

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 811

By: Pruitt

AS INTRODUCED

An Act relating to poor persons; amending Section 1, Chapter 336, O.S.L. 1993, as last amended by Section 3, Chapter 251, O.S.L. and Section 4, Chapter 336, O.S.L. 1993, as last amended by Section 2, Chapter 326, O.S.L. 1996 (56 O.S. Supp. 2000, Sections 1010.1 and 1010.4), which relate to coverage of certain children and implementation of system; providing exception to state Medicaid program of coverage of children by the Oklahoma Health Care Authority; requiring establishment of a pilot program; specifying criteria of pilot program; requiring reasonable access to specified services; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, Chapter 336, O.S.L. 1993, as last amended by Section 3, Chapter 251, O.S.L. 2000 (56 O.S. Supp. 2000, Section 1010.1), is amended to read as follows:

Section 1010.1 A. Sections 1010.1 through 1010.7 of this title shall be known and may be cited as the "Oklahoma Medicaid Healthcare Options Act".

B. In order to establish a coordinated approach to delivering and monitoring health care services and to ensure an efficient and appropriate level of quality health care services to eligible persons requiring such services, there is hereby established a statewide managed care system of comprehensive health care delivery through the Oklahoma Medicaid Program, which shall include, but not be limited to, prepaid capitated plans and primary case management plans, and which shall be offered in all geographic areas of the state.

C. The Except as otherwise provided in subsection D of this section, the Oklahoma Health Care Authority shall provide coverage under the state Medicaid program to children under the age of eighteen (18) years whose family incomes do not exceed one hundred eighty-five percent (185%) of the federal poverty level.

D. The Oklahoma Health Care Authority shall establish a pilot program, consisting of no more than thirty percent (30%) of the total number of eligible recipients, which utilizes a competitive bidding process to contract for the administration of the state Medicaid program for children under the age of eighteen (18) years whose family incomes are greater than one hundred fifty percent (150%) but do not exceed one hundred eighty-five percent (185%) of the federal poverty level.

SECTION 2. 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. 2000, 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:

- a. hospital services,
- b. physician services,
- c. laboratory services,
- d. prescription drugs,
- e. mental health services,
- f. basic dental services,
- g. routine physical examinations,

- h. immunizations,
- i. basic vision services,
- j. basic hearing services,
- k. limited home health and durable medical equipment services,
- l. hospice care, and
- m. 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.

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 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 3. This act shall become effective November 1, 2001.

48-1-335

CJ

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