SENATE FLOOR VERSION
February 18, 2013

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 640 By: Crain of the Senate

and

Cox of the House

[Medicaid - premium assistance program - sliding scale - effective date]

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

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

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

B. Recognizing that many Oklahomans do not have health care benefits or health care coverage, that many small businesses cannot afford to provide health care benefits to their employees, and that, under federal law, barriers exist to providing Medicaid benefits to the uninsured, the Oklahoma Legislature hereby establishes provisions to lower the number of uninsured, assist businesses in their ability to afford health care benefits and coverage for their

employees, and eliminate barriers to providing health coverage to eligible enrollees under federal law.

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

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

a. increase access to health care for Oklahomans,

b. reform the Oklahoma Medicaid Program to promote personal responsibility for health care services and appropriate utilization of health care benefits through the use of public-private cost sharing,

c. enable small employers, and/or employed, uninsured adults with or without children to purchase employer-sponsored, state-approved private, or state-sponsored health care coverage through a state premium assistance payment plan. If by January 1, 2012, the Employer/Employee Partnership for Insurance Coverage Premium Assistance Program is not consuming more than

seventy-five percent (75%) of its dedicated source of funding, then the program will be expanded to include parents of children eligible for Medicaid, and

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

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

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

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

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

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

b. Foster parents employed by employers with greater than two hundred fifty employees shall be exempt from the qualifying employer requirement provided for in this

paragraph and shall be eligible to qualify for the premium assistance program provided for in this section if supported by existing funding.

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

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

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

H. <u>In administering the premium assistance program, the Authority shall create a sliding scale for premium assistance whereby the premium assistance provided to an employee is reduced as the employee's salary is increased.</u>

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

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

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

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

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

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

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

2. The Oklahoma Tax Commission, Oklahoma Employment Security Commission, and Department of Human Services shall cooperate in

accordance with federal and state law with the Authority to establish procedures for the secure electronic transmission of an applicant's individual income data to the Authority.

SECTION 2. This act shall become effective November 1, 2013.

COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES
February 18, 2013 - DO PASS AS AMENDED