

ENGROSSED SENATE  
BILL NO. 1012

By: Pruitt and Riley of the  
Senate

and

Balkman of the House

[ poor persons - Medicaid beneficiaries - health care  
services - codification -

effective date ]

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1010.1a of Title 56, unless  
there is created a duplication in numbering, reads as follows:

A. Recognizing that many poor, elderly and disabled Oklahomans  
receive health care benefits and coverage under the state Medicaid  
program pursuant to a "fee-for-service" arrangement, and such an  
arrangement leaves beneficiaries unaware of the cost of their health  
care, the Oklahoma Legislature hereby establishes additional  
provisions to enable and require a Medicaid beneficiary to be vested  
in and to participate as a prudent buyer of health care services.

B. The Oklahoma Health Care Authority is hereby directed to  
apply for a waiver or waivers to the Centers for Medicaid and  
Medicare Services (CMS) that will accomplish the purposes outlined  
in this section. The Authority is further directed to negotiate  
with CMS to include in such waiver authority provisions to:

1. Integrate options for consumer choice in the state Medicaid  
program;

2. Eliminate bureaucratic requirements for providers and  
insurers and enable open competition for Medicaid consumers'  
dollars;

3. Establish a Medicaid Personal Health Account (PHA) from which a Medicaid beneficiary may purchase health care services. Such account shall be actuarially funded based on the current average fee-for-service expense minus the actuarial equivalent of major medical benefits. The Authority shall:

- a. risk adjust the amounts to be paid for eligibility, age and gender, and
- b. make the account available on an individual and family basis;

4. Provide, in addition to the PHA, each beneficiary with major medical coverage that may include inpatient hospital coverage, physician visits, drug coverage, limited lab and x-ray, and clinical and durable equipment coverage;

5. Offer preventive health incentives that may take the form of additional deposits to the account for using preventive care or for achieving certain prevention milestones such as maintaining cholesterol at medically appropriate levels or losing weight and maintaining weight loss;

6. Allow beneficiaries to use the PHA to upgrade to more robust managed care plans or to add additional coverage such as pharmacy or dental; and

7. Enable the Authority to help beneficiaries become wise shoppers for health care by assisting them in determining their own health care needs and offering guidance in analyzing options.

C. The Authority may phase in any waiver or waivers it receives based upon available funding.

SECTION 2. This act shall become effective November 1, 2005.

Passed the Senate the 16th day of March, 2005.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2005.

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Presiding Officer of the House  
of Representatives