

THE HOUSE OF REPRESENTATIVES
Wednesday, February, 24, 2010

House Bill No. 2777

HOUSE BILL NO. 2777 - By: STEELE AND DENNEY of the House and CRAIN of the Senate.

An Act relating to poor persons; amending 56 O.S. 2001, Section 1010.1, as last amended by Section 5, Chapter 128, O.S.L. 2009 (56 O.S. Supp. 2009, Section 1010.1), which relates to the Oklahoma Medicaid Program Reform Act of 2003; establishing procedure to verify applicant’s income; providing for cooperation by state agencies; 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 5, Chapter 128, O.S.L. 2009 (56 O.S. Supp. 2009, Section 1010.1), is amended to
3 read as follows:

4 Section 1010.1 A. Section 1010.1 et seq. of this title shall be known and may be
5 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
10 lower the number of uninsured, assist businesses in their ability to afford health care
11 benefits and coverage for their employees, and eliminate barriers to providing health
12 coverage to eligible enrollees under federal law.

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

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

- 9 a. increase access to health care for Oklahomans,
10 b. reform the Oklahoma Medicaid Program to promote personal
11 responsibility for health care services and appropriate utilization of
12 health care benefits through the use of public-private cost sharing,
13 c. enable small employers, and/or employed, uninsured adults with or
14 without children to purchase employer-sponsored, state-approved
15 private, or state-sponsored health care coverage through a state
16 premium assistance payment plan. If by January 1, 2012, the
17 Employer/Employee Partnership for Insurance Coverage Premium
18 Assistance Program is not consuming more than seventy-five percent
19 (75%) of its dedicated source of funding, then the program will be
20 expanded to include parents of children eligible for Medicaid, and
21 d. develop flexible health care benefit packages based upon patient need
22 and cost.

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

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

6 4. a. The Authority is authorized to seek from the Centers for Medicare and
7 Medicaid Services any waivers or amendments to existing waivers
8 necessary to accomplish an expansion of the premium assistance
9 program to:

10 (1) include for-profit employers with two hundred fifty employees or
11 less up to any level supported by existing funding resources, and

12 (2) include not-for-profit employers with five hundred employees or
13 less up to any level supported by existing funding resources.

14 b. Foster parents employed by employers with greater than two hundred
15 fifty employees shall be exempt from the qualifying employer
16 requirement provided for in this paragraph and shall be eligible to
17 qualify for the premium assistance program provided for in this section
18 if supported by existing funding.

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

1 F. The Authority is authorized to seek from the Centers for Medicare and Medicaid
2 Services any waivers or amendments to existing waivers necessary to accomplish an
3 extension of the premium assistance program to include qualified employees whose
4 family income does not exceed two hundred fifty percent (250%) of the federal poverty
5 level, subject to the limit of federal financial participation.

6 G. The Authority is authorized to create as part of the premium assistance program
7 an option to purchase a high-deductible health insurance plan that is compatible with a
8 health savings account.

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

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

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

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

1 I. 1. The Authority shall establish a procedure for verifying an applicant's income
2 by utilizing available Oklahoma Tax Commission records, new hire report data collected
3 by the Oklahoma Employment Security Commission, and child support payment data
4 collected by the Department of Human Services.

5 2. The Oklahoma Tax Commission, Oklahoma Employment Security Commission,
6 and Department of Human Services shall cooperate with the Authority to establish
7 procedures for the secure electronic transmission of applicant income data to the
8 Authority.

9 SECTION 2. This act shall become effective November 1, 2010.

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
11 dated 02-23-10 - DO PASS, As Coauthored.