

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 1397

By: Crain of the Senate

and

6 Cox of the House

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8  
9 COMMITTEE SUBSTITUTE

10 An Act relating to Medicaid; amending 56 O.S. 2011,  
11 Section 1010.1, which relates to the premium  
12 assistance program; providing for a sliding scale for  
13 premium assistance; and providing an effective date.

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

16 SECTION 1. AMENDATORY 56 O.S. 2011, Section 1010.1, is  
17 amended to read as follows:

18 Section 1010.1 A. Section 1010.1 et seq. of this title shall  
19 be known and may be cited as the "Oklahoma Medicaid Program Reform  
20 Act of 2003".

21 B. Recognizing that many Oklahomans do not have health care  
22 benefits or health care coverage, that many small businesses cannot  
23 afford to provide health care benefits to their employees, and that,  
24 under federal law, barriers exist to providing Medicaid benefits to

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

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

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

- 16 a. increase access to health care for Oklahomans,
- 17 b. reform the Oklahoma Medicaid Program to promote  
18 personal responsibility for health care services and  
19 appropriate utilization of health care benefits  
20 through the use of public-private cost sharing,
- 21 c. enable small employers, and/or employed, uninsured  
22 adults with or without children to purchase employer-  
23 sponsored, state-approved private, or state-sponsored  
24 health care coverage through a state premium

1 assistance payment plan. If by January 1, 2012, the  
2 Employer/Employee Partnership for Insurance Coverage  
3 Premium Assistance Program is not consuming more than  
4 seventy-five percent (75%) of its dedicated source of  
5 funding, then the program will be expanded to include  
6 parents of children eligible for Medicaid, and

7 d. develop flexible health care benefit packages based  
8 upon patient need and cost.

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

11 3. The Authority is authorized to develop and implement a  
12 premium assistance plan to assist small businesses and/or their  
13 eligible employees to purchase employer-sponsored insurance or "buy-  
14 in" to a state-sponsored benefit plan.

15 4. a. The Authority is authorized to seek from the Centers  
16 for Medicare and Medicaid Services any waivers or  
17 amendments to existing waivers necessary to accomplish  
18 an expansion of the premium assistance program to:

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

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

1           b. Foster parents employed by employers with greater than  
2           two hundred fifty employees shall be exempt from the  
3           qualifying employer requirement provided for in this  
4           paragraph and shall be eligible to qualify for the  
5           premium assistance program provided for in this  
6           section if supported by existing funding.

7           E. For purposes of this paragraph, "for-profit employer" shall  
8           mean an entity which is not exempt from taxation pursuant to the  
9           provisions of Section 501(c)(3) of the Internal Revenue Code and  
10          "not-for-profit employer" shall mean an entity which is exempt from  
11          taxation pursuant to the provisions of Section 501(c)(3) of the  
12          Internal Revenue Code.

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

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

23          H. In administering the premium assistance program, the  
24          Authority shall create a sliding scale for premium assistance

1 whereby the premium assistance provided to an employee is reduced as  
2 the employee's salary is increased.

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

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

8 a. all monies received by the Authority pursuant to this  
9 section and otherwise specified or authorized by law,

10 b. monies received by the Authority due to federal  
11 financial participation pursuant to Title XIX of the  
12 Social Security Act, and

13 c. interest attributable to investment of money in the  
14 fund.

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

19 ~~I.~~ J. 1. The Authority shall establish a procedure for  
20 verifying an applicant's individual income by utilizing available  
21 Oklahoma Tax Commission records, new hire report data collected by  
22 the Oklahoma Employment Security Commission, and child support  
23 payment data collected by the Department of Human Services in  
24 accordance with federal and state law.

1           2. The Oklahoma Tax Commission, Oklahoma Employment Security  
2 Commission, and Department of Human Services shall cooperate in  
3 accordance with federal and state law with the Authority to  
4 establish procedures for the secure electronic transmission of an  
5 applicant's individual income data to the Authority.

6           SECTION 2. This act shall become effective November 1, 2012.

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8           53-2-10281           CJB           04/05/12

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