

THE HOUSE OF REPRESENTATIVES  
Tuesday, April 8, 2008

Committee Substitute for  
ENGROSSED  
Senate Bill No. 1404

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1404 - By:  
BROWN AND FORD of the Senate and WRIGHT, PETERS AND PITTMAN of the  
House.

An Act relating to poor persons; amending 56 O.S. 2001, Section 1010.1, as last amended by Section 27 of Enrolled Senate Bill No. 1830 of the 2nd Session of the 51st Oklahoma Legislature, which relates to the premium assistance program; expanding certain program for specified persons; defining terms; and providing an effective date.

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

1 SECTION 1. AMENDATORY 56 O.S. 2001, Section 1010.1, as last amended by  
2 Section 27 of Enrolled Senate Bill No. 1830 of the 2nd Session of the 51st Oklahoma  
3 Legislature, is amended to read as follows:

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

6 B. Recognizing that many Oklahomans do not have health care benefits or health  
7 care coverage, that many small businesses cannot afford to provide health care benefits  
8 to their employees, and that, under federal law, barriers exist to providing Medicaid  
9 benefits to the uninsured, the Oklahoma Legislature hereby establishes provisions to

1 lower the number of uninsured, assist businesses in their ability to afford health care  
2 benefits and coverage for their employees, and eliminate barriers to providing health  
3 coverage to eligible enrollees under federal law.

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

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

- 12 a. increase access to health care for Oklahomans,
- 13 b. reform the Oklahoma Medicaid Program to promote personal  
14 responsibility for health care services and appropriate utilization of  
15 health care benefits through the use of public-private cost sharing,
- 16 c. enable small employers, and/or employed, uninsured adults with or  
17 without children to purchase employer-sponsored, state-approved  
18 private, or state-sponsored health care coverage through a state  
19 premium assistance payment plan. If by January 1, 2012, the  
20 Employer/Employee Partnership for Insurance Coverage Premium  
21 Assistance Program is not consuming more than seventy-five percent

1 (75%) of its dedicated source of funding, then the program will be  
2 expanded to include parents of children eligible for Medicaid, and  
3 d. develop flexible health care benefit packages based upon patient need  
4 and cost.

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

7 3. The Authority is authorized to develop and implement a premium assistance  
8 plan to assist small businesses and/or their eligible employees to purchase employer-  
9 sponsored insurance or “buy-in” to a state-sponsored benefit plan.

10 4. The Authority is authorized to seek from the Centers for Medicare and Medicaid  
11 Services any waivers or amendments to existing waivers necessary to accomplish an  
12 expansion of the premium assistance program to:

- 13 a. include for-profit employers with two hundred fifty employees or less  
14 up to any level supported by existing funding resources; and  
15 b. include not-for-profit employers with five hundred employees or less up  
16 to any level supported by existing funding resources.

17 For purposes of this paragraph, “for-profit employer” shall mean an entity which is  
18 not exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal  
19 Revenue Code and “not-for-profit employer” shall mean an entity which is exempt from  
20 taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

21 5. The Authority is authorized to seek from the Centers for Medicare and Medicaid  
22 Services any waivers or amendments to existing waivers necessary to accomplish an

1 extension of the premium assistance program to include qualified employees whose  
2 family income does not exceed two hundred fifty percent (250%) of the federal poverty  
3 level, subject to the limit of federal financial participation.

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

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

- 9 a. all monies received by the Authority pursuant to this section and  
10 otherwise specified or authorized by law,
- 11 b. monies received by the Authority due to federal financial participation  
12 pursuant to Title XIX of the Social Security Act, and
- 13 c. interest attributable to investment of money in the fund.

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

17 SECTION 2. This act shall become effective November 1, 2008.

18 COMMITTEE REPORT BY: COMMITTEE ON PUBLIC HEALTH, dated 04-07-08 - DO  
19 PASS, As Amended and Coauthored.