STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 1495 By: David of the Senate

and

McCullough of the House

COMMITTEE SUBSTITUTE

[Oklahoma Medicaid Reform Act of 2014 - codification - effective date]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1011.12 of Title 56, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Medicaid Reform Act of 2014".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1011.13 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Health Care Authority is directed to develop and implement a statewide, patient-centered, integrated managed care system for the provision of services provided, inclusive of all

Medicaid eligible populations, under the Oklahoma Medicaid Program. The managed care plan shall include a statewide network with a catchment area serving every county in this state. Conversion of the Oklahoma Medicaid Program to a managed care system shall be completed by no later than January 1, 2016.

B. The Authority shall develop and submit for approval applications or amendments for waivers of applicable federal laws and regulations as necessary to implement the provisions of the Oklahoma Medicaid Reform Act of 2014. Copies of all waivers submitted to and approved by the United States Centers for Medicare and Medicaid Services under this section shall be provided to the Legislature within ten (10) days of their approval. The Oklahoma Health Care Authority shall submit a plan containing a recommended timeline for implementation of any waivers and budgetary projections of the effect of the Oklahoma Medicaid Reform Act of 2014. This implementation plan shall be submitted to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

C. Participation by specialty plans is subject to procurement requirements provided for in this act. The enrollment of a specialty plan shall not exceed ten percent (10%) of the total number of enrollees; provided, however, a specialty plan whose target population includes no more than ten percent (10%) of the enrollees shall not be subject to the regional enrollment limits

provided for in this section. For the purposes of this subsection, "specialty plan" shall mean a managed care plan serving Medicaid recipients who meet specified criteria based on age, medical conditions, or diagnosis.

D. The Oklahoma Health Care Authority shall establish a five-year contract with each managed care plan selected through procurement procedures provided for in this act. A plan contract may not be renewed; provided, however, the Authority may extend the term of a plan contract to cover any delays during the transition to a new plan.

E. Provider payments by the managed care plans shall not be lower than the Medicaid fee-for-service rate in effect on May 1, 2015.

F. The Oklahoma Health Care Authority shall implement a choice counseling system to ensure enrollees have timely access to accurate information on available plans. The counseling system shall include plan-to-plan comparative information on benefits, provider networks, drug formularies, quality measures, and other data points as deemed necessary by the Authority.

G. Managed care plans may customize benefit packages for non-pregnant adults, vary cost-sharing provisions, and provide coverage for additional services. The Oklahoma Health Care Authority shall evaluate the proposed benefit packages to ensure services are sufficient to meet the needs of the plan's enrollees and to verify

actuarial equivalence. Each plan operating in the managed care program shall, subject to approval by the Authority, establish a program to encourage and reward healthy behaviors.

SECTION 3. This act shall become effective November 1, 2014.

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