

1 ENGROSSED HOUSE
2 BILL NO. 1552

By: McCullough of the House

3 and

4 Griffin of the Senate

5
6
7 [Medicaid - managed care program - managed care
8 plans - long-term care managed care program -
9 effective date]
10
11

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 As used in this act, the following definitions apply:

17 1. "Authority" means the Oklahoma Health Care Authority;

18 2. "Managed care plan" means a health insurer, specialty plan,
19 health maintenance organization authorized under the Oklahoma
20 Insurance Code, or a Medicaid-authorized provider service network
21 under contract with the Authority to provide services in the
22 Medicaid program;

23 3. "Prepaid plan" means a managed care plan that is licensed or
24 certified as a risk-bearing entity or is an approved provider

1 service network, and is paid a prospective per-member, per-month
2 payment by the Authority;

3 4. "Provider service network" means an Authority-approved
4 entity of which a controlling interest is owned by a health care
5 provider, or group of affiliated providers, or a public agency or
6 entity that delivers health services. Health care providers include
7 state-licensed health care professionals or licensed health care
8 facilities, federally qualified health care centers, and home health
9 care agencies;

10 5. "Specialty plan" means a managed care plan that serves
11 Medicaid recipients who meet specified criteria based on age,
12 medical condition, or diagnosis;

13 6. "Comprehensive long-term care plan" means a managed care
14 plan, provider-sponsored organization, health maintenance
15 organization, or coordinated care plan, that provides long-term care
16 services as outlined in this act;

17 7. "Long-term care plan" means a managed care plan that
18 provides the services described in this act for the long-term care
19 managed care program; and

20 8. "Long-term care provider service network" means a provider
21 service network a controlling interest of which is owned by one or
22 more licensed nursing homes, assisted living facilities with
23 seventeen or more beds, home health agencies, community care for the
24 elderly lead agencies, or hospices.

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

4 The Medicaid program is established as a statewide, integrated
5 managed care program for all covered services, including long-term
6 care services. The Authority shall apply for and implement both a
7 1932(a) Medicaid State Plan Amendment and a 1915(b) Medicaid waiver
8 as necessary to implement the program. Before submitting the waiver
9 or state plan amendment, the Authority shall provide public notice
10 and the opportunity for public comment and include public feedback
11 to the U.S. Department of Health and Human Services.

12 SECTION 3. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1011.14 of Title 56, unless
14 there is created a duplication in numbering, reads as follows:

15 A. Services in the Medicaid managed care program shall be
16 provided by managed care plans that are capable of coordinating
17 and/or delivering all covered services to enrollees.

18 B. The Authority shall select managed care plans to participate
19 in the Medicaid program using invitations to negotiate. The
20 procurement method must give the state the most flexibility and
21 broadest power to negotiate value and provide potential bidder the
22 most flexibility to innovate. Separate and simultaneous
23 procurements shall be conducted in each region to be established by
24 the Authority.

1 C. The Authority shall consider quality factors in the
2 selection of managed care plans, including:

- 3 1. Accreditation by a nationally recognized accrediting body;
- 4 2. Documentation of policies and procedures for preventing
5 fraud and abuse;
- 6 3. Experience serving, and achieving quality standards for,
7 similar populations;
- 8 4. Availability/accessibility of primary and specialty care
9 physicians in the network; and
- 10 5. Provision of additional benefits, particularly dental care
11 and disease management, and other initiatives that improve health
12 outcomes.

13 D. After negotiations are conducted, the Authority shall select
14 the managed care plans that are determined to be responsive and
15 provide the best value to the state. Preference shall be given to
16 plans that have signed contracts with primary and specialty
17 physicians in sufficient numbers to meet the specific standards
18 established pursuant to this act.

19 E. To ensure managed care plan participation in all regions,
20 the Authority shall award an additional contract in a more populous
21 region to each plan with a contract award in a more rural region.
22 If a plan terminates its contract in a more rural region, the
23 additional contract in the more populous region is automatically
24 terminated in one hundred eighty (180) days. The plan must also

1 reimburse the Authority for the cost of enrollment changes and other
2 transition activities.

3 F. The Authority may not execute contracts with managed care
4 plans at payment rates not supported by the General Appropriations
5 Act.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 1011.15 of Title 56, unless
8 there is created a duplication in numbering, reads as follows:

9 A. The Authority shall select managed care plans through the
10 procurement process described in this act.

11 B. Participation by specialty plans is subject to the
12 procurement requirements in this act. The enrollment of a specialty
13 plan in a region may not exceed ten percent (10%) of the enrollees
14 of that region. However, a specialty plan whose target population
15 includes no more than ten percent (10%) of the enrollees of that
16 region is not subject to the regional plan number limits of this
17 section.

18 C. Participation by a Medicare Advantage Preferred Provider
19 Organization, Medicare Advantage Provider-Sponsored Organization,
20 Medicare Advantage Health Maintenance Organization, Medicare
21 Advantage Coordinated Care Plan, or Medicare Advantage Special Needs
22 Plan is not subject to the procurement requirements if the plan's
23 Medicaid enrollees consist exclusively of dually eligible recipients
24 who are enrolled in the plan in order to receive Medicare benefits.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1011.16 of Title 56, unless
3 there is created a duplication in numbering, reads as follows:

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

9 B. The Authority shall establish such contract requirements as
10 are necessary for the operation of the statewide managed care
11 program. In addition to any other provisions the Authority may deem
12 necessary, the contract must require:

13 1. Physician compensation: Managed care plans are expected to
14 coordinate care, manage chronic disease, and prevent the need for
15 more costly services. Effective care management should enable plans
16 to redirect available resources and increase compensation for
17 physicians;

18 2. Hospital compensation: Managed care plans and hospitals
19 shall negotiate mutually acceptable rates, methods, and terms of
20 payment. Payment rates may be updated periodically;

21 3. Access:

22 a. The Authority shall establish specific, population-
23 based standards for the number, type, and regional
24 distribution of providers in managed care plan

1 networks to ensure access to care for both adults and
2 children. Consistent with standards established by
3 the Authority, provider networks may include providers
4 located outside the region. Plans may limit the
5 providers in their networks based on credentials,
6 quality indicators, and price.

7 b. Each plan shall establish and maintain an accurate and
8 complete electronic database of contracted providers,
9 including information about licensure or registration,
10 locations and hours of operation, or specialty
11 credentials and other certifications. The database
12 must be available online to both the Authority and the
13 public and have the capability to compare the
14 availability of providers to network adequacy
15 standards and to accept and display feedback from each
16 provider's patients.

17 c. Each managed care plan must publish any prescribed
18 drug formulary or preferred drug list on the plan's
19 website in a manner that is accessible to and
20 searchable by enrollees and providers. The plan must
21 update the list within twenty-four (24) hours after
22 making a change. Each plan must ensure that the prior
23 authorization process for prescribed drugs is readily
24 accessible to health care providers, including posting

1 appropriate contact information on its website and
2 providing timely responses to providers;

3 4. Encounter data: The Authority shall maintain and operate a
4 Medicaid encounter data system to collect, process, store, and
5 report on covered services provided to all Medicaid recipients
6 enrolled in prepaid plans. The Authority shall make encounter data
7 available to those plans accepting enrollees who are assigned to
8 them from other plans leaving a region;

9 5. Continuous improvement: The Authority shall establish
10 specific performance standards and expected milestones or timelines
11 for improving performance over the term of the contract.

12 a. Each managed care plan shall establish an internal
13 health care quality improvement system, including
14 enrollee satisfaction and disenrollment surveys. The
15 quality improvement system must include incentives and
16 disincentives for network providers.

17 b. Each plan must collect and report Health Plan Employer
18 Data and Information Set (HEDIS) measures, as
19 specified by the Authority. These measures must be
20 published on the plan's website in a manner that
21 allows recipients to reliably compare the performance
22 of plans. The Authority shall use the HEDIS measures
23 as a tool to monitor plan performance.

1 c. Each managed care plan must be accredited by the
2 National Committee for Quality Assurance, the Joint
3 Commission, or another nationally recognized
4 accrediting body, or have initiated the accreditation
5 process, within one (1) year after the contract is
6 executed;

7 6. Program integrity: Each managed care plan shall establish
8 program integrity functions and activities to reduce the incidence
9 of fraud and abuse, including, at a minimum:

10 a. a provider credentialing system and ongoing provider
11 monitoring,

12 b. procedures for reporting instances of fraud and abuse,
13 and

14 c. designation of a program integrity compliance officer;

15 7. Grievance resolution: Consistent with federal law, each
16 managed care plan shall establish and the Authority shall approve an
17 internal process for reviewing and responding to grievances from
18 enrollees. Each plan shall submit quarterly reports on the number,
19 description, and outcome of grievances filed by enrollees;

20 8. Penalties: Managed care plans will incur penalties for
21 withdrawal and enrollment reduction, failure to comply with
22 encounter data reporting requirements, and/or termination of a
23 regional contract due to noncompliance;

1 9. Prompt payment: Managed care plans shall comply with the
2 prompt payment requirements of the Oklahoma Insurance Code;

3 10. Electronic claims: Managed care plans, and their fiscal
4 agents or intermediaries, shall accept electronic claims in
5 compliance with federal standards; and

6 11. Itemized payment: Any claims payment to a provider by a
7 managed care plan, or by a fiscal agent or intermediary of the plan,
8 must be accompanied by an itemized accounting of the individual
9 claims included in the payment including, but not limited to, the
10 enrollee's name, the date of service, the procedure code, the amount
11 of reimbursement, and the identification of the plan on whose behalf
12 the payment is made.

13 C. The Authority is responsible for verifying the achieved
14 savings rebate for all Medicaid prepaid plans. The achieved savings
15 rebate is established by determining pretax income as a percentage
16 of revenues and applying the following income-sharing ratios:

17 1. One hundred percent (100%) of income, up to and including
18 five percent (5%) of revenue, shall be retained by the plan;

19 2. Fifty percent (50%) of income above five percent (5%) and up
20 to ten percent (10%) shall be retained by the plan, and the other
21 fifty percent (50%) refunded to the state; and

22 3. One hundred percent (100%) of income above ten percent (10%)
23 of revenue shall be refunded to the state.
24

1 D. Each managed care plan must accept any medically needy
2 recipient who selects or is assigned to the plan and provide that
3 recipient with continuous enrollment for twelve (12) months. After
4 the first month of qualifying as a medically needy recipient and
5 enrolling in a plan, and contingent upon federal approval, the
6 enrollee shall pay the plan a portion of the monthly premium equal
7 to the enrollee's share of the cost as determined by the Authority.
8 The Authority shall pay any remaining portion of the monthly
9 premium. Plans are not obligated to pay claims for medically needy
10 patients for services provided before enrollment in the plan.
11 Medically needy patients are responsible for payment of incurred
12 claims that are used to determine eligibility. Plans must provide a
13 grace period of at least ninety (90) days before disenrolling
14 recipients who fail to pay their shares of the premium.

15 SECTION 6. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 1011.17 of Title 56, unless
17 there is created a duplication in numbering, reads as follows:

18 A. Prepaid plans shall receive per-member, per-month payments
19 negotiated pursuant to the procurements described in this act.
20 Payments shall be risk-adjusted rates based on historical
21 utilization and spending data, projected forward and adjusted to
22 reflect the eligibility category, geographic area, and clinical risk
23 profile of the recipients. In negotiating rates with the plans, the
24 Authority shall consider any adjustments necessary to encourage

1 plans to use the most cost-effective modalities for treatment of
2 chronic disease.

3 B. Provider service networks may be prepaid plans and receive
4 per-member, per-month payments. The fee-for-service option shall be
5 available to a provider service network only for the first two (2)
6 years of its operation.

7 C. The Authority may not approve any plan request for a rate
8 increase unless sufficient funds to support the increase have been
9 authorized in the General Appropriations Act.

10 SECTION 7. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 1011.18 of Title 56, unless
12 there is created a duplication in numbering, reads as follows:

13 A. All Medicaid recipients shall be enrolled in a managed care
14 plan unless specifically exempted under this act. Each recipient
15 shall have a choice of plans and may select any available plan
16 unless that plan is restricted by contract to a specific population
17 that does not include the recipient. Medicaid recipients shall have
18 thirty (30) days in which to make a choice of plans.

19 B. The Authority shall implement a choice counseling system to
20 ensure recipients have timely access to accurate information on the
21 available plans. The counseling system shall include plan-to-plan
22 comparative information on benefits, provider networks, drug
23 formularies, quality measures, and other data points as determined
24 by the Authority. Choice counseling must be made available through

1 face-to-face interaction, on the Internet, by telephone, and in
2 writing and through other forms of relevant media. Materials must
3 be provided in a culturally relevant manner, consistent with federal
4 requirements. The Authority shall contract for any or all choice
5 counseling functions.

6 C. After a recipient has enrolled in a managed care plan, the
7 recipient shall have ninety (90) days to voluntarily disenroll and
8 select another plan. After ninety (90) days, no further changes may
9 be made except for good cause.

10 D. The Authority shall automatically enroll into a managed care
11 plan those Medicaid recipients who do not voluntarily choose a plan.
12 Except as otherwise outlined in this act, the Authority may not
13 engage in practices that are designed to favor one managed care plan
14 over another.

15 1. The Authority shall automatically enroll recipients in plans
16 that meet or exceed the performance or quality standards established
17 in this act, and may not automatically enroll recipients in a plan
18 that is deficient in those performance or quality standards.

19 2. If a specialty plan is available to accommodate a specific
20 condition or diagnosis of a recipient, the Authority shall assign
21 the recipient to that plan.

22 3. In the first year of the first contract term only, if a
23 recipient was previously enrolled in a plan that is still available
24 in the region, the Authority shall automatically enroll the

1 recipient in that plan unless an applicable specialty plan is
2 available.

3 4. A newborn of a mother enrolled in a plan at the time of the
4 child's birth shall be enrolled in the mother's plan. Upon birth,
5 such a newborn is deemed enrolled in the managed care plan,
6 regardless of the administrative enrollment procedures, and the
7 managed care plan is responsible for providing Medicaid services to
8 the newborn. The mother may choose another plan for the newborn
9 within ninety (90) days after the child's birth.

10 5. Otherwise, the Authority shall automatically enroll based on
11 the following criteria:

- 12 a. whether the plan has sufficient network capacity to
13 meet the needs of the recipients,
- 14 b. whether the recipient has previously received services
15 from one of the plan's primary care providers, and
- 16 c. whether primary care providers in one plan are more
17 geographically accessible to the recipient's residence
18 than those in other plans.

19 E. Recipients with access to private health care coverage shall
20 opt out of all managed care plans and use Medicaid financial
21 assistance to pay for his/her share of the cost in such coverage.
22 The amount of financial assistance provided for each recipient may
23 not exceed the amount of the Medicaid premium that would have been
24 paid to a managed care plan for that recipient. The Authority shall

1 seek federal approval to require Medicaid recipients with access to
2 employer-sponsored health care coverage to enroll in that coverage
3 and use Medicaid financial assistance to pay for the recipient's
4 share of the cost for such coverage. The amount of financial
5 assistance provided for each recipient may not exceed the amount of
6 the Medicaid premium that would have been paid to a managed care
7 plan for that recipient.

8 SECTION 8. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 1011.19 of Title 56, unless
10 there is created a duplication in numbering, reads as follows:

11 A. All Medicaid recipients shall receive covered services
12 through the statewide managed care program except for exempt
13 populations as outlined in Section 1932(a)(2) of the Social Security
14 Act. These exempt populations may voluntarily enroll in the
15 statewide managed care program. Populations who only receive
16 limited services from Medicaid shall not be included in the
17 statewide managed care program.

18 B. Participants in the medically needy program shall enroll in
19 managed care plans. Medically needy recipients shall meet the share
20 of the cost by paying the plan premium, up to the share of the cost
21 amount.

22 SECTION 9. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1011.20 of Title 56, unless
24 there is created a duplication in numbering, reads as follows:

- 1 A. Managed care plans shall cover, at a minimum, the following
2 services:
- 3 1. Advanced registered nurse practitioner services;
 - 4 2. Ambulatory surgical treatment center services;
 - 5 3. Birthing center services;
 - 6 4. Chiropractic services;
 - 7 5. Dental services;
 - 8 6. Early periodic screening diagnosis and treatment services
9 for recipients under age twenty-one (21);
 - 10 7. Emergency services;
 - 11 8. Family planning services and supplies (plans may elect not
12 to provide these services);
 - 13 9. Healthy start services;
 - 14 10. Hearing services;
 - 15 11. Home health agency services;
 - 16 12. Hospice services;
 - 17 13. Hospital inpatient services;
 - 18 14. Hospital outpatient services;
 - 19 15. Laboratory and imaging services;
 - 20 16. Medical supplies, equipment, prostheses, and orthoses;
 - 21 17. Mental health services;
 - 22 18. Nursing care;
 - 23 19. Optical services and supplies;
 - 24 20. Optometrist services;

- 1 21. Physical, occupational, respiratory, and speech therapy
- 2 services;
- 3 22. Physician services, including physician assistant services;
- 4 23. Podiatric services;
- 5 24. Prescription drugs;
- 6 25. Renal dialysis services;
- 7 26. Respiratory equipment and supplies;
- 8 27. Rural health clinic services;
- 9 28. Substance abuse treatment services; and
- 10 29. Transportation to access covered services.

11 B. Managed care plans may customize benefit packages for
12 nonpregnant adults, vary cost-sharing provisions, and provide
13 coverage for additional services. The Authority shall evaluate the
14 proposed benefit packages to ensure services are sufficient to meet
15 the needs of the plan's enrollees and to verify actuarial
16 equivalence.

17 C. Each plan operating in the managed care program shall
18 establish a program to encourage and reward healthy behaviors. At a
19 minimum, each plan must establish a medically approved smoking
20 cessation program, a medically directed weight loss program, and a
21 medically approved alcohol or substance abuse recovery program.
22 Each plan must identify enrollees who smoke, are morbidly obese, or
23 are diagnosed with alcohol or substance abuse in order to establish
24

1 written agreements to secure the enrollees' commitment to
2 participation in these programs.

3 SECTION 10. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1011.21 of Title 56, unless
5 there is created a duplication in numbering, reads as follows:

6 A. The Authority shall make payments for long-term care, home-
7 and community-based and residential services, and for primary and
8 acute medical assistance and related services for recipients
9 eligible for long-term care, using a managed care model.

10 B. The Aging Services Division of the Oklahoma Department of
11 Human Services shall assist the Authority in developing
12 specifications for the invitation to negotiate and the model
13 contract; determine clinical eligibility for enrollment in managed
14 long-term care plans; monitor plan performance and measure quality
15 of service delivery; assist clients and families to address
16 complaints with the plans; facilitate working relationships between
17 plans and providers serving elders and disabled adults; and perform
18 other functions specified in a memorandum of agreement.

19 SECTION 11. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 1011.22 of Title 56, unless
21 there is created a duplication in numbering, reads as follows:

22 A. Medicaid recipients who meet all of the following criteria
23 are eligible to receive long-term care services and must receive
24

1 long-term care services by participating in the long-term care
2 managed care program. The recipient must be:

3 1. Sixty-five (65) years of age or older, or eighteen (18)
4 years of age or older and eligible for Medicaid by reason of a
5 disability; or

6 2. Determined to require nursing facility care.

7 B. Medicaid recipients who, on the date long-term care managed
8 care plans become available in their region, reside in a nursing
9 home facility or are enrolled in an existing long-term care Medicaid
10 waiver program are eligible to participate in the long-term care
11 managed care program for up to twelve (12) months without being
12 reevaluated for their need for nursing facility care.

13 C. The Authority shall make offers for enrollment to eligible
14 individuals based on a wait-list prioritization and subject to
15 availability of funds. Before enrollment offers, the Authority
16 shall determine that sufficient funds exist to support additional
17 enrollment into plans.

18 SECTION 12. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1011.23 of Title 56, unless
20 there is created a duplication in numbering, reads as follows:

21 Long-term care plans shall, at a minimum, cover the following:

- 22 1. Nursing facility care;
23 2. Services provided in assisted living facilities;
24 3. Hospice;

- 1 4. Adult day care;
- 2 5. Medical equipment and supplies, including incontinence
- 3 supplies;
- 4 6. Personal care;
- 5 7. Home accessibility adaptation;
- 6 8. Behavior management;
- 7 9. Home-delivered meals;
- 8 10. Case management;
- 9 11. Therapies, including occupational, speech, respiratory, and
- 10 physical;
- 11 12. Intermittent and skilled nursing;
- 12 13. Medication administration;
- 13 14. Medication management;
- 14 15. Nutritional assessment and risk reduction;
- 15 16. Caregiver training;
- 16 17. Respite care;
- 17 18. Transportation; and
- 18 19. Personal emergency response system.

19 SECTION 13. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 1011.24 of Title 56, unless
21 there is created a duplication in numbering, reads as follows:

22 A. Provider service networks must be long-term care provider
23 service networks. Other eligible plans may be long-term care plans
24 or comprehensive long-term care plans.

1 B. The Authority shall select managed care plans through the
2 procurement process described in this act.

3 C. In addition to the criteria established in this act, the
4 Authority shall consider the following factors in the selection of
5 long-term care managed care plans:

6 1. Evidence of the employment of executive managers with
7 expertise and experience in serving aged and disabled persons who
8 require long-term care;

9 2. Whether a plan has established a network of service
10 providers dispersed throughout the region and in sufficient numbers
11 to meet specific service standards established by the Authority for
12 specialty services for persons receiving home- and community-based
13 care;

14 3. Whether a plan is proposing to establish a comprehensive
15 long-term care plan and whether the plan has a contract to provide
16 managed medical assistance services in the same region;

17 4. Whether a plan offers consumer-directed care services to
18 enrollees; and

19 5. Whether a plan is proposing to provide home- and community-
20 based services in addition to the minimum benefits required by this
21 act.

22 D. Participation by a Medicare Advantage Special Needs Plan is
23 not subject to the procurement requirements if the plan's Medicaid
24

1 enrollees consist exclusively of dually eligible recipients who are
2 enrolled in the plan in order to receive Medicare benefits.

3 SECTION 14. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1011.25 of Title 56, unless
5 there is created a duplication in numbering, reads as follows:

6 A. In addition to the requirements earlier in this act, plans
7 and providers participating in the long-term care managed care
8 program must comply with the requirements of this section.

9 B. Managed care plans may limit the providers in their networks
10 based on credentials, quality indicators, and price. Each selected
11 plan must offer a network contract to all the following providers in
12 the region:

- 13 1. Nursing homes;
- 14 2. Hospices; and
- 15 3. Aging network service providers that have previously
16 participated in home- and community-based waivers serving elders or
17 community-service programs administered by the Aging Services
18 Division of the Oklahoma Department of Human Services.

19 C. Except as provided in this section, providers may limit the
20 managed care plans they join. Nursing homes and hospices that are
21 enrolled Medicaid providers must participate in all managed care
22 plans selected by the Authority in the region in which the provider
23 is located.

24

1 D. Each managed care plan shall monitor the quality and
2 performance of each participating provider using measures adopted by
3 and collected by the Authority and any additional measures mutually
4 agreed upon by the provider and the plan.

5 E. The Authority shall establish and each managed care plan
6 must comply with specific standards for the number, type, and
7 regional distribution of providers in the plan's network.

8 F. Managed care plans and providers shall negotiate mutually
9 acceptable rates, methods, and terms of payment. Plans shall pay
10 nursing homes an amount equal to the nursing-facility-specific
11 payment rates set by the Authority; however, mutually acceptable
12 higher rates may be negotiated for medically complex care. Plans
13 must ensure that electronic nursing home and hospice claims that
14 contain sufficient information for processing are paid within ten
15 (10) business days after receipt.

16 SECTION 15. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 1011.26 of Title 56, unless
18 there is created a duplication in numbering, reads as follows:

19 A. In addition to the payment provisions in this act, the
20 Authority shall provide payment to plans in the long-term care
21 managed care program pursuant to this section.

22 B. Payment rates to plans shall be blended for some long-term
23 care services.

24

1 C. Payment rates for plans must reflect historic utilization
2 and spending for covered services projected forward and adjusted to
3 reflect the level-of-care profile for enrollees in each plan. The
4 Authority shall periodically adjust payment rates to account for
5 changes in the level-of-care profile for each managed care plan
6 based on encounter data.

7 1. Level-of-care 1 consists of recipients residing in or who
8 must be placed in a nursing home.

9 2. Level-of-care 2 consists of recipients at imminent risk of
10 nursing home placement, as evidenced by the need for the constant
11 availability of routine medical and nursing treatment and care, who
12 require extensive health-related care and services because of mental
13 or physical incapacitation.

14 3. Level-of-care 3 consists of recipients at imminent risk of
15 nursing home placement, as evidenced by the need for the constant
16 availability of routine medical and nursing treatment and care, who
17 have a limited need for health-related care and services and are
18 mildly medically or physically incapacitated.

19 D. The Authority shall make an incentive adjustment in payment
20 rates to encourage the increased utilization of home- and community-
21 based services and a commensurate reduction of institutional
22 placement. The incentive adjustment shall continue until no more
23 than thirty-five percent (35%) of the plan's enrollees are placed in
24 institutional settings. The Authority shall annually report to the

1 Legislature the actual change in the utilization mix of home- and
2 community-based services compared to institutional placements and
3 provide a recommendation for utilization mix requirements for future
4 contracts.

5 SECTION 16. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1011.27 of Title 56, unless
7 there is created a duplication in numbering, reads as follows:

8 A. The Authority shall automatically enroll into a long-term
9 care managed care plan those Medicaid recipients who do not
10 voluntarily choose a plan. Except as otherwise provided in this
11 act, the Authority may not engage in practices designed to favor one
12 managed care plan over another.

13 B. The Authority shall automatically enroll recipients in plans
14 that meet or exceed the performance or quality standards established
15 in this act, or by the Authority through contract, and may not
16 automatically enroll recipients in a plan that is deficient in those
17 performance or quality standards.

18 1. If a recipient is deemed dually eligible for Medicaid and
19 Medicare services and is currently receiving Medicare services from
20 a Medicare Advantage Preferred Provider Organization, Medicare
21 Advantage Provider-Sponsored Organization, or Medicare Advantage
22 Special Needs Plan, the Authority shall automatically enroll the
23 recipient in such plan for Medicaid services if the plan is
24 currently participating in the long-term care managed care program.

1 2. Otherwise, the Authority shall automatically enroll based on
2 the following criteria:

3 a. whether the plan has sufficient network capacity to
4 meet the needs of the recipients,

5 b. whether the recipient has previously received services
6 from one of the plan's home- and community-based
7 service providers, and

8 c. whether the home- and community-based providers in one
9 plan are more geographically accessible to the
10 recipient's residence than those in other plans.

11 C. If a recipient is referred for hospice services, the
12 recipient has thirty (30) days during which the recipient may select
13 to enroll in another managed care plan to access the hospice
14 provider of the recipient's choice.

15 D. If a recipient is referred for placement in a nursing home
16 or assisted living facility, the plan must inform the recipient of
17 any facilities within the plan that have specific cultural or
18 religious affiliations and, if requested by the recipient, make a
19 reasonable effort to place the recipient in the facility of the
20 recipient's choice.

21 SECTION 17. This act shall become effective November 1, 2013.
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1 Passed the House of Representatives the 12th day of March, 2013.

2
3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2013.

6
7 _____
8 Presiding Officer of the Senate