

THE HOUSE OF REPRESENTATIVES
Wednesday, February, 24, 2010

Committee Substitute for
House Bill No. 2778

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2778 - By: STEELE, BILLY,
SHELTON, MORRISSETTE AND DENNEY of the House and CRAIN of the Senate.

An Act relating to poor persons; amending Section 5, Chapter 315, O.S.L. 2006 (56 O.S. Supp. 2009, Section 1011.5), which relates to an incentive reimbursement rate plan for nursing facilities; requiring that the Oklahoma Health Care Authority make certain refinements to the plan; requiring annual report to certain individuals; and providing an effective date.

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

1 SECTION 1. AMENDATORY Section 5, Chapter 315, O.S.L. 2006 (56 O.S.
2 Supp. 2009, Section 1011.5), is amended to read as follows:

3 Section 1011.5 A. The Oklahoma Health Care Authority in cooperation with the
4 State Department of Health, a statewide organization of the elderly, representatives of
5 the Health and Human Services Interagency Task Force on long-term care, and
6 representatives of both statewide associations of nursing facility operators shall develop
7 an incentive reimbursement rate plan for nursing facilities that shall include, but may
8 not be limited to, the following:

- 9 1. Quality of life indicators that relate to total management initiatives;
- 10 2. Quality of care indicators;
- 11 3. Family and resident satisfaction survey results;

- 1 4. State Department of Health survey results;
- 2 5. Employee satisfaction survey results;
- 3 6. CNA training and education requirements;
- 4 7. Patient acuity level;
- 5 8. Direct care expenditures pursuant to subparagraph e of paragraph 2 of
- 6 subsection I of Section 1-1925.2 of Title 63 of the Oklahoma Statutes; and
- 7 9. Other incentives which include, without limitation, participation in quality
- 8 initiative activities performed and/or recommended by the Oklahoma Foundation for
- 9 Medical Quality in capital improvements, in-service education of direct staff, and
- 10 procurement of reasonable amounts of liability insurance.

11 B. The Oklahoma Health Care Authority shall negotiate with the Centers for
12 Medicare and Medicaid Services to include the authority to base provider reimbursement
13 rates for nursing facilities on the criteria specified in subsection A of this section.

14 C. The Oklahoma Health Care Authority shall make refinements to the incentive
15 reimbursement rate plan to ensure transparency and integrity. These refinements shall
16 include, but may not be limited to, the following:

17 1. Establishing minimum standard for incentive payments, through higher
18 percentiles using evidence-based criteria or introduction of absolute standards above the
19 current benchmark;

20 2. Using state survey results as a threshold metric for determining if facilities
21 should receive incentive payment and suspend facilities falling below the threshold;

22 3. Taking steps to strengthen data collection process; and

1 4. Establishing an advisory group with consumer, provider and state agency
2 representation to provide feedback on program performance and recommendations for
3 improvements.

4 D. The Oklahoma Health Care Authority shall provide an annual report of the
5 incentive reimbursement rate plan to the Governor, the Speaker of the House of
6 Representatives, and the President Pro Tempore of the Senate by December 31 of each
7 year. The report shall include, but not be limited to, an analysis of the previous fiscal
8 year including incentive payments, ratings, and notable trends.

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 Amended and Coauthored.