covered health and medical services provided through the System are not used unnecessarily or unreasonably;

5. Establishment of peer review and utilization study functions for all participating providers;

6. Technical assistance for the formation of medical care consortiums to provide covered health and medical services under the System. Development of service plans and consortiums may be on the basis of medical referral patterns;

7. Development and management of a provider payment system;

8. Establishment and management of a comprehensive plan for ensuring the quality of care delivered by the System;

9. Establishment and management of a comprehensive plan to prevent fraud by members, eligible persons and participating providers of the System;

10. Coordination of benefits provided under the Oklahoma Medicaid Healthcare Options Act to any member;

11. Development of a health education and information program;

12. Development and management of a participant enrollment system;

13. Establishment and maintenance of a claims resolution procedure to ensure that a submitted claim is resolved within forty-five (45) days of the date the claim is correctly submitted;

14. Establishment of standards for the coordination of medical care and patient transfers;

15. Provision for the transition of patients between participating providers and nonparticipating providers;

16. Provision for the transfer of members and persons who have been determined eligible from hospitals which do not have contracts to care for such persons;

17. Specification of enrollment procedures including, but not limited to, notice to providers of enrollment. Such procedures may provide for varying time limits for enrollment in different situations;

18. Establishment of uniform forms and procedures to be used by all participating providers;

19. Methods of identification of members to be used for determining and reporting eligibility of members; ~~and~~

20. Establishment of a comprehensive eye care and dental care system which:

a. includes practitioners as participating providers,

b. provides for quality care and reasonable and equal access to such practitioners, and

c. provides for the development of service plans, referral plans and consortiums which result in referral practices that reflect timely, convenient and cost-effective access to such care for members in both rural and urban areas; and

21. Establishment of a system for identifying persons who are Medicaid eligible and who are or may be eligible for the continuation of health care benefits pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985 and for payment of the health benefit plan premiums, deductibles, copayments or coinsurance on behalf of that person in accordance with the provisions of Section 3 of this act.

C. Except for reinsurance obtained by providers, the Authority shall coordinate benefits provided under the Oklahoma Medicaid

Healthcare Options Act to any eligible person who is covered by workers' compensation, disability insurance, a hospital and medical service corporation, a health care services organization or other health or medical or disability insurance plan, or who receives payments for accident-related injuries, so that any costs for hospitalization and medical care paid by the System are recovered first from any other available third party payors. The System shall be the payor of last resort for eligible persons.

D. Prior to the development of the plan of accounts and controls required by this section and periodically thereafter, the Authority shall compare the scope, utilization rates, utilization control methods and unit prices of major health and medical services provided in this state with health care services in other states to identify any unnecessary or unreasonable utilization within the System. The Authority shall periodically assess the cost effectiveness and health implications of alternate approaches to the provision of covered health and medical services through the System in order to reduce unnecessary or unreasonable utilization.

E. The Authority may contract distinct administrative functions to one or more persons or organizations who may be participating providers within the System.

F. Contracts for managed health care plans, authorized pursuant to paragraph 2 of subsection A of Section 1010.3 of ~~Title 56 of the Oklahoma Statutes~~ this title and necessary to implement the System, and other contracts entered into prior to July 1, 1996, shall not be subject to the provisions of the Oklahoma Central Purchasing Act.

G. The Board shall promulgate rules:

1. Establishing appropriate competitive bidding criteria and procedures for contracts awarded pursuant to the Oklahoma Medicaid Healthcare Options Act;

2. Which provide for the withholding or forfeiture of payments to be made to a participating provider by the Oklahoma Medicaid

Healthcare Options System for the failure of the participating provider to comply with a provision of the participating provider's contract with the System or with the provisions of promulgated rules or law; and

3. Necessary to carry out the provisions of the Oklahoma Medicaid Healthcare Options Act. Such rules shall consider the differences between rural and urban conditions on the delivery of hospitalization, eye care, dental care and medical care.

SECTION 2. AMENDATORY Section 5, Chapter 336, O.S.L. 1993, as amended by Section 5, Chapter 204, O.S.L. 1995 (56 O.S. Supp. 1998, Section 1010.5), is amended to read as follows:

Section 1010.5 As a condition of the contract with any proposed or potential participating provider pursuant to the Oklahoma Medicaid Healthcare Options Act, the Oklahoma Health Care Authority shall require such contract terms as are necessary, in its judgment, to ensure adequate performance by a participating provider of the provisions of each contract executed pursuant to the Oklahoma Medicaid Healthcare Options Act. Required contract provisions shall include, but are not limited to:

1. The maintenance of deposits, performance bonds, financial reserves or other financial providers which have posted other security, equal to or greater than that required by the System, with a state agency for the performance of managed care contracts if funds would be available from such security for the System upon default by the participating provider;

2. Requirements that all records relating to contract compliance shall be available for inspection by the Authority or are submitted in accordance with rules promulgated by the Oklahoma Health Care Authority Board and that such records be maintained by the participating provider for five (5) years. Such records shall also be made available by a participating provider on request of the

secretary of the United States Department of Health and Human Services, or its successor agency;

3. Authorization for the Authority to directly assume the operations of a participating provider under circumstances specified in the contract. Operations of the participating provider shall be assumed only as long as it is necessary to ensure delivery of uninterrupted care to members enrolled with the participating provider and accomplish the orderly transition of those members to other providers participating in the System, or until the participating provider reorganizes or otherwise corrects the contract performance failure. The operations of a participating provider shall not be assumed unless, prior to that action, notice is delivered to the provider and an opportunity for a hearing is provided; ~~and~~

4. Requirement that, if the Authority finds that the public health, safety or welfare requires emergency action, it may assume the operations of the participating provider on notice to the participating provider and pending an administrative hearing which it shall promptly institute. Notice, hearings and actions pursuant to this subsection shall be in accordance with Article II of the Administrative Procedures Act; and

5. Requirement that a member having a serious or chronic medical condition shall be allowed to secure and receive care from an out-of-network physician or other health care provider, in accordance with criteria and procedures established by the Authority, when there is no appropriate provider within the network and when this is necessary or desirable to ensure appropriate medical care for the member.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1010.9 of Title 56, unless there is created a duplication in numbering, reads as follows:

The Health Care Authority shall establish a procedure for the payment of health plan premiums for Medicaid applicants who are Medicaid eligible and who are eligible for the continuation of health care benefits pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985 whenever the payment of the premium, deductible, copayment or coinsurance is more cost-efficient and beneficial to the state than enrolling the person in the Medicaid program. Where applicable, health care coverage may be provided under the provisions of the Health Insurance High Risk Pool Act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4000 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created until June 1, 2000, a Committee to Study Postemployment Health-Related Benefits. The purpose of the Committee is to study postemployment health-related benefits for employees in the private and public sectors who are terminating employment for disability reasons. The composition of the fourteen-member Committee and the appointment of the Committee shall be as follows:

1. The Governor shall appoint the following members:

- a. one member representing an organization that acts on behalf of municipal employees from a list submitted by the Oklahoma Municipal League, and
- b. one member representing an organization that acts on behalf of county employees from a list submitted by the Association of County Commissioners of Oklahoma;

2. The Speaker of the House of Representatives shall appoint the following members:

- a. one member representing an organization that acts on behalf of federal employees from a list submitted by

the American Federation of State, County and Municipal Employees,

- b. one member representing a nonprofit business organization from a list submitted by the Oklahoma State Chamber of Commerce, and
- c. one layperson who has terminated employment for disability reasons;

3. The President Pro Tempore of the Senate shall appoint the following members:

- a. one member representing a statewide independent business organization from a list submitted by the National Federation of Business of Oklahoma,
- b. one member representing an organization that acts on behalf of public employees from a list submitted by the Oklahoma Public Employees Association, and
- c. one layperson who has terminated employment for disability reasons; and

4. The following shall be ex officio members:

- a. the Director of the Employee Benefits Council, or designee,
- b. the Director of the Office of Personnel Management, or designee,
- c. the Director of the Department of Labor, or designee,
- d. the Director of the Department of Commerce, or designee,
- e. the Administrator of the Oklahoma Health Care Authority, or designee, and
- f. the State Insurance Commissioner, or designee.

B. The members of the Committee shall elect a chair and vice chair from among its membership. The chair may call meetings as necessary to complete the task of the Committee. The Director of the Employee Benefits Council shall call the first meeting and

provide a place for such meetings. The Committee may request assistance from any agency or entity for completion of its required responsibilities and duties.

C. The Committee shall have the following duties:

1. To review current practices utilized by employers concerning information disseminated for postemployment health-related benefits for employees who are terminating employment for disability reasons;

2. To evaluate the effectiveness of current practices and procedures concerning postemployment health-related benefits for employees who are terminating employment for disability reasons;

3. To determine what health-related benefits are available, or what alternatives are available concerning postemployment health-related benefits for employees who are terminating employment for disability reasons;

4. To determine the cost-effectiveness of assisting postemployment employees who are terminating employment for disability reasons with any potential health-related services available in the state;

5. To assess or determine any other options or alternatives that need to be created to assist in postemployment, health-related benefit matters for employees who are terminating employment for disability reasons; and

6. To make written recommendations to the Governor, Speaker of the House of Representatives, and President Pro Tempore of the Senate by March 31, 2000:

a. on ways to establish a health-related benefits educational awareness campaign for employees, including those employees who are terminating employment for disability reasons, and

b. on any other changes needed to assist employers or employees terminating employment with regard to continuing their health-related benefits.

D. The members of the Committee shall receive travel reimbursement for their actual and necessary expenses as provided for in the State Travel Reimbursement Act. Reimbursements shall be made by their appointing authorities.

SECTION 5. Sections 1 through 3 shall become effective November 1, 1999.

SECTION 6. Section 4 shall become effective July 1, 1999.

SECTION 7. 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.

47-1-6002 CLD 6/12/15