

1 **SENATE FLOOR VERSION**

2 February 26, 2014

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1495

By: David of the Senate

and

McCullough of the House

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8  
9 [ Oklahoma Medicaid Reform Act of 2014 - codification  
10 - effective date ]

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

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

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

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

21 A. The Oklahoma Health Care Authority is directed to develop  
22 and implement a statewide, patient-centered, integrated managed care  
23 system for the provision of services provided, inclusive of all  
24 Medicaid eligible populations, under the Oklahoma Medicaid Program.

1 The managed care plan shall include a statewide network with a  
2 catchment area serving every county in this state. Conversion of  
3 the Oklahoma Medicaid Program to a managed care system shall be  
4 completed by no later than January 1, 2017.

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

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

1 "specialty plan" shall mean a managed care plan serving Medicaid  
2 recipients who meet specified criteria based on age, medical  
3 conditions, or diagnosis.

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

10 E. Provider payments by the managed care plans shall not be  
11 lower than the Medicaid fee-for-service rate in effect on May 1,  
12 2015.

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

19 G. Managed care plans may customize benefit packages for non-  
20 pregnant adults, vary cost-sharing provisions, and provide coverage  
21 for additional services. The Oklahoma Health Care Authority shall  
22 evaluate the proposed benefit packages to ensure services are  
23 sufficient to meet the needs of the plan's enrollees and to verify  
24 actuarial equivalence. Each plan operating in the managed care

1 program shall, subject to approval by the Authority, establish a  
2 program to encourage and reward healthy behaviors.

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

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
5 February 26, 2014 - DO PASS AS AMENDED  
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