STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

FLOOR SUBSTITUTE
FOR
SENATE BILL NO. 1012 By: Pruitt

FLOOR SUBSTITUTE

[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.

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