

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 424

By: Adelson, Crain, Riley,  
Wilson, Burrage and Ivester  
of the Senate

6 and

7 Cox, BigHorse, Hoskin,  
8 Inman, Kiesel, McAffrey,  
Morgan, Pittman, Shelton  
and Steele of the House

9  
10  
11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to insurance; creating the All Kids  
13 Act; providing short title; providing legislative  
14 findings and intent; directing the Oklahoma Health  
15 Care Authority to establish and maintain a certain  
16 program; setting eligibility; providing exceptions;  
17 directing the Authority to provide certain  
18 assistance; authorizing the Authority to allow  
19 certain persons to purchase specified benefits;  
20 authorizing the Authority to offer certain partial  
21 coverage; mandating cost-sharing requirements;  
22 providing exception; directing the Authority to  
23 promulgate certain rules; directing the Authority to  
24 submit certain applications for waivers; directing  
the program to utilize certain voucher and/or subsidy  
system; specifying funding; amending 56 O.S. 2001,  
Section 1010.1, as last amended by Section 15,  
Chapter 315, O.S.L. 2006 (56 O.S. Supp. 2006, Section  
1010.1), which relates to the Oklahoma Medicaid  
Program Reform Act of 2003; clarifying language;  
directing the State Department of Health to contract  
with certain organizations in order to expand  
specified program; specifying selection of locations  
for certain programs; specifying funding; providing  
for codification; and declaring an emergency.

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

2 SECTION 1. NEW LAW A new section of law to be codified  
3 in the Oklahoma Statutes as Section 1009.1 of Title 56, unless there  
4 is created a duplication in numbering, reads as follows:

5 A. Sections 1 and 2 of this act shall be known and may be cited  
6 as the "All Kids Act".

7 B. The Legislature finds that, for the economic and social  
8 benefit of all residents of the State of Oklahoma, it is important  
9 to enable all children of this state to access affordable health  
10 insurance that offers comprehensive coverage and emphasizes  
11 preventative health care. Numerous studies, including the Institute  
12 of Medicine's report, Health Insurance Matters, demonstrate that  
13 lack of insurance negatively affects health status. The Legislature  
14 further finds that access to health care is a key component for  
15 children's healthy development and successful education. The  
16 effects of lack of insurance also negatively impact those who are  
17 insured because the cost of paying for care for the uninsured is  
18 shifted to those who have insurance in the form of higher health  
19 insurance premiums. A Families USA 2005 report indicates that by  
20 2010, family premiums in Oklahoma will increase by Two Thousand  
21 Eleven Dollars (\$2,011.00) due to cost-shifting from the uninsured.  
22 It is, therefore, the intent of the All Kids Act to provide access  
23 to affordable health insurance to all children in Oklahoma.

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1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 1009.2 of Title 56, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. On or before January 1, 2011, the Oklahoma Health Care  
5 Authority shall establish and maintain a program with a voucher  
6 and/or other subsidy to provide medical coverage assistance to  
7 children, eighteen (18) years of age or younger, whose family  
8 incomes are between one hundred eighty-five percent (185%) and three  
9 hundred percent (300%) of the federal poverty level.

10 B. To be eligible for the program, the child must:

11 1. Be a lawful resident of the State of Oklahoma;

12 2. Be ineligible for medical assistance under the state  
13 Medicaid program; and

14 3. Have been without health insurance coverage for a period set  
15 forth by the Authority, but not less than six (6) months during the  
16 first month of operation of the program, except in the following  
17 situations:

18 a. loss of employment by a parent which made available  
19 affordable dependent health insurance coverage, until  
20 such time as affordable employer-sponsored dependent  
21 health insurance coverage is again available for the  
22 child as set forth by the Authority,

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1           b.   affordable private or employer-sponsored health  
2                insurance is unavailable to the responsible relative  
3                of a newborn, or

4           c.   loss of medical benefits under the state Medicaid  
5                program within one year of applying for coverage under  
6                the All Kids Act.

7           C.   The Authority shall provide assistance to families in  
8   gaining health care benefits for children in the program by offering  
9   a voucher and/or other subsidy toward the cost of privately  
10   sponsored health insurance, including, but not limited to, employer-  
11   sponsored health insurance provided through the state's premium  
12   assistance program.

13          D.   If privately sponsored health insurance is not available,  
14   the Authority may allow applicants to purchase access to the state-  
15   administered health care benefit under the premium assistance  
16   program.

17          E.   The Authority is authorized to offer partial coverage to  
18   children who are enrolled in a high-deductible private health  
19   insurance plan or to offer a limited package of benefits to children  
20   in families who have private or employer-sponsored health insurance  
21   coverage which does not cover certain benefits, including, but not  
22   limited to, dental or vision benefits.

23          F.   The families of children who are enrolled in this program  
24   shall be subject to the following cost-sharing requirements:

1 1. Cost-sharing provisions stated in privately sponsored health  
2 insurance plans for children enrolled in such plans; and

3 2. Cost-sharing methods and levels to be set forth by the  
4 Authority for individuals participating in the state-administered  
5 premium assistance program. Such cost-sharing shall be on a sliding  
6 scale based on family income and may be periodically modified by the  
7 Authority.

8 Notwithstanding paragraphs 1 and 2 of this subsection, there  
9 shall be no co-payment required for well-baby or well-child health  
10 care for children enrolled in the program, including, but not  
11 limited to, age-appropriate immunizations as required under state or  
12 federal law.

13 G. The Authority shall promulgate rules to determine  
14 eligibility and enrollment of children in the program.

15 H. The Authority shall submit to the federal Centers for  
16 Medicare and Medicaid Services an application for any waivers or any  
17 state plan amendments required to amend the state Medicaid plan to  
18 enact the provisions of the All Kids Act. Subject to federal  
19 approval, the program shall utilize a voucher and/or related subsidy  
20 system for participating families.

21 I. Funding for this act shall be provided from the unused funds  
22 from the Oklahoma Employer/Employee Partnership for Insurance  
23 Coverage pursuant to Section 1010.1 of Title 56 of the Oklahoma  
24 Statutes, not to exceed Eight Million Dollars (\$8,000,000.00).

1 SECTION 3. AMENDATORY 56 O.S. 2001, Section 1010.1, as  
2 last amended by Section 15, Chapter 315, O.S.L. 2006 (56 O.S. Supp.  
3 2006, Section 1010.1), is amended to read as follows:

4 Section 1010.1 A. Sections 1010.1 through 1010.7 of this title  
5 shall be known and may be cited as the "Oklahoma Medicaid Program  
6 Reform Act of 2003".

7 B. Recognizing that many Oklahomans do not have health care  
8 benefits or health care coverage, that many small businesses cannot  
9 afford to provide health care benefits to their employees, and that,  
10 under federal law, barriers exist to providing Medicaid benefits to  
11 the uninsured, the Oklahoma Legislature hereby establishes  
12 provisions to lower the number of uninsured, assist businesses in  
13 their ability to afford health care benefits and coverage for their  
14 employees, and eliminate barriers to providing health coverage to  
15 eligible enrollees under federal law.

16 C. ~~The~~ Unless otherwise provided by law, the Oklahoma Health  
17 Care Authority shall provide coverage under the state Medicaid  
18 program to children under the age of eighteen (18) years whose  
19 family incomes do not exceed one hundred eighty-five percent (185%)  
20 of the federal poverty level.

21 D. 1. The Authority is hereby directed to apply for a waiver  
22 or waivers to the Centers for Medicaid and Medicare Services (CMS)  
23 that will accomplish the purposes outlined in subsection B of this  
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1 section. The Authority is further directed to negotiate with CMS to  
2 include in such waiver authority provisions to:

- 3 a. increase access to health care for Oklahomans,
- 4 b. reform the Oklahoma Medicaid Program to promote  
5 personal responsibility for health care services and  
6 appropriate utilization of health care benefits  
7 through the use of public-private cost sharing,
- 8 c. enable small employers, and/or employed, uninsured  
9 adults with or without children to purchase employer-  
10 sponsored, state-approved private, or state-sponsored  
11 health care coverage through a state premium  
12 assistance payment plan. If by January 1, 2008, the  
13 Employer/Employee Partnership for Insurance Coverage  
14 Premium Assistance Program is not consuming more than  
15 seventy-five percent (75%) of its dedicated source of  
16 funding, then the program will be expanded to include  
17 parents of children eligible for Medicaid, and
- 18 d. develop flexible health care benefit packages based  
19 upon patient need and cost.

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

22 3. The Authority is hereby authorized to develop and implement  
23 a premium assistance plan to assist small businesses and/or their  
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1 eligible employees to purchase employer-sponsored insurance or "buy-  
2 in" to a state-sponsored benefit plan.

3 4. During the implementation of the premium assistance program,  
4 the Authority is hereby authorized to seek from the Centers for  
5 Medicare and Medicaid Services any waivers necessary to accomplish  
6 an expansion of the premium assistance program to include employers  
7 with fifty employees or less up to any level supported by existing  
8 funding resources.

9 E. 1. There is hereby created in the State Treasury a  
10 revolving fund to be designated the "Health Employee and Economy  
11 Improvement Act (HEEIA) Revolving Fund".

12 2. The fund shall be a continuing fund, not subject to fiscal  
13 year limitations, and shall consist of:

- 14 a. all monies received by the Authority pursuant to this  
15 section and otherwise specified or authorized by law,  
16 b. monies received by the Authority due to federal  
17 financial participation pursuant to Title XIX of the  
18 Social Security Act, and  
19 c. interest attributable to investment of money in the  
20 fund.

21 3. All monies accruing to the credit of the fund are hereby  
22 appropriated and shall be budgeted and expended by the Authority to  
23 implement a premium assistance plan, unless otherwise provided by  
24 law.

1 SECTION 4. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 1-237.1 of Title 63, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. On or before January 1, 2011, the State Department of Health  
5 shall contract with community or faith-based organizations in order  
6 to expand the Postponing Sexual Involvement (PSI) for Young Teens  
7 program. The purpose of the program shall be to reduce the  
8 incidence of teen pregnancies in this state by encouraging teenagers  
9 to abstain from sexual activities.

10 B. The Postponing Sexual Involvement (PSI) for Young Teens  
11 program shall be directed to geographic areas in the state where the  
12 teen birth rate is higher than the state average and where the  
13 children and their families are in greatest need because of an  
14 unfavorable combination of economic, social, environmental, and  
15 health factors, including, without limitation, extensive poverty,  
16 high crime rate, great incidence of low birth weight babies, high  
17 incidence of alcohol and drug abuse, and high rates of teen  
18 pregnancy. The selection of a geographic site shall also consider  
19 the incidence of young children within these at-risk geographic  
20 areas who are cocaine babies, children of teenage parents, low birth  
21 weight babies, and very young foster children.

22 C. Funding for this program shall be provided from the unused  
23 funds from the Oklahoma Employer/Employee Partnership for Insurance  
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1 Coverage pursuant to Section 1010.1 of Title 56 of the Oklahoma  
2 Statutes, not to exceed Five Hundred Thousand Dollars (\$500,000.00).

3 SECTION 5. It being immediately necessary for the preservation  
4 of the public peace, health and safety, an emergency is hereby  
5 declared to exist, by reason whereof this act shall take effect and  
6 be in full force from and after its passage and approval.

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