STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. 354 By: Monson

AS INTRODUCED

An Act relating to the employee benefits; amending Section 4, Chapter 332, O.S.L. 1993, as amended by Section 6, Chapter 204, O.S.L. 1995, and Section 9, Chapter 332, O.S.L. 1993, as amended by Section 5, Chapter 282, O.S.L. 1994 (63 O.S. Supp. 1998, Sections 5006 and 5011), which relate to the Oklahoma Health Care Authority; deleting powers and duties; deleting obsolete language; amending Section 4, Chapter 400, O.S.L. 1992, as last amended by Section 2, Chapter 48, O.S.L. 1997 (74 O.S. Supp. 1998, Section 1364), which relates to the Oklahoma State Employees Benefits Council; deleting provisions relating to the Oklahoma Health Care Authority; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 4, Chapter 332, O.S.L. 1993, as amended by Section 6, Chapter 204, O.S.L. 1995 (63 O.S. Supp. 1998, Section 5006), is amended to read as follows:

Section 5006. A. There is hereby created the Oklahoma Health Care Authority. The Authority shall have the power and duty to:

1. Purchase health care benefits for ~~state and education employees and~~ Medicaid recipients, and others who are dependent on the state for necessary medical care, as specifically authorized by law;

2. ~~Develop state and education employee health care plans as authorized by Section 5011 of this title;~~

~~3.~~ Enter into contracts for the delivery of state-purchased health care and establish standards and criteria which must be met by entities to be eligible to contract with the Authority for the delivery of state-purchased health care;

3. ~~4.~~ Develop a proposed standard basic health care benefits package or packages to be offered by health services providers, for ~~state and education employees and~~ Medicaid recipients;

4. ~~5.~~ Study all matters connected with the provision of state-purchased and state-subsidized health care coverage;

5. ~~6.~~ Develop and submit plans, reports and proposals, provide information and analyze areas of public and private health care interaction pursuant to the provisions of the Oklahoma Health Care Authority Act;

6. ~~7.~~ Serve as a resource for information on state-purchased and state-subsidized health care access, cost containment and related health issues;

7. ~~8.~~ Administer programs and enforce laws placed under the jurisdiction of the Authority pursuant to the Oklahoma Health Care Authority Act, and such other duties prescribed by law;

8. ~~9.~~ Collaborate with and assist the Insurance Commissioner in the development of a Uniform Claim Processing System for use by third-party payors and health care providers;

9. ~~10.~~ Collaborate with and assist the State Department of Health with the development of licensure standards and criteria for pre-paid health plans; and

10. ~~11.~~ Exercise all incidental powers which are necessary and proper to carry out the purposes of the Oklahoma Health Care Authority Act.

B. All positions within the Authority shall be unclassified until approval of the annual business and personnel plan submitted by January 1, 1995, by the Governor and the Legislature. In the annual business plan submitted January 1, 1995, the Board shall include a personnel plan which shall list, describe and justify all unclassified positions within the Authority and their compensation. All other employees and positions shall be classified and subject to

the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act.

SECTION 2. AMENDATORY Section 9, Chapter 332, O.S.L. 1993, as amended by Section 5, Chapter 282, O.S.L. 1994 (63 O.S. Supp. 1998, Section 5011), is amended to read as follows:

Section 5011. A. ~~Effective July 1, 1994, the duties, powers and responsibilities of the Oklahoma State Employees Benefits Council that relate to the purchase of health care benefits shall be made under the direction and with the approval of the Oklahoma Health Care Authority.~~

~~B. The Authority shall develop state and education employee health care benefit plans as provided by this section. In developing these plans, the Authority shall consider the following elements:~~

~~1. Methods of maximizing cost containment while ensuring access to quality health care;~~

~~2. Development of provider arrangements that encourage cost containment and ensure access to quality care, including, but not limited to, prepaid delivery systems and prospective payment methods;~~

~~3. Utilization review procedures including, but not limited to:~~

~~a. prior authorization of services,~~

~~b. hospital inpatient length of stay reviews,~~

~~c. requirements for use of outpatient surgeries,~~

~~d. requirements for second opinions for surgeries,~~

~~e. review of invoices or claims submitted by health services providers, and~~

~~f. performance audits of providers; and~~

~~4. Effective coordination of health care benefits.~~

~~C. Effective January, 1996, and each January thereafter, the administrator of the Oklahoma Health Care Authority shall publish and distribute to each school district in this state that so~~

~~requests a description of health care benefit plans available through the Oklahoma Health Care Authority and the estimated cost of such plans if school district employees were enrolled.~~

~~D.~~ The Authority shall:

1. Require utilization review and financial data review from participating entities which contract with the Authority for state-purchased and state-subsidized health care on a quarterly basis;

2. Centralize enrollment files for all persons covered by state-purchased and state-subsidized health care benefit plans;

3. Develop enrollment demographics on a plan-specific basis; and

4. Establish methods for collecting, analyzing, and disseminating information on the cost and quality of services rendered by health care providers to all persons covered by such plans.

B. ~~E.~~ The administrator may require that any entity that contracts for the delivery of services pursuant to a state-purchased or state-subsidized health care benefit plan administered by the Authority shall provide to said administrator all information deemed necessary to fulfill the administrator's duties as set forth in the Oklahoma Health Care Authority Act, Section 5003 et seq. of this title. All data related to claims and produced pursuant to the Oklahoma Health Care Authority Act shall be the property of this state.

C. ~~F.~~ Any savings realized pursuant to this section and Section 5009 of this title shall not be used to increase benefits unless such use is authorized by law.

~~G. On and after July 1, 1995, the Oklahoma Basic Health Benefits Board shall receive any funds appropriated for operations or duties imposed by law upon the Oklahoma Basic Health Benefits Board from the Oklahoma Health Care Authority.~~

SECTION 3. AMENDATORY Section 4, Chapter 400, O.S.L. 1992, as last amended by Section 2, Chapter 48, O.S.L. 1997 (74 O.S. Supp. 1998, Section 1364), is amended to read as follows:

Section 1364. A. There is hereby created the Oklahoma State Employees Benefits Council. ~~The powers, duties and responsibilities of the Council that relate to the purchase of health care benefits shall be made under the direction and with the approval of the Oklahoma Health Care Authority in accordance with the plan adopted pursuant to Section 5006 of Title 63 of the Oklahoma Statutes.~~

B. The Oklahoma State Employees Benefits Council shall be composed of the five (5) following individuals:

1. The Administrator of the Office of Personnel Management;

2. Two members appointed by the Governor;

3. One member appointed by the President Pro Tempore of the Senate; and

4. One member appointed by the Speaker of the House of Representatives.

C. The members appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority. The members appointed by the Speaker of the House of Representatives and the President Pro Tempore of the State Senate shall serve a term of office of four (4) years.

D. No member of the Council shall be a lobbyist registered in this state as provided by law, or be employed, directly or indirectly, by any firm or health care provider under contract to the Council or Board, or any benefit program under its jurisdiction, for any goods or services whatsoever.

E. Any vacancy that occurs on the Council shall be filled for the unexpired term in the same manner as the office was previously filled.

F. The general administration and responsibility for the proper design, selection or operation of the benefits offered under the plan and for making effective the provisions of Section 1361 et seq. of this title are hereby vested in the Council.

G. The Council shall elect one of its members as chair. The chair shall preside over meetings of the Council and perform such other duties as may be required by the Council. The Council shall elect one of its members to serve as vice-chair who shall perform the duties of the chair in the absence of the latter or upon the inability or refusal of the chair to act. The Council shall elect one of its members to serve as secretary.

H. The Council and staff shall act in accordance with the provisions of the Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the Administrative Procedures Act. The Council shall, in July of each year, hold a regular meeting which shall be the annual meeting, at which meeting it shall elect officers.

I. Special meetings may be called upon written notice by the chair or by agreement of any three members of the Council. Notice of a special meeting shall be delivered to all members in person or by registered or certified United States mail not less than seven (7) days prior to the date fixed for the meeting; provided, however, that notice of such meeting may be waived by any member either before or after such meeting and attendance at such meeting shall constitute a waiver of notice of such meeting, unless a member participates therein solely to object to the transaction of any business because the meeting has not been legally called or convened.

J. The majority of the members of the Council shall constitute a quorum for the transaction of business. Each Council member shall be entitled to one vote on the Council. Any official action of the Council must have three votes of the members of the Council present.

K. All resolutions, proceedings, acts and determinations of the Council shall be recorded and all such records, together with such documents and instruments as may be necessary for the administration of the plan, shall be preserved in the custody of the executive director.

L. Each member of the Council shall serve without compensation except that each of the Council members shall receive travel expenses in accordance with the State Travel Reimbursement Act.

M. The Council shall not be subject to the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of this title.

SECTION 4. 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.

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