1	STATE OF OKLAHOMA
2	1st Session of the 57th Legislature (2019)
3	HOUSE BILL 2020 By: Lepak
4	
5	
6	AS INTRODUCED
7	An Act relating to the Oklahoma Health Care Authority; amending 56 O.S. 2011, Section 198.11a,
8	which relates to the Oklahoma Consumer-Directed Personal Assistance and Support Services Act;
9	modifying entities responsible for promulgation of rules; amending 56 O.S. 2011, Sections 198.16 and
10	198.17, which relate to the Oklahoma Self-Directed Care Act; modifying entities responsible for
11	promulgation of rules; amending 56 O.S. 2011, Sections 1010.2, 1010.4 and 1010.5, which relate to
12	the Oklahoma Medicaid Program Reform Act of 2003; deleting definition; modifying definitions; modifying
13	entity responsible for promulgation of rules; amending 56 O.S. 2011, Section 1011.11, which relates
14	to the durable medical equipment retrieval program; modifying entity responsible for promulgation of
15	rules; amending 56 O.S. 2011, Sections 1017.4 and 1017.5, which relate to the Oklahoma Choices for
16	Long-Term Care Act; modifying entity responsible for promulgation of rules; amending 63 O.S. 2011, Section
17	3250.9, which relates to waivers authorizing Medicaid supplements to hospital districts; modifying who
18	submits application; amending 63 O.S. 2011, Section 5000.24, which relates to the Medicaid Buy-In Program
19	for persons with disabilities; modifying entity responsible for promulgation of rules; amending 63
20	O.S. 2011, Sections 5005, 5007, 5008 and 5015.1, which relate to the Oklahoma Health Care Authority
21	Act; modifying definitions; making Board an advisory body; transferring duties to the Administrator of the
22	Oklahoma Health Care Authority; transferring appointing authority for the Administrator to the
23	Governor; requiring Senate confirmation; providing for determination of compensation; modifying powers
24	and duties of the Administrator; transferring duties

1 of the Oklahoma Health Care Authority Board to the Administrator; amending 63 O.S. 2011, Section 5017, 2 as amended by Section 524, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2018, Section 5017), which relates to 3 the Oklahoma Health Care Authority Federal Disallowance Fund; modifying administration of the 4 fund; amending 63 O.S. 2011, Section 5020, as amended by Section 525, Chapter 304, O.S.L. 2012 (63 O.S. 5 Supp. 2018, Section 5020), which relates to the Oklahoma Health Care Authority Medicaid Program Fund; modifying administration of the fund; amending 63 6 O.S. 2011, Section 5024, which relates to elective 7 income deferral programs; modifying entity responsible for promulgation of rules; amending 63 O.S. 2011, Section 5026, which relates to the 8 Medicaid prescription drug program; modifying entity 9 responsible for administration of program; modifying entity responsible for promulgation of rules; 10 amending 63 O.S. 2011, Section 5027, which relates to health care districts; modifying entity responsible 11 for promulgation of rules; amending Section 1, Chapter 244, O.S.L. 2015 (63 O.S. Supp. 2018, Section 12 5028), which relates to care coordination models for the aged, blind and disabled; modifying entity 13 responsible for promulgation of rules; amending Section 1, Chapter 208, O.S.L. 2017 (63 O.S. Supp. 14 2018, Section 5028.1), which relates to care coordination models for newborns through children 18 15 years of age; modifying entity responsible for promulgation of rules; amending Section 1, Chapter 16 324, O.S.L. 2015 (63 O.S. Supp. 2018, Section 5029), which relates to mailing information to victims of 17 domestic violence; modifying entity responsible for promulgation of rules; amending 63 O.S. 2011, 18 Sections 5030.1, 5030.3, 5030.4 and 5030.5, as last amended by Section 1, Chapter 306, O.S.L. 2015 (63 19 O.S. Supp. 2018, Section 5030.5), which relate to the Medicaid Drug Utilization Review Board; modifying 20 entity responsible for promulgation of rules; modifying the administrative hearing procedure; 21 modifying duties of the Medicaid Drug Utilization Review Board; amending 63 O.S. 2011, Sections 5051.4 22 and 5051.5, which relate to the recovery of expenses by the Oklahoma Health Care Authority; modifying 23 entity responsible for promulgation of rules; amending 63 O.S. 2011, Section 5052, which relates to 24 opportunity for hearing before the Oklahoma Health

1 Care Authority; modifying entity responsible for promulgation of rules; repealing 63 O.S. 2011, 2 Section 5007.1, which relates to the Oklahoma Medicaid Accountability and Outcomes Act; providing 3 an effective date; and declaring an emergency. 4 5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA: 6 7 SECTION 1. 56 O.S. 2011, Section 198.11a, is AMENDATORY amended to read as follows: 8

9 Section 198.11a A. The Aging Services Division within the 10 Department of Human Services, upon the approval of the Centers for 11 Medicare and Medicaid Services, shall establish the Oklahoma 12 Consumer-Directed Personal Assistance and Support Services (Oklahoma 13 CD-PASS) Demonstration Program. The purpose of the Oklahoma 14 Consumer-Directed Personal Assistance and Support Services 15 Demonstration Program shall be to enhance the range of choices and options for Medicaid-eligible consumers, on a voluntary basis, who 16 17 require long-term care support services, and to assist families with 18 a Medicaid-eligible member who requires long-term care support 19 services to arrange and purchase their own personal care and related 20 services.

B. The Oklahoma Consumer-Directed Personal Assistance and
Support Services Demonstration Program includes, but is not limited
to, the following types of services:

24

Req. No. 5151

- 1. a. Basic services, such as getting a recipient in and out
 of a bed or in or out of a wheelchair or motorized
 chair, or both,
- b. Assisting with certain bodily functions, such as
 bathing and personal hygiene, dressing and grooming,
 and feeding including preparation and cleanup;
 Ancillary services such as shopping and cleaning;

8 3. Companion-type services such as transportation, letter9 writing and reading; and

Any other service requested by the eligible recipient
 needing care and services.

C. 1. In developing the Oklahoma Consumer-Directed Personal
Assistance and Support Services Demonstration Program, the Aging
Services Division shall develop guidelines, eligibility criteria,
program performance standards, and techniques to evaluate the
outcomes of the Oklahoma Consumer-Directed Personal Assistance and
Support Services Demonstration Program.

18 2. The Demonstration Program, at a minimum, shall have the 19 following requirements:

a. the cost in the aggregate of the services offered
through the CD-PASS Program care plan shall be equal
to or less than the average cost of the Advantage
Waiver Program service or personal care plan as
applicable,

Req. No. 5151

1	b.	the baseline level of consumer satisfaction shall be
2		measured by an independent third party prior to
3		initiation of the Demonstration Program,
4	с.	the scope of services offered within the CD-PASS
5		Program shall comply with current state statutes and
6		rules, and federal regulations, and
7	d.	program evaluation which shall include an indication
8		of whether:
9		(1) consumer satisfaction for CD-PASS Program
10		participants is higher than or equal to consumer
11		satisfaction for Advantage Waiver Program
12		clients, as measured by an independent third
13		party, and
14		(2) the percentage of delivered hours of the CD-PASS
15		Program client care plan are greater than or
16		equal to the percentage of delivered hours of the
17		Advantage Waiver Program service or personal care
18		plan.
19	D. The A	ging Services Division may:
20	1. Consu	lt with various federal, state and local entities in
21	order to fulf	ill the purposes of the Oklahoma Consumer-Directed
22	Personal Assi	stance and Support Services Demonstration Program;
23		
24		

Contract with entities in fulfilling the purposes of the
 Oklahoma Consumer-Directed Personal Assistance and Support Services
 Demonstration Program; and

3. Upon the approval of the Centers for Medicare and Medicaid
Services and the availability of funds, expand the Oklahoma
Consumer-Directed Personal Assistance and Support Services
Demonstration Program statewide if the evaluation provided for in
subsection C of this section demonstrates consumer satisfaction with
and cost effectiveness in the delivery of the Program.

E. The Commission for Department of Human Services and the Noklahoma Health Care Authority Board shall promulgate any rules necessary to implement the provisions of the Oklahoma Consumer-Directed Personal Assistance and Support Services Act.

14SECTION 2.AMENDATORY56 O.S. 2011, Section 198.16, is15amended to read as follows:

Section 198.16 A. In order to implement the Oklahoma Self-Directed Care Act:

The Oklahoma Health Care Authority Board and the Commission
 for Department of Human Services are hereby authorized to promulgate
 rules necessary to enact the provisions of this act;

21 2. The Oklahoma Health Care Authority shall take all actions
22 necessary to ensure state compliance with federal regulations;

3. The Authority shall apply for any necessary federal waivers
or waiver amendments required to implement the program;

Req. No. 5151

4. The Legislature intends that, as consumers relocate from
 institutional settings to community-based options, funds used to
 serve consumers in institutional settings shall follow consumers to
 cover the cost of community-based services; and

5 5. The Department of Human Services or other applicable state 6 entity for the population served may develop an electronic benefit 7 transfer feature for the provision of self-directed care services to 8 consumers.

9 B. The Oklahoma Self-Directed Care Act, at a minimum, shall
10 meet the following requirements:

The cost in the aggregate of the services offered through
 the self-directed care plan shall be equal to or less than the cost
 of a home- and community-based waiver or comparable waiver program;

14 2. The baseline level of consumer satisfaction shall be 15 measured by a third party prior to initiation of the Oklahoma Self-16 Directed Care Act;

17 3. The scope of services offered within the Self-Directed Care
18 Program shall comply with current state statutes and rules, and
19 federal regulations; and

4. Program evaluation which shall include an indication of
whether consumer satisfaction for Self-Directed Care Program
consumers is higher than or equal to consumer satisfaction for
home- and community-based waiver clients or other comparable waiver
programs, as measured by a third party.

Req. No. 5151

C. Upon the approval of the Centers for Medicare and Medicaid
 Services and the availability of funds, the Authority and the
 Department shall implement the Self-Directed Care Program statewide
 if the evaluation provided for in subsection B of this section
 demonstrates consumer satisfaction with and cost-effectiveness in
 the delivery of the program.

7 D. The Authority and the Department shall conduct a feasibility study on the future design and implementation of expanding the home-8 9 and community-based waiver program to include additional people with 10 developmental disabilities, spinal cord injury or traumatic brain 11 injury; provided, however, before allocating any new monies to such 12 program, the Department and the Authority shall prepare and submit 13 to the Legislature the results of the feasibility study and a fiscal 14 impact statement.

E. The Authority and the Department of Human Services shall each, on an ongoing basis, review and assess the implementation of the Self-Directed Care Program. By January 15 of each year, the Authority shall submit a written report to the Governor and Legislature that includes each agency's review of the program.

F. The Department of Human Services shall appoint a committee to assist the Department in the development of waivers and rules related to self-directed services, including the functional needs assessment used for determination of eligibility for the Self-Directed Services program. The committee shall be composed of two

Req. No. 5151

1 self advocates or adults with developmental disabilities; two 2 parents or family members of consumers; two advocates; two 3 representatives of an agency providing Developmental Disabilities 4 Services Division waiver services; one representative from the 5 Oklahoma Parent Center; and one representative from the University of Oklahoma Health Sciences Center for Learning and Leadership. 6 The 7 committee shall sunset no later than four (4) years after implementation of programs indicated in this act. The Governor, 8 9 President Pro Tempore of the Senate and the Speaker of the House of 10 Representatives shall each appoint an at-large representative to the 11 Committee.

12 The Authority is hereby directed to modify the state Medicaid 13 program Personal Care Program to allow any person to self-direct his 14 or her own personal care services who:

Is eligible to receive Personal Care Program services;
 Chooses to receive Personal Care Program services; and
 Is able to direct his or her own care or to designate an
 eligible representative to assist in directing such care.

19SECTION 3.AMENDATORY56 O.S. 2011, Section 198.17, is20amended to read as follows:

Section 198.17 A. The Oklahoma Health Care Authority, the Department of Human Services and the Department of Mental Health and Substance Abuse Services, in cooperation with community stakeholders, shall develop a prescreening process to be utilized

Req. No. 5151

prior to an individual being admitted to a nursing facility or within twenty (20) days of admission to such a facility. The purpose of the screening process shall be to ensure that individuals who wish to avoid placement in a nursing facility have access to supports necessary to remain in the community. The prescreening process shall include, but not be limited to, the use of the following tools:

1. Resident Assessment Instrument - Minimum Data Set (RAI-MDS), 8 9 as designated by the Centers for Medicare and Medicaid Services; 10 2. Universal Comprehensive Assessment Tool (UCAT); 3. 11 Preadmission Screening and Annual Resident Review (PASARR); 12 4. Inventory for Client and Agency Planning (ICAP); and 13 5. Uniform Case Assessment Protocol (UCAP). 14 The Oklahoma Health Care Authority Board shall promulgate Β. 15 rules necessary to implement the prescreening process developed 16 pursuant to this section, provided funding is made available to 17 implement the process. 18 AMENDATORY 56 O.S. 2011, Section 1010.2, is SECTION 4. 19 amended to read as follows: 20 Section 1010.2 A. As used in the Oklahoma Medicaid Program 21 Reform Act of 2003: 22 1. "Authority" means the Oklahoma Health Care Authority;

23
2. "Board" means the Oklahoma Health Care Authority Board;
24

3. "Administrator" means the chief executive officer of the
 Oklahoma Health Care Authority;

3 4. 3. "Eligible person" means any person who meets the minimum
4 requirements established by:

- a. rules promulgated by the Oklahoma Health Care
 Authority Board pursuant to the requirements of Title
 XIX of the federal Social Security Act, 42 U.S.C.,
 Section 1396 et seq.,
- 9 b. a waiver under the provisions of this act, or
 10 c. any state law authorizing the purchase of small
 11 employer buy-in coverage;

12 <u>5. 4.</u> "Member" means an eligible person who enrolls in the
13 Oklahoma Medicaid Healthcare Options System;

14 6. 5. "Nonparticipating provider" means a person who provides hospital or medical care pursuant to the Oklahoma Medicaid Program 15 16 but does not have a managed care health services contract or 17 subcontract within the Oklahoma Medicaid Healthcare Options System; 18 7. 6. "Prepaid capitated" means a mode of payment by which a 19 health care provider directly delivers health care services for the 20 duration of a contract to a maximum specified number of members 21 based on a fixed rate per member, regardless of the actual number of 22 members who receive care from the provider or the amount of health 23 care services provided to any member;

24

8. 7. "Participating provider" means any person or organization
 who contracts with the Authority for the delivery of
 hospitalization, eye care, dental care, medical care and other
 medically related services to members or any subcontractor of such
 provider delivering services pursuant to the Oklahoma Medicaid
 Healthcare Options System; and

9. 8. "System" means the Oklahoma Medicaid Healthcare Options
8 System established by the Oklahoma Medicaid Program Reform Act of
9 2003.

10SECTION 5.AMENDATORY56 O.S. 2011, Section 1010.4, is11amended to read as follows:

Section 1010.4 A. The Oklahoma Health Care Authority shall take all steps necessary to implement the Oklahoma Medicaid Healthcare Options System as required by the Oklahoma Medicaid Program Reform Act of 2003.

B. The implementation of the System shall include, but not be limited to, the following:

Development of operations plans for the System which include
 reasonable access to hospitalization, eye care, dental care, medical
 care and other medically related services for members including, but
 not limited to, access to twenty-four-hour emergency care;

22 2. Contract administration and oversight of participating 23 providers;

24

Req. No. 5151

3. Technical assistance services to participating providers and
 potential providers;

4. Development of a complete plan of accounts and controls for
the System including, but not limited to, provisions designed to
ensure necessary and reasonable usage of covered health and medical
services provided through the System;

7 5. Establishment of peer review and utilization study functions
8 for all participating providers;

9 6. Technical assistance for the formation of medical care
10 consortiums to provide covered health and medical services under the
11 System. Development of service plans and consortiums may be on the
12 basis of medical referral patterns;

13 7. Development and management of a provider payment system;
14 8. Establishment and management of a comprehensive plan for
15 ensuring the quality of care delivered by the System;

9. Establishment and management of a comprehensive plan to
prevent fraud against the System by members, eligible persons and
participating providers;

19 10. Coordination of benefits provided under the Oklahoma
20 Medicaid Program Reform Act of 2003 to any member;

21 11. Development of a health education and information program;
22 12. Development and management of a participant enrollment
23 system;

24

Req. No. 5151

13. Establishment and maintenance of a claims resolution
 procedure to ensure that a submitted claim is resolved within forty five (45) days of the date the claim is correctly submitted;

4 14. Establishment of standards for the coordination of medical
5 care and patient transfers;

6 15. Provision for the transition of patients between
7 participating providers and nonparticipating providers;

8 16. Provision for the transfer of members and persons who have 9 been determined eligible from hospitals which do not have contracts 10 to care for such persons;

11 17. Specification of enrollment procedures including, but not 12 limited to, notice to providers of enrollment. Such procedures may 13 provide for varying time limits for enrollment in different 14 situations;

15 18. Establishment of uniform forms and procedures to be used by 16 all participating providers;

17 19. Methods of identification of members to be used for
18 determining and reporting eligibility of members;

19 20. Establishment of a comprehensive eye care and dental care 20 system which:

a. includes practitioners as participating providers,
b. provides for quality care and reasonable and equal
access to such practitioners, and

24

- c. provides for the development of service plans,
 referral plans and consortiums which result in
 referral practices that reflect timely, convenient and
 cost-effective access to such care for members in both
 rural and urban areas;
- 6 21. a. Development of a program for Medicaid eligibility and
 7 services for individuals who are in need of breast or
 8 cervical cancer treatment and who:
- 9 (1) have family incomes that are below one hundred 10 eighty-five percent (185%) of the federal poverty 11 level,
 - (2) have not attained the age of sixty-five (65) years,
- 14 (3) have no or have inadequate health insurance or
 15 health benefit coverage for treatment of breast
 16 and cervical cancer, and
 - (4) meet the requirements for treatment and have been screened for breast or cervical cancer.
- 19 b. The program shall include presumptive eligibility and 20 shall provide for treatment throughout the period of 21 time required for treatment of the individual's breast 22 or cervical cancer,
- 23 c. On or before July 1, 2002, the Oklahoma Health Care
 24 Authority shall coordinate with the State Commissioner

12

13

17

18

of Health to develop procedures to implement the

2 program, contingent upon funds becoming available; and 3 22. Establishment of co-payments, premiums and enrollment fees, 4 and the establishment of policy for those members who do not pay co-5 payments, premiums or enrollment fees.

6 C. Except for reinsurance obtained by providers, the Authority 7 shall coordinate benefits provided under the Oklahoma Medicaid Program Reform Act of 2003 to any eligible person who is covered by 8 9 workers' compensation, disability insurance, a hospital and medical 10 service corporation, a health care services organization or other 11 health or medical or disability insurance plan, or who receives 12 payments for accident-related injuries, so that any costs for 13 hospitalization and medical care paid by the System are recovered 14 first from any other available third party payors. The System shall 15 be the payor of last resort for eligible persons.

16 D. Prior to the development of the plan of accounts and 17 controls required by this section and periodically thereafter, the 18 Authority shall compare the scope, utilization rates, utilization 19 control methods and unit prices of major health and medical services 20 provided in this state with health care services in other states to 21 identify any unnecessary or unreasonable utilization within the 22 System. The Authority shall periodically assess the cost 23 effectiveness and health implications of alternate approaches to the 24

Req. No. 5151

1

provision of covered health and medical services through the System
 in order to reduce unnecessary or unreasonable utilization.

E. The Authority may contract distinct administrative functions to one or more persons or organizations who may be participating providers within the System.

F. Contracts for managed health care plans, authorized pursuant
to paragraph 2 of subsection A of Section 1010.3 of this title and
necessary to implement the System, and other contracts entered into
prior to July 1, 1996, shall not be subject to the provisions of the
Oklahoma Central Purchasing Act.

G. The Oklahoma Health Care Authority Board shall promulgate rules:

Establishing appropriate competitive bidding criteria and
 procedures for contracts awarded pursuant to the Oklahoma Medicaid
 Program Reform Act of 2003;

16 2. Which provide for the withholding or forfeiture of payments 17 to be made to a participating provider by the Oklahoma Medicaid 18 Healthcare Options System for the failure of the participating 19 provider to comply with a provision of the participating provider's 20 contract with the System or with the provisions of promulgated rules 21 or law; and

3. Necessary to carry out the provisions of the Oklahoma
Medicaid Program Reform Act of 2003. Such rules shall consider the

Req. No. 5151

1 differences between rural and urban conditions on the delivery of 2 hospitalization services, eye care, dental care and medical care.

3 SECTION 6. AMENDATORY 56 O.S. 2011, Section 1010.5, is 4 amended to read as follows:

5 Section 1010.5 As a condition of the contract with any proposed or potential participating provider pursuant to the Oklahoma 6 7 Medicaid Program Reform Act of 2003, the Oklahoma Health Care Authority shall require such contract terms as are necessary, in its 8 9 judgment, to ensure adequate performance by a participating provider 10 of the provisions of each contract executed pursuant to the Oklahoma 11 Medicaid Program Reform Act of 2003. Required contract provisions 12 shall include, but are not limited to:

13 1. The maintenance of deposits, performance bonds, financial 14 reserves or other financial providers which have posted other 15 security, equal to or greater than that required by the System, with 16 a state agency for the performance of managed care contracts if 17 funds would be available from such security for the System upon 18 default by the participating provider;

A requirement that whenever the state appropriates funds for
 specific purposes, including, but not limited to, increases in
 reimbursement rates, a participating provider and any subcontractor
 shall apportion such funds pursuant to legislative directive;

23 3. Requirements that all records relating to contract
 24 compliance shall be available for inspection by the Authority or are

Req. No. 5151

submitted in accordance with rules promulgated by the Oklahoma Health Care Authority Board and that such records be maintained by the participating provider for five (5) years. Such records shall also be made available by a participating provider on request of the secretary of the United States Department of Health and Human Services, or its successor agency;

7 4. Authorization for the Authority to directly assume the operations of a participating provider under circumstances specified 8 9 in the contract. Operations of the participating provider shall be 10 assumed only as long as it is necessary to ensure delivery of 11 uninterrupted care to members enrolled with the participating 12 provider and accomplish the orderly transition of those members to 13 other providers participating in the System, or until the 14 participating provider reorganizes or otherwise corrects the 15 contract performance failure. The operations of a participating 16 provider shall not be assumed unless, prior to that action, notice 17 is delivered to the provider and an opportunity for a hearing is 18 provided; and

19 5. A requirement that, if the Authority finds that the public 20 health, safety or welfare requires emergency action, it may assume 21 the operations of the participating provider on notice to the 22 participating provider and pending an administrative hearing which 23 it shall promptly institute. Notice, hearings and actions pursuant 24

Req. No. 5151

1 to this subsection shall be in accordance with Article II of the 2 Administrative Procedures Act.

3 SECTION 7. AMENDATORY 56 O.S. 2011, Section 1011.11, is 4 amended to read as follows:

5 Section 1011.11 A. The Oklahoma Health Care Authority shall 6 develop and implement, as funds become available, a durable medical 7 equipment retrieval program that will allow the Authority to:

8 1. Retrieve durable medical equipment, purchased with Medicaid
9 funds, from the Medicaid consumers who no longer utilize the
10 equipment; and

Donate such equipment to community-based programs that will
 distribute the equipment to individuals who are disabled or elderly.

B. The Oklahoma Health Care Authority Board shall promulgate
rules and establish procedures necessary to implement the program
established in this section.

16 C. For the purpose of this section, "durable medical equipment" 17 means equipment that is primarily and customarily used to serve a 18 medical purpose, can withstand repeated use and is appropriate for 19 use in the home.

20SECTION 8.AMENDATORY56 O.S. 2011, Section 1017.4, is21amended to read as follows:

22 Section 1017.4 A. The Oklahoma Health Care Authority is 23 directed to create a system of enrollment, Medicaid eligibility, and 24 certification for home- and community-based services provided by the

Req. No. 5151

1 ADvantage Waiver Program that provides for presumptive Medicaid 2 eligibility and certification that is the same as that which exists 3 for nursing facilities as provided for in administrative rules 4 promulgated by the Oklahoma Health Care Authority Board. The system 5 shall facilitate the provision of home- and community-based services to persons at risk of placement in a nursing facility but who elect 6 7 to be served in a home- and community-based setting in lieu of nursing facility services. 8

9 B. The Department of Human Services is directed to make such
10 changes in its regulations, policies and procedures as are necessary
11 to implement the enrollment, Medicaid eligibility, and certification
12 requirements established pursuant to subsection A of this section.

13 С. The Oklahoma Health Care Authority shall develop and submit 14 for approval no later than November 1, 2011, applications for 15 waivers or amendments to waivers of applicable federal laws and 16 regulations as necessary to implement the provisions of the Oklahoma 17 Choices for Long-Term Care Act. Copies of all waivers submitted to 18 the United States Centers for Medicare and Medicaid Services shall 19 be provided to the Governor, the Speaker of the Oklahoma House of 20 Representatives and the President Pro Tempore of the Oklahoma State 21 Senate within ten (10) days of their submissions. Waivers and 22 amendments to waivers approved by the United States Centers for 23 Medicare and Medicaid Services as provided in this section shall be 24 provided to the Governor, the Speaker of the Oklahoma House of

Req. No. 5151

1 Representatives and the President Pro Tempore of the Oklahoma State 2 Senate within ten (10) days of their approval. The Oklahoma Health 3 Care Authority shall implement any waivers and amendments to waivers 4 approved by the United States Centers for Medicare and Medicaid 5 Services no later than January 1, 2012, or within sixty (60) days of their approval. The Oklahoma Health Care Authority shall report the 6 7 savings as the result of the Oklahoma Choices for Long-Term Care Act 8 each year in its annual report.

9 SECTION 9. AMENDATORY 56 O.S. 2011, Section 1017.5, is 10 amended to read as follows:

Section 1017.5 A. On or before January 1, 2012, the Oklahoma Health Care Authority shall initiate a Request for Proposal (RFP) which shall outline specific expectations and requirements of suppliers to competitively bid on administrative agent services for the ADvantage Waiver Program. The RFP shall comply with all requirements of The Oklahoma Central Purchasing Act related to state procurement.

18 The RFP shall:

Require outsourcing of administrative agent services for a
 period of one (1) year;

21 2. Outline minimum requirements;

3. Direct the Oklahoma Central Purchasing Office to award a
contract for administrative agent services;

4. Have a submission deadline of April 1, 2012;

Req. No. 5151

5. Provide that the administrative agent contract award be
 announced on May 15, 2012; and

3 6. Provide that the administrative agent contract awarded begin4 July 1, 2012.

5 Β. The State of Oklahoma shall not discriminate against suppliers from states or nations outside Oklahoma and shall 6 7 reciprocate the bidding preference given by other states or nations to suppliers domiciled in their jurisdictions for acquisitions 8 9 pursuant to The Oklahoma Central Purchasing Act. The state shall 10 give preference to a resident bidder over other state or foreign 11 bidders if goods or services provided in this state are equal in 12 price, fitness, availability or quality.

C. Suppliers shall be required to have comprehensive experience in the administration of a Medicaid home- and community-based service delivery system for elders in frail health and adults with disabilities. The administrative agent contract shall be awarded to one supplier based on qualification, merit and cost competiveness and evaluation criteria that include:

Qualifications and experience in providing similar services;
 Knowledge and technical competence;

3. Management, key personnel and other professional
 certifications;

23 4. Timeliness and responsiveness of services;

5. Detailed budget/costs; and

Req. No. 5151

6. Proposal for management and administration with detailed
 2 description of:

3	a.	administrative structures that shall be in place prior	
4		to contract implementation to support the scope of	
5		services,	
6	b.	processes and procedures for daily operations,	
7	с.	expected outcomes along with the performance measures	
8		used to measure the effectiveness of each function,	
9	d.	description of data collection methods and reporting	
10		mechanisms,	
11	e.	methods used to collaborate and communicate with	
12		members, service providers, local and state health and	
13		human service agencies, regulatory agencies, and other	
14		stakeholders, and	
15	f.	detailed description and supporting documentation of	
16		how each waiver assurance will be met.	
17	D. State	employees currently performing such function shall be	
18	allowed to co	mpete by submitting a bid to perform the administrative	
19	agency functi	ons required in the day-to-day operations of the	
20	ADvantage Waiver Program; provided, however, that any and all such		
21	bids shall be submitted to and certified by the Oklahoma Health Care		
22	Authority, wh	o shall for purposes of this section constitute the	

23 "agency" as such term is defined in the Oklahoma Privatization of 24 State Functions Act.

Req. No. 5151

E. The Oklahoma Health Care Authority Board shall promulgate rules and establish procedures necessary to implement the request for proposals and for the administration of the ADvantage Waiver Program pursuant to this section.

5 SECTION 10. AMENDATORY 63 O.S. 2011, Section 3250.9, is 6 amended to read as follows:

Section 3250.9 The <u>Administrator of the</u> Oklahoma Health Care
Authority Board shall submit an application for any waiver necessary
to authorize Medicaid supplements to hospital districts to the
extent permitted by federal law and pursuant to the Oklahoma
Community Hospitals Public Trust Authorities Act.

12 SECTION 11. AMENDATORY 63 O.S. 2011, Section 5000.24, is 13 amended to read as follows:

Section 5000.24 A. The Oklahoma Health Care Authority, following directives of and upon approval of the Health Care Financing Administration, is directed to implement a Medicaid Buy-In Program for persons with disabilities, if funds become available.
Components of such program shall include, but not be limited to:

Allowing individuals with disabilities who are sixteen (16)
 years of age and over, but under sixty-five (65) years of age, and
 who, except for earned income, would be eligible to receive
 Supplemental Security Income (SSI) benefits, regardless of whether
 they have ever received Supplemental Security Income (SSI) cash
 benefits, the option of purchasing Medicaid coverage that will

Req. No. 5151

1 enable individuals with disabilities to gain and/or maintain
2 employment and reduce their dependency on existing cash benefit
3 programs;

2. Removing work disincentives that inhibit individuals with
disabilities from engaging in work that is commensurate with their
abilities and capabilities;

7 3. Developing an infrastructure within and outside state
8 government that supports efforts to enhance employment opportunities
9 for individuals with disabilities; and

4. Ensuring meaningful input in the design, implementation, and
 evaluation of programs, policies, and procedures developed under
 such program by individuals with disabilities and other interested
 parties.

B. The Oklahoma Health Care Authority Board shall promulgate
any rules necessary to implement provisions of the Oklahoma Ticket
to Work and Work Incentives Improvement Act regarding the Medicaid
Buy-In Program.

18 SECTION 12. AMENDATORY 63 O.S. 2011, Section 5005, is
19 amended to read as follows:

20 Section 5005. For purposes of the Oklahoma Health Care 21 Authority Act:

22 1. "Administrator" means the chief executive officer of the 23 Authority;

24 2. "Authority" means the Oklahoma Health Care Authority;

Req. No. 5151

1

3. "Board" means the Oklahoma Health Care Authority Board;

4. "Health services provider" means health insurance carriers,
pre-paid health plans, hospitals, physicians and other health care
professionals, and other entities who contract with the Authority
for the delivery of health care services to state and education
employees and persons covered by the state Medicaid program; and

7 5. 4. "State-purchased health care" or "state-subsidized health care" means medical and health care, pharmaceuticals and medical 8 9 equipment purchased with or supported by state and federal funds 10 through the Oklahoma Health Care Authority, the Department of Mental 11 Health and Substance Abuse Services, the State Department of Health, 12 the Department of Human Services, the Department of Corrections, the 13 Department of Veterans Affairs, other state agencies administering 14 state-purchased or state-subsidized health care programs, the 15 Oklahoma State Regents for Higher Education, the State Board of 16 Education and local school districts.

17 SECTION 13. AMENDATORY 63 O.S. 2011, Section 5007, is
18 amended to read as follows:

Section 5007. A. There is hereby created the Oklahoma Health Care Authority Board <u>which shall be an advisory body to the</u> <u>Administrator of the Oklahoma Health Care Authority. All duties and</u> <u>powers of the Board shall be transferred to the Administrator. Any</u> <u>provision in statute that provides to the Board authority that is</u> <u>not advisory in nature shall be deemed to grant the duty or power to</u> 1 <u>the Administrator</u>. On and after July 1, 1994, as the terms of the 2 initially appointed members expire, the Board shall be composed of 3 seven <u>(7)</u> appointed members who shall serve for terms of four (4) 4 years and shall be appointed as follows:

5 1. Two members shall be appointed by the President Pro Tempore6 of the Senate;

7 2. Two members shall be appointed by the Speaker of the House8 of Representatives; and

9 3. Three members shall be appointed by the Governor. Two of10 the members appointed by the Governor shall be consumers.

11 Members appointed pursuant to this paragraph, with the Β. 12 exception of the consumer members, shall include persons having 13 experience in medical care, health care services, health care 14 delivery, health care finance, health insurance and managed health 15 care. Consumer members shall have no financial or professional 16 interest in medical care, health care services, health care 17 delivery, health finance, health insurance or managed care. In 18 making the appointments, the appointing authority shall also give 19 consideration to urban, rural, gender and minority representation. 20 C. 1. As the terms of office of members appointed before July 21 1, 1995, expire, appointments made on or after July 1, 1995, shall 22 be subject to the following requirements:

a. One member appointed by the Governor shall be a
 resident of the First Congressional District. The

Req. No. 5151

term of office of the member appointed by the Governor and serving as of the effective date of this act shall expire on September 1, 2003 \div_{I}

- 4 b. One member appointed by the President Pro Tempore of 5 the Senate shall be a resident of the Second Congressional District and a consumer. The term of 6 7 office of the member appointed by the President Pro Tempore of the Senate and serving as of the effective 8 9 date of this act shall expire on September 1, 1999+, 10 с. One member appointed by the President Pro Tempore of 11 the Senate shall be a resident of the Third Congressional District. The term of office of the 12 13 member appointed by the President Pro Tempore of the 14 Senate and serving as of the effective date of this 15 act shall expire on September 1, 2004;,
- 16 d. One member appointed by the Speaker of the House of 17 Representatives shall be a resident of the Fourth 18 Congressional District. The term of office of the 19 member appointed by the Speaker of the House of 20 Representatives and serving as of the effective date 21 of this act shall expire on September 1, 2001;, 22 One member appointed by the Speaker of the House of e. 23 Representatives shall be a resident of the Fifth 24 Congressional District and a consumer. The term of

Req. No. 5151

1

2

3

1office of the member appointed by the Speaker of the2House of Representatives and serving as of the3effective date of this act shall expire on September41, 1998; .

5 f. One member appointed by the Governor shall be a resident of the Sixth Congressional District and a 6 7 consumer. The term of office of the member appointed by the Governor and serving as of the effective date 8 9 of this act shall expire on September 1, 2000;, and 10 The second consumer member appointed by the Governor g. 11 shall be appointed at large. The term of office of 12 the member appointed by the Governor and serving as of 13 the effective date of this act shall expire on 14 September 1, 2002.

15 2. Appointments made subsequent to the effective date of this 16 act shall not be restricted to any particular congressional 17 district. Appointments made after July 1 of the year in which a 18 redrawing of a congressional district becomes effective shall be 19 from the state at large. However, no appointments may be made after 20 July 1 of the year in which such modification becomes effective if 21 such appointment would result in more than two members serving from 22 the same modified district.

D. The terms of the members serving on the Board as of the
effective date of this act shall expire on September 1 of the year

Req. No. 5151

1 in which the respective terms expire. Thereafter, as new terms begin, members shall be appointed to four-year staggered terms which 2 shall expire on September 1. Should a member serve less than a 3 four-year term, the term of office of the member subsequently 4 5 appointed shall be for the remainder of the four-year term. E. On and after July 1, 1994, any subsequently appointed 6 7 administrator of the Authority shall be appointed by the Board. The administrator shall have the training and experience necessary for 8 9 the administration of the Authority, as determined by the Board, 10 including, but not limited to, prior experience in the 11 administration of managed health care. The administrator shall 12 serve at the pleasure of the Board. 13 F. The Board Administrator shall have the power and duty to: 14 Establish the policies of the Oklahoma Health Care 1. 15 Authority; 16 2. Appoint the Administrator of the Authority; 17 3. Adopt and promulgate rules as necessary and appropriate to 18 carry out the duties and responsibilities of the Authority. The 19 Board Administrator shall be the rulemaking body for the Authority; 20 and 21 4. 3. Adopt, publish and submit by January 1 of each year to 22 the Governor, the President Pro Tempore of the Senate, and the

24 policies and the business plan for that year. All actions governed

Speaker of the House of Representatives appropriate administrative

Req. No. 5151

23

1 by said administrative policies and annual business plan shall be 2 examined annually in an independent audit.

3 G. 1. F. A vacancy in a position shall be filled in the same
4 manner as provided in subsection A of this section.

2. A majority of the members of the Board shall constitute a
quorum for the transaction of business and for taking any official
action. Official action of the Board must have a favorable vote by
a majority of the members present.

9 3. Members appointed pursuant to subsection A of this section 10 shall serve without compensation but shall be reimbursed for 11 expenses incurred in the performance of their duties in accordance

12 | with the State Travel Reimbursement Act.

H. G. The Board and the Authority shall act in accordance with the provisions of the Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the Administrative Procedures Act.

16 SECTION 14. AMENDATORY 63 O.S. 2011, Section 5008, is
17 amended to read as follows:

Section 5008. A. The Administrator of the <u>Oklahoma Health Care</u> Authority shall have the training and experience necessary for the administration of the Authority, as determined by the Oklahoma Health Care Authority Board, including, but not limited to, prior experience in the administration of managed health care. The Administrator shall <u>be appointed by the Governor, with the advice</u> and consent of the Senate, and shall serve at the pleasure of the

Req. No. 5151

1 Board Governor and may be removed or replaced without cause. 2 Compensation for the Administrator shall be determined pursuant to 3 Section 3601.2 of Title 74 of the Oklahoma Statutes. 4 Β. The Administrator of the Oklahoma Health Care Authority 5 shall be the chief executive officer of the Authority and shall act for the Authority in all matters except as may be otherwise provided 6 7 by law. The powers and duties of the Administrator shall include but not be limited to: 8 9 1. Supervision of the activities of the Authority; 10 2. Formulation and recommendation of rules for approval or 11 rejection by the Oklahoma Health Care Authority Board and 12 enforcement of rules and standards promulgated by the Board 13 Authority; 14 3. Preparation of the plans, reports and proposals required by 15 the Oklahoma Health Care Authority Act, Section 5003 et seq. of this

title, other reports as necessary and appropriate, and an annual 17 budget for the review and approval of the Board Authority;

18 Employment of such staff as may be necessary to perform the 4. 19 duties of the Authority including but not limited to an attorney to 20 provide legal assistance to the Authority for the state Medicaid 21 program; and

22 5. Establishment of a contract bidding process which: 23 encourages competition among entities contracting with a.

24 the Authority for state-purchased and state-subsidized

Req. No. 5151

16

1 health care; provided, however, the Authority may make 2 patient volume adjustments to any managed care plan 3 whose prime contractor is a state-sponsored, 4 nationally accredited medical school. The Authority 5 may also make education or research supplemental payments to state-sponsored, nationally accredited 6 7 medical schools based on the level of participation in any managed care plan by managed care plan 8 9 participants,

10 b. coincides with the state budgetary process, and

c. specifies conditions for awarding contracts to any
 insuring entity.

C. The Administrator may appoint advisory committees as
necessary to assist the Authority with the performance of its duties
or to provide the Authority with expertise in technical matters.
SECTION 15. AMENDATORY 63 O.S. 2011, Section 5015.1, is

17 amended to read as follows:

Section 5015.1 A. The <u>Administrator of the</u> Oklahoma Health Care Authority Board shall establish a legal division or unit in the Oklahoma Health Care Authority. The Administrator of the Oklahoma Health Care Authority may employ attorneys as needed, which may be on full-time and part-time basis. Provided the Oklahoma Health Care Authority shall not exceed the authorized full-time equivalent limit for attorneys as specified by the Legislature in the appropriations

Req. No. 5151

bill for the Authority. Except as otherwise provided by this
 section, such attorneys, in addition to advising the Board,
 Administrator and Authority personnel on legal matters, may appear
 for and represent the Board, Administrator and Authority in legal
 actions and proceedings.

B. The Legislature shall establish full-time-equivalent limitsfor attorneys employed by the Oklahoma Health Care Authority.

C. It shall continue to be the duty of the Attorney General to 8 9 give official opinions to the Board, Administrator and Authority, 10 and to prosecute and defend actions therefor, if requested to do so. 11 The Attorney General may levy and collect costs, expenses of 12 litigation and a reasonable attorney fee for such legal services 13 from the Authority. The Attorney General is authorized to levy and 14 collect costs, expenses and fees which exceed the costs associated with the salary and benefits of one attorney FTE position per fiscal 15 16 year.

D. The Board, Administrator or Authority shall not contract for representation by private legal counsel unless approved by the Attorney General. Such contract for private legal counsel shall be in the best interests of the state.

E. 1. The Attorney General shall be notified by the Board Administrator or its counsel for the Administrator of all lawsuits against the Authority, its officers or employees that seek injunctive relief which would impose obligations requiring the

Req. No. 5151

expenditure of funds in excess of unencumbered monies in the
 agency's appropriations or beyond the current fiscal year.

3 2. The Attorney General shall review any such cases and may 4 represent the interests of the state, if the Attorney General 5 considers it to be in the best interest of the state to do so, in which case the Attorney General shall be paid as provided in 6 7 subsection C of this section. Representation of multiple defendants in such actions may, at the discretion of the Attorney General, be 8 9 divided with counsel for the Board, Administrator and Authority as necessary to avoid conflicts of interest. 10

SECTION 16. AMENDATORY 63 O.S. 2011, Section 5017, as amended by Section 524, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2018, Section 5017), is amended to read as follows:

14 Section 5017. There is hereby created in the State Treasury a 15 fund for the Oklahoma Health Care Authority to be designated the 16 "Oklahoma Health Care Authority Federal Disallowance Fund". The 17 fund shall be a continuing fund, not subject to fiscal year 18 limitations. It shall consist of monies received by the Oklahoma 19 Health Care Authority which, in the opinion of the Administrator of 20 the Oklahoma Health Care Authority Board, may be subject to federal 21 disallowances and interest which may accrue on said receipts. All 22 monies accruing to the credit of said fund are hereby appropriated 23 and may be budgeted and expended by the Oklahoma Health Care 24 Authority at the discretion of the Oklahoma Health Care Authority

Req. No. 5151

Board Administrator for eventual settlement of the appropriate pending disallowances. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

6 The Administrator of the Oklahoma Health Care Authority may 7 request the Director of the Office of Management and Enterprise 8 Services to transfer monies between the Oklahoma Health Care 9 Authority Federal Disallowance Fund and any other fund of the 10 authority, as needed for the expenditure of funds.

SECTION 17. AMENDATORY 63 O.S. 2011, Section 5020, as amended by Section 525, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2018, Section 5020), is amended to read as follows:

14 Section 5020. There is hereby created in the State Treasury a 15 fund for the Oklahoma Health Care Authority to be designated the 16 "Oklahoma Health Care Authority Medicaid Program Fund". The fund 17 shall be a continuing fund, not subject to fiscal year limitations. 18 All monies accruing to the credit of said fund are hereby 19 appropriated and may be budgeted and expended by the Oklahoma Health 20 Care Authority at the discretion of the Oklahoma Health Care 21 Authority Board Administrator. Expenditures from said fund shall be 22 made upon warrants issued by the State Treasurer against claims 23 filed as prescribed by law with the Director of the Office of 24 Management and Enterprise Services for approval and payment.

Req. No. 5151

The Administrator of the Oklahoma Health Care Authority may
 request the Director of the Office of Management and Enterprise
 Services to transfer monies between the Oklahoma Health Care
 Authority Medicaid Program Fund and any other fund of the Authority,
 as needed for the expenditure of funds.

6 SECTION 18. AMENDATORY 63 O.S. 2011, Section 5024, is 7 amended to read as follows:

Section 5024. A. 1. Effective July 1, 2001, the Oklahoma 8 9 Health Care Authority is authorized to offer to eligible contracted 10 incorporated physician providers, elective income deferral programs 11 which can result in federal income tax advantages and other 12 advantages to such providers and their employees. These deferral 13 programs shall take into account present and future provisions of 14 the United States Internal Revenue Code which now or in the future might have the beneficial effect of magnifying the after-tax value 15 16 payments made by the state to incorporated physician providers.

17 2. The Oklahoma Health Care Authority may adopt a plan that 18 provides for the investment of deferral amounts in life insurance or 19 annuity contracts which offer a choice of underlying investment 20 options. Contract-issuing companies shall be limited to companies 21 that are licensed to do business in this state.

3. As a condition of participation in these income deferral
programs, all participating incorporated physician providers shall
be subject to provisions for forfeiture of benefits for failure to

maintain in force a Medicaid provider agreement and to furnish
 services to Medicaid recipients for a specified duration.

B. The Oklahoma Health Care Authority may consult with the
State Treasurer and the Attorney General of the state for advice in
establishing the program.

C. The Oklahoma Health Care Authority Board shall have the
authority to promulgate rules regarding the operation of the
program.

9 SECTION 19. AMENDATORY 63 O.S. 2011, Section 5026, is 10 amended to read as follows:

11 Section 5026. A. The Oklahoma Health Care Authority Board 12 shall, in administering the Medicaid prescription drug program, 13 utilize the following definition for "phenylketonuria" to mean: An 14 inborn error of metabolism attributable to a deficiency of or a defect in phenylalanine hydroxylase, the enzyme that catalyzes the 15 16 conversion of phenylalanine to tyrosine. The deficiency permits the 17 accumulation of phenylalanine and its metabolic products in the body 18 fluids. The deficiency can result in mental retardation 19 (phenylpyruvic oligophrenia), neurologic manifestations (including 20 hyperkinesia, epilepsy, and microcephaly), light pigmentation, and 21 eczema. The disorder is transmitted as an autosomal recessive trait 22 and can be treated by administration of a diet low in phenylalanine. 23 The Oklahoma Health Care Authority Board shall promulgate Β. 24 any rules necessary to effectuate the provisions of this section.

Req. No. 5151

1SECTION 20.AMENDATORY63 O.S. 2011, Section 5027, is2amended to read as follows:

Section 5027. A. As used in this section "health care district" means a subordinate health care entity that better promotes efficient administration of health care service delivery for counties with a population of one hundred thousand (100,000) or less to eligible persons in this state.

8

B. A locally designated health care district shall:

9 1. Coordinate the delivery of health care services in local
10 jurisdictions such as municipalities and counties; provided,
11 however, jurisdictions containing multiple areas shall be contiguous
12 and shall possess commonality as it relates to need;

Be authorized to adjust Medicaid provider rates above the
 state minimum established by the Oklahoma Health Care Authority;

3. Be authorized to contract with employer-sponsored health plans or private health plans to provide services to Medicaid and indigent beneficiaries; and

Be authorized to expand health care services or health care
 providers within health care districts.

C. Health care districts may be established by local communities wherein locally generated tax dollars are received for the benefit of local hospitals or other local health care services. The districts shall have the same boundaries as the area over which the locally assessed tax is levied.

Req. No. 5151

D. Health care districts may be established by the governing boards of the hospitals located within the area over which the locally assessed tax for the benefit of the local hospital or other local health care service is levied. The governing board of the hospital shall be the governing board of the local health care district.

7 E. 1. Each health care district may certify to the Oklahoma
8 Health Care Authority the amount of funds generated by tax
9 assessment within the health care district for the benefit of the
10 local hospital or other local health care services.

11 2. The Authority shall submit such information to the Centers 12 for Medicare and Medicaid Services (CMS) for the purpose of applying 13 for federal matching funds. The Authority shall submit any 14 necessary applications for waivers to accomplish the provisions of 15 this act.

16 F. The Oklahoma Health Care Authority Board is hereby directed 17 to promulgate rules to enact the provisions of this section. The 18 rules shall, at a minimum, address:

Internal establishment of local health care district
 accounts within the Authority including, but not limited to,
 procedures for remitting funds out of such accounts back to the
 local health care district; and

23 2. Methods for certifying funds for each local health care24 district and for reporting such amounts to the Centers for Medicare

Req. No. 5151

and Medicaid Services for federal matching purposes. The revenue
 for each health care district account shall consist of federal
 matching dollars received for such certified funds.

The Oklahoma Health Care Authority shall apply for federal matching funds based on the amount of funds certified by the local health care district for such purposes. The Authority shall not reduce the amount of disbursements otherwise due to a health care district based on the health care district's receipt of the local area dedicated monies and any attributable federal matching funds; and

3. Procedures for continuing the Authority's claims payment
 function, pursuant to a draw-down process for funds, for each
 Medicaid service within the local health care district.

14 SECTION 21. AMENDATORY Section 1, Chapter 244, O.S.L. 15 2015 (63 O.S. Supp. 2018, Section 5028), is amended to read as 16 follows:

Section 5028. A. The Oklahoma Health Care Authority shall initiate requests for proposals for care coordination models for aged, blind and disabled persons. Care coordination models for members receiving institutional care shall be phased in two (2) years after the initial enrollment period of a care coordination program.

B. The Oklahoma Health Care Authority Board shall promulgate
rules to implement the provisions of this act.

Req. No. 5151

1 SECTION 22. AMENDATORY Section 1, Chapter 208, O.S.L.
2 2017 (63 O.S. Supp. 2018, Section 5028.1), is amended to read as
3 follows:

Section 5028.1 A. The Oklahoma Health Care Authority, with
assistance from the Department of Human Services and the Department
of Mental Health and Substance Abuse Services, shall initiate a
request for information for care coordination models for newborns
through children eighteen (18) years of age in the custody of the
Department of Human Services.

B. Any request for information shall require consideration of and incorporate efforts to continue the implementation of relevant initiatives as provided by the Master Settlement Agreement ("Pinnacle Plan") and administered by the Department of Human Services.

C. The Oklahoma Health Care Authority, with assistance from the Department of Human Services and the Department of Mental Health and Substance Abuse Services, shall provide a summary of the request for information responses to the President Pro Tempore of the Oklahoma State Senate, the Speaker of the Oklahoma House of Representatives and the Governor on or before January 1, 2018.

D. The Oklahoma Health Care Authority Board shall promulgate
rules to implement the provisions of this section.

- 23
- 24

Req. No. 5151

1 SECTION 23. AMENDATORY Section 1, Chapter 324, O.S.L.
2 2015 (63 O.S. Supp. 2018, Section 5029), is amended to read as
3 follows:

4 Section 5029. A. The Oklahoma Health Care Authority shall 5 coordinate with domestic violence sexual assault programs certified by the Office of the Attorney General who provide counseling 6 services for victims of domestic violence to ensure that any 7 information relating to billing or explanation of benefits (EOB) 8 9 provided, maintained, monitored or otherwise handled by the 10 Authority or any other state agency including, but not limited to, 11 services rendered by such facilities, is not sent by paper mail to 12 the actual physical address of persons receiving such services.

B. The Oklahoma Health Care Authority Board shall promulgate
rules to implement the provisions of this act.

15 SECTION 24. AMENDATORY 63 O.S. 2011, Section 5030.1, is
16 amended to read as follows:

Section 5030.1 A. There is hereby created within the Oklahoma Health Care Authority the Medicaid Drug Utilization Review Board, which shall be responsible for the development, implementation and assessment of retrospective and prospective drug utilization programs under the direction of the Authority.

B. The Medicaid Drug Utilization Review Board shall consist of ten (10) members appointed by the administrator of the Authority as follows:

Req. No. 5151

Four physicians, licensed and actively engaged in the
 practice of medicine or osteopathic medicine in this state, of
 which:

- a. three shall be physicians chosen from a list of not
 less than six names submitted by the Oklahoma State
 Medical Association, and
- b. one shall be a physician chosen from a list of not
 less than two names submitted by the Oklahoma
 Osteopathic Association;

10 2. Four licensed pharmacists actively engaged in the practice 11 of pharmacy, chosen from a list of not less than six names submitted 12 by the Oklahoma Pharmaceutical Association;

3. One person representing the lay community, who shall not be a physician or a pharmacist, but shall be a health care professional with recognized knowledge and expertise in at least one of the following:

a. clinically appropriate prescribing of covered
outpatient drugs,

b. clinically appropriate dispensing and monitoring of
 covered outpatient drugs,

21 c. drug use review, evaluation and intervention, and

d. medical quality assurance; and

4. One person representing the pharmaceutical industry who is a
resident of the State of Oklahoma, chosen from a list of not less

Req. No. 5151

1 than two names submitted by the Pharmaceutical Research and 2 Manufacturers of America. The member representing the 3 pharmaceutical industry shall be prohibited from voting on action 4 items involving drugs or classes of drugs.

5 C. Members shall serve terms of three (3) years, except that one physician, one pharmacist and the lay representative shall each 6 7 be initially appointed for two-year terms in order to stagger the terms. In making the appointments, the administrator shall provide, 8 9 to the extent possible, for geographic balance in the representation 10 on the Medicaid Drug Utilization Review Board. Members may be reappointed for a period not to exceed three three-year terms and 11 one partial term. Vacancies on the Medicaid Drug Utilization Review 12 13 Board shall be filled for the balance of the unexpired term from new 14 lists submitted by the entity originally submitting the list for the position vacated. 15

D. The Medicaid Drug Utilization Review Board shall elect from among its members a chair and a vice-chair who shall serve one-year terms, provided they may succeed themselves.

E. The proceedings of all meetings of the Medicaid Drug Utilization Review Board shall comply with the provisions of the Oklahoma Open Meeting Act and shall be subject to the provisions of the Administrative Procedures Act.

F. The Medicaid Drug Utilization Review Board may advise and
 make recommendations to the Authority regarding existing, proposed

Req. No. 5151

and emergency rules governing retrospective and prospective drug
 utilization programs. The Oklahoma Health Care Authority Board
 shall promulgate rules pursuant to the provisions of the
 Administrative Procedures Act for implementation of the provisions
 of this section.

6 SECTION 25. AMENDATORY 63 O.S. 2011, Section 5030.3, is 7 amended to read as follows:

8 Section 5030.3 A. The Medicaid Drug Utilization Review Board9 shall have the power and duty to:

Advise and make recommendations regarding rules promulgated
 by the Oklahoma Health Care Authority Board to implement the
 provisions of this act;

13 2. Oversee the development, implementation and assessment of a 14 Medicaid retrospective and prospective drug utilization review 15 program, including making recommendations regarding contractual 16 agreements of the Oklahoma Health Care Authority with any entity 17 involved in processing and reviewing Medicaid drug profiles for the 18 drug utilization review program in accordance with the provisions of 19 this act;

3. Develop and apply the criteria and standards to be used in retrospective and prospective drug utilization review. The criteria and standards shall be based on the compendia and federal Food and Drug Act approved labeling, and shall be developed with professional input;

Req. No. 5151

1 4. Provide a period for public comment on each meeting agenda. 2 As necessary, the Medicaid Drug Utilization Review Board may include 3 a public hearing as part of a meeting agenda to solicit public 4 comment regarding proposed changes in the prior authorization 5 program and the retrospective and prospective drug utilization review processes. Notice of proposed changes to the prior 6 7 authorization status of a drug or drugs shall be included in the monthly meeting agenda at least thirty (30) days prior to the 8 9 consideration or recommendation of any proposed changes in prior 10 authorization by the Medicaid Drug Utilization Review Board;

5. Establish provisions to timely reassess and, as necessary, revise the retrospective and prospective drug utilization review process;

6. Make recommendations regarding the prior authorization of prescription drugs pursuant to the provisions of Section 5 5030.5 of this act title; and

17 7. Provide members of the provider community with educational
18 opportunities related to the clinical appropriateness of
19 prescription drugs.

B. Any party aggrieved by a decision of the Oklahoma Health
Care Authority Board or the Administrator of the Oklahoma Health
Care Authority, pursuant to a recommendation of the Medicaid Drug
Utilization Review Board, shall be entitled to an administrative
hearing before the Oklahoma Health Care Authority Board chief

Req. No. 5151

1 <u>medical officer</u> pursuant to the provisions of the Administrative 2 Procedures Act.

3 SECTION 26. AMENDATORY 63 O.S. 2011, Section 5030.4, is 4 amended to read as follows:

5 Section 5030.4 1. A. The Medicaid Drug Utilization Review
6 Board shall develop and recommend to the <u>Administrator of the</u>
7 Oklahoma Health Care Authority Board a retrospective and prospective
8 drug utilization review program for medical outpatient drugs to
9 ensure that prescriptions are appropriate, medically necessary, and
10 not likely to result in adverse medical outcomes.

11 2. <u>B.</u> The retrospective and prospective drug utilization review 12 program shall be operated under guidelines established by the 13 Medicaid Drug Utilization Review Board as follows:

14

a.

<u>1.</u> The retrospective drug utilization review program shall be
 based on guidelines established by the Medicaid Drug Utilization
 Review Board using the mechanized drug claims processing and
 information retrieval system to analyze claims data in order to:

19 (1)

<u>a.</u> identify patterns of fraud, abuse, gross overuse or
 underuse, and inappropriate or medically unnecessary
 care,

23 (2)

24

1 assess data on drug use against explicit predetermined b. 2 standards that are based on the compendia and other 3 sources for the purpose of monitoring: 4 (a) (1) therapeutic appropriateness, (b) (2) overutilization or underutilization, 5 appropriate use of generic drugs, 6 (c) (3) 7 (d) (4) therapeutic duplication, 8 (e) (5) drug-disease contraindications, 9 (f) (6) drug-drug interactions, 10 (g) (7) incorrect drug dosage, 11 (h) (8) duration of drug treatment, and 12 (i) (9) clinical abuse or misuse, and 13 introduce remedial strategies in order to improve the (3) c. 14 quality of care and to conserve program funds or 15 personal expenditures. 16 b. (1)17 The prospective drug utilization review program shall 2. a. 18 be based on guidelines established by the Medicaid 19 Drug Utilization Review Board and shall provide that, 20 before a prescription is filled or delivered, a review 21 will be conducted by the pharmacist at the point of 22 sale to screen for potential drug therapy problems 23 resulting from: 24 (a) (1) therapeutic duplication,

1 drug-drug interactions, (b) (2) 2 incorrect drug dosage or duration of drug (c) (3) 3 treatment, drug-allergy interactions, and 4 (d) (4) 5 (c) (5) clinical abuse or misuse. (2) 6 7 In conducting the prospective drug utilization review, a С. pharmacist may not alter the prescribed outpatient drug therapy 8 9 without the consent of the prescribing physician or purchaser. 10 SECTION 27. AMENDATORY 63 O.S. 2011, Section 5030.5, as 11 last amended by Section 1, Chapter 306, O.S.L. 2015 (63 O.S. Supp. 12 2018, Section 5030.5), is amended to read as follows: 13 Section 5030.5 A. Except as provided in subsection F of this 14 section, any drug prior authorization program approved or 15 implemented by the Medicaid Drug Utilization Review Board shall meet 16 the following conditions: 17 1. The Medicaid Drug Utilization Review Board shall make note 18 of and consider information provided by interested parties, 19 including, but not limited to, physicians, pharmacists, patients, 20 and pharmaceutical manufacturers, related to the placement of a drug 21 or drugs on prior authorization; 22 2. Any drug or drug class placed on prior authorization shall 23 be reconsidered no later than twelve (12) months after such 24 placement;

Req. No. 5151

3. The program shall provide either telephone or fax approval
 or denial within twenty-four (24) hours after receipt of the prior
 authorization request; and

4 4. In an emergency situation, including a situation in which an
5 answer to a prior authorization request is unavailable, a seventy6 two-hour supply shall be dispensed, or, at the discretion of the
7 Medicaid Drug Utilization Review Board, a greater amount that will
8 assure a minimum effective duration of therapy for an acute
9 intervention.

B. In formulating its recommendations for placement of a drug
or drug class on prior authorization to the <u>Administrator of the</u>
Oklahoma Health Care Authority Board, the Medicaid Drug Utilization
Review Board shall:

Consider the potential impact of any administrative delay on
 patient care and the potential fiscal impact of such prior
 authorization on pharmacy, physician, hospitalization and outpatient
 costs. Any recommendation making a drug subject to placement on
 prior authorization shall be accompanied by a statement of the cost
 and clinical efficacy of such placement;

2. Provide a period for public comment on each meeting agenda.
 21 Prior to making any recommendations, the Medicaid Drug Utilization
 22 Review Board shall solicit public comment regarding proposed changes
 23 in the prior authorization program in accordance with the provisions
 24

Req. No. 5151

of the Oklahoma Open Meeting Act and the Administrative Procedures
 Act; and

3 3. Review Oklahoma-Medicaid-specific data related to
4 utilization criterion standards as provided in division (1) of
5 subparagraph b of paragraph 2 of Section 5030.4 of this title.

C. The Oklahoma Health Care Administrator of the Authority
Board may accept or reject the recommendations of the Medicaid Drug
Utilization Review Board in whole or in part, and may amend or add
to such recommendations.

10 D. The Oklahoma Health Care Authority shall immediately provide coverage under prior authorization for any new drug approved by the 11 12 United States Food and Drug Administration. If a new drug does not 13 fall in a class that is already placed under prior authorization, 14 that drug must be reviewed by the Drug Utilization Review Board 15 within one hundred (100) days of approval by the United States Food 16 and Drug Administration to determine whether to continue the prior 17 authorization criteria.

E. 1. Prior to a vote by the Medicaid Drug Utilization Review
Board to consider expansion of product-based prior authorization,
the Authority shall:

a. develop a written estimate of savings expected to
accrue from the proposed expansion, and
b. make the estimate of savings available, on request of
interested persons, no later than the day following

Req. No. 5151

1 the first scheduled discussion of the estimate by the 2 Medicaid Drug Utilization Review Board at a regularly 3 scheduled meeting.

2. The written savings estimate based upon savings estimate
assumptions specified by paragraph 3 of this subsection prepared by
the Authority shall include as a minimum:

7 a summary of all paid prescription claims for patients a. with a product in the therapeutic category under 8 9 consideration during the most recent month with 10 complete data, plus a breakdown, as available, of 11 these patients according to whether the patients are 12 residents of a long-term care facility or are 13 receiving Advantage Waiver program services, 14 current number of prescriptions, amount reimbursed and b. 15 trend for each product within the category under

consideration,

- c. average active ingredient cost reimbursed per day of
 therapy for each product and strength within the
 category under consideration,
- d. for each product and strength within the category
 under consideration, where applicable, the prevailing
 State Maximum Allowable Cost reimbursed per dosage
 unit,
- 24

16

1	e.	the anticipated impact of any patent expiration of any
2		product within the category under consideration
3		scheduled to occur within two (2) years from the
4		anticipated implementation date of the proposed prior
5		authorization expansion, and
6	f.	a detailed estimate of administrative costs involved
7		in the prior authorization expansion including, but
8		not limited to, the anticipated increase in petition
9		volume.
10	3. Savin	gs estimate assumptions shall include, at a minimum:
11	a.	the prescription conversion rate of products requiring
12		prior authorization (Tier II) to products not
13		requiring prior authorization (Tier I) and to other
14		alternative products,
15	b.	aggregated rebate amount for the proposed Tier I and
16		Tier II products within the category under
17		consideration,
18	с.	market shift of Tier II products due to other causes
19		including, but not limited to, patent expiration,
20	d.	Tier I to Tier II prescription conversion rate, and
21	e.	nature of medical benefits and complications typically
22		seen with products in this class when therapy is
23		switched from one product to another.
24		

1	4. The Medicaid Drug Utilization Review Board shall consider
2	prior authorization expansion in accordance with the following
3	Medicaid Drug Utilization Review Board meeting sequence:
4	a. first meeting: publish the category or categories to
5	be considered for prior authorization expansion in the
6	future business section of the Medicaid Drug
7	Utilization Review Board agenda,
8	b. second meeting: presentation and discussion of the
9	written estimate of savings,
10	c. third meeting: make formal notice in the agenda of
11	intent to vote on the proposed prior authorization
12	expansion, and
13	d. fourth meeting: vote on prior authorization
14	expansion.
15	F. The Medicaid Drug Utilization Review Board may establish
16	protocols and standards for the use of any prescription drug
17	determined to be medically necessary, proven to be effective and
18	approved by the United States Food and Drug Administration (FDA) for
19	the treatment and prevention of human immunodeficiency
20	virus/acquired immune deficiency syndrome (HIV/AIDS) without prior
21	authorization, except when there is a generic equivalent drug
22	available.
23	SECTION 28. AMENDATORY 63 O.S. 2011, Section 5051.4, is

24 amended to read as follows:

Req. No. 5151

1 Section 5051.4 The Oklahoma Health Care Authority is hereby 2 authorized to charge an enrollment fee and/or premium for the provision of health care coverage under the Oklahoma Medicaid 3 4 Program Reform Act of 2003. Such charges, if unpaid, create a debt 5 to the state and are subject to recovery by the Authority by any legal action against an enrollee, the heirs or next of kin of the 6 7 enrollee in the event of the death of the enrollee. The Authority may end coverage for the nonpayment of such enrollment and/or 8 9 premium pursuant to rules promulgated by the Oklahoma Health Care 10 Authority Board.

11 SECTION 29. AMENDATORY 63 O.S. 2011, Section 5051.5, is 12 amended to read as follows:

13 Section 5051.5 A. 1. On or after November 1, 2003, any entity 14 that provides health insurance in this state including, but not 15 limited to, a licensed insurance company, not-for-profit hospital 16 service, medical indemnity corporation, managed care organization, 17 self-insured plan, pharmacy benefit manager or other party that is, 18 by statute, contract, or agreement, legally responsible for payment 19 of a claim for a health care item or service is hereby required to 20 compare data from its files with data in files provided to the 21 entity by the Oklahoma Health Care Authority and accept the 22 Authority's right of recovery and the assignment of rights and not 23 charge the Authority or any of its authorized agents any fees for 24 the processing of claims or eligibility requests. Data files

Req. No. 5151

1 requested by or provided to the Authority shall provide the 2 Authority with eligibility and coverage information that will enable 3 the Authority to determine the existence of third party coverage for 4 Medicaid recipients and the necessary information to determine 5 during what period Medicaid recipients may be or may have been covered by the health insurer and the nature of the coverage that is 6 7 or was provided, including the name, address, and identifying number of the plan. 8

9 2. The insurer shall transmit to the Authority, in a manner 10 prescribed by the Centers for Medicare and Medicaid Services or as 11 agreed between insurer and the Authority, an electronic file of all 12 identified subscribers or policyholders, or their dependents, for 13 whom there is data corresponding to the information contained in 14 subsection C of this section.

B. 1. An insurer shall comply with a request under the provisions of this subsection no later than sixty (60) days after the date of transmission by the Authority and shall only be required to provide the Authority with the information required by subsection C of this section.

20 2. The Authority may make such request for data from an insurer 21 no more than once every six (6) months, as determined by the date of 22 the Authority's original request.

C. Each insurer shall maintain a file system containing the
name, address, group policy number, coverage type, Social Security

Req. No. 5151

1 number, and date of birth of each subscriber or policyholder, and 2 each dependent of the subscriber or policyholder covered by the 3 insurer, including policy effective and termination dates, claim 4 submission address, and employer's mailing address.

5 D. The Oklahoma Health Care Authority Board shall promulgate 6 rules governing the exchange of information under this section. 7 Such rules shall be consistent with all laws relating to the 8 confidentiality or privacy of personal information or medical 9 records including, but not limited to, provisions under the federal 10 Health Insurance Portability and Accountability Act (HIPAA).

11 SECTION 30. AMENDATORY 63 O.S. 2011, Section 5052, is 12 amended to read as follows:

Section 5052. A. Any applicant or recipient, adversely affected by a decision of the Oklahoma Health Care Authority on benefits or services provided pursuant to the provisions of this title, shall be afforded an opportunity for a hearing pursuant to the provisions of subsection B of this section after such applicant or recipient has been notified of the adverse decision of the Authority.

B. 1. Upon timely receipt of a request for a hearing as
specified in the notice of adverse decision and exhaustion of other
available administrative remedies, the Authority shall hold a
hearing pursuant to the provisions of rules promulgated by the
Oklahoma Health Care Authority Board pursuant to this section.

Req. No. 5151

2. The record of the hearing shall include, but shall not be
 2 limited to:

all pleadings, motions, and intermediate rulings, 3 a. evidence received or considered, 4 b. 5 с. any decision, opinion, or report by the officer presiding at the hearing, and 6 7 all staff memoranda or data submitted to the hearing d. officer or members of the agency in connection with 8 9 their consideration of the case.

Oral proceedings shall be electronically recorded by the
 Authority. Any party may request a copy of the tape recording of
 such person's administrative hearing or may request a transcription
 of the tape recording to comply with any federal or state law.

14 Any decision of the Authority after such a hearing pursuant С. 15 to subsection B of this section shall be subject to review by the 16 Administrator of the Oklahoma Health Care Authority upon a timely 17 request for review by the applicant or recipient. The Administrator 18 shall issue a decision after review. A hearing decision of the 19 Authority shall be final and binding unless a review is requested 20 pursuant to the provisions of this subsection. The decision of the 21 Administrator may be appealed to the district court in which the 22 applicant or recipient resides within thirty (30) days of the date 23 of the decision of the Administrator as provided by the provisions 24 of subsection D of this section.

Req. No. 5151

1	D. Any applicant or recipient under this title who is aggrieved
2	by a decision of the Administrator rendered pursuant to this section
3	may petition the district court in which the applicant or recipient
4	resides for a judicial review of the decision pursuant to the
5	provisions of Sections 318 through 323 of Title 75 of the Oklahoma
6	Statutes. A copy of the petition shall be served by mail upon the
7	general counsel of the Authority.
8	SECTION 31. REPEALER 63 O.S. 2011, Section 5007.1, is
9	hereby repealed.
10	SECTION 32. This act shall become effective July 1, 2019.
11	SECTION 33. It being immediately necessary for the preservation
12	of the public peace, health or safety, an emergency is hereby
13	declared to exist, by reason whereof this act shall take effect and
14	be in full force from and after its passage and approval.
15	
16	57-1-5151 ST 01/06/19
17	
18	
19	
20	
21	
22	
23	
24	