

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 4064

By: McCall

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to state government; creating the
10 State Government Health Care Administrative Reform
11 and Reorganization Act of 2020; amending 63 O.S.
12 2011, Section 5006, which relates to the Oklahoma
13 Health Care Authority; creating divisions within the
14 Oklahoma Health Care Authority; providing for
15 consolidation of certain agency; providing time frame
16 for consolidation; requiring Administrator of the
17 Oklahoma Health Care Authority to provide
18 recommendations to Legislature; authorizing delivery
19 of certain records and property; providing for
20 transfer of duties and obligation; providing for
21 transfer of rules; amending 63 O.S. 2011, Section
22 5008, as amended by Section 2, Chapter 9, O.S.L. 2019
23 (63 O.S. Supp. 2019, Section 5008), which relates to
24 the Administrator of the Oklahoma Health Care
 Authority; providing for transfer of
 responsibilities; repealing 43A O.S. 2011, Section 2-
 103, as last amended by Section 2, Chapter 4, O.S.L.
 2019 (43A O.S. Supp. 2019, Section 2-103), which
 relates to the Board of Mental Health and Substance
 Abuse Services; providing for codification; providing
 for noncodification; and declaring an emergency.

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

1 SECTION 1. NEW LAW A new section of law not to be
2 codified in the Oklahoma Statutes reads as follows:

3 This act shall be known and may be cited as the "State
4 Government Health Care Administrative Reform and Reorganization Act
5 of 2020".

6 SECTION 2. AMENDATORY 63 O.S. 2011, Section 5006, is
7 amended to read as follows:

8 Section 5006. A. There is hereby created the Oklahoma Health
9 Care Authority. The Oklahoma Health Care Authority shall include a
10 Division of Medicaid Services and a Division of Mental Health and
11 Substance Abuse Services, all under the administrative control of
12 the Administrator of the Oklahoma Health Care Authority and directly
13 responsible to the Administrator.

14 1. Whenever the term "Department of Mental Health and Substance
15 Abuse Services", "Mental Health Authority" or "Department", when
16 used in reference to the Oklahoma Department of Mental Health and
17 Substance Abuse Services, appears in the Oklahoma Statutes, it shall
18 mean the Division of Mental Health and Substance Abuse Services of
19 the Oklahoma Health Care Authority.

20 2. Whenever the term "Commissioner of the Department of Mental
21 Health and Substance Abuse Services", "Commissioner of Mental
22 Health" or "Commissioner", when used in reference to the
23 Commissioner of Mental Health and Substance Abuse Services, appears
24

1 in the Oklahoma Statutes, it shall mean the Administrator of the
2 Oklahoma Health Care Authority.

3 3. Whenever the term "Board of Mental Health and Substance
4 Abuse Services", "Board of Mental Health", or "Board", when used in
5 reference to the Board of the Oklahoma Department of Mental Health
6 and Substance Abuse Services, appears in the Oklahoma Statutes, it
7 shall mean the Board of the Oklahoma Health Care Authority.

8 B. The Authority shall have the power and duty to:

9 1. Purchase health care benefits for Medicaid recipients, and
10 others who are dependent on the state for necessary medical care, as
11 specifically authorized by law;

12 2. Enter into contracts for the delivery of state-purchased
13 health care, including mental health and substance abuse treatment
14 services, and establish standards and criteria which must be met by
15 entities to be eligible to contract with the Authority for the
16 delivery of state-purchased health care;

17 3. Develop a proposed standard basic health care benefits
18 package or packages to be offered by health services providers, for
19 Medicaid recipients;

20 4. Study all matters connected with the provision of state-
21 purchased and state-subsidized health care coverage;

22 5. Develop and submit plans, reports and proposals, provide
23 information and analyze areas of public and private health care
24

1 interaction pursuant to the provisions of the Oklahoma Health Care
2 Authority Act;

3 6. Serve as a resource for information on state-purchased and
4 state-subsidized health care access, cost containment and related
5 health issues;

6 7. Administer programs and enforce laws placed under the
7 jurisdiction of the Authority pursuant to the Oklahoma Health Care
8 Authority Act and the Mental Health Law of 1986, pursuant to Section
9 1-101 et seq. of Title 43A of the Oklahoma Statutes, and such other
10 duties prescribed by law;

11 8. Collaborate with and assist the Insurance Commissioner in
12 the development of a Uniform Claim Processing System for use by
13 third-party payors and health care providers;

14 9. Collaborate with and assist the State Department of Health
15 with the development of licensure standards and criteria for pre-
16 paid health plans; and

17 10. Exercise all incidental powers which are necessary and
18 proper to carry out the purposes of the Oklahoma Health Care
19 Authority Act and the Mental Health Law of 1986, pursuant to Section
20 1-101 et seq. of Title 43A of the Oklahoma Statutes.

21 ~~B. C.~~ C. All positions within the Authority, including positions
22 transferred from the consolidated agency as referenced in Section 3
23 of this act, shall be unclassified ~~until approval of the annual~~
24 ~~business and personnel plan submitted by January 1, 1995, by the~~

~~Governor and the Legislature. In the annual business plan submitted January 1, 1995, the Board shall include a personnel plan which shall list, describe and justify all unclassified positions within the Authority and their compensation. All other employees and positions shall be classified and subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act.~~

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5006.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Department of Mental Health and Substance Abuse Services is consolidated into the Oklahoma Health Care Authority. The Administrator of the Oklahoma Health Care Authority shall assume all executive-level responsibilities for the consolidated agency and shall function as and possess the powers of the Commissioner of Mental Health and Substance Abuse Services for the consolidated agency as enumerated by existing statute. For the purposes of this section, the term "consolidated agency" shall mean the Oklahoma Department of Mental Health and Substance Abuse Services.

B. Not later than June 30, 2020, the Administrator of the Oklahoma Health Care Authority shall cause the administrative functions of the consolidated agency to be consolidated.

C. Not later than June 30, 2020, the Administrator of the Oklahoma Health Care Authority shall provide recommendations to the

1 Legislature for the streamlining, reduction or elimination of the
2 governance structures and statutorily established positions of the
3 consolidated agency. Until otherwise provided for by law, the
4 governance structures and statutorily established positions of each
5 of the consolidated agency shall be maintained. Any funds
6 appropriated to, in the possession of or allocated to the
7 consolidated agency shall be deemed to be funds of the Oklahoma
8 Health Care Authority.

9 D. Upon request of the Administrator of the Oklahoma Health
10 Care Authority, the personnel of the consolidated agency shall
11 deliver to the Oklahoma Health Care Authority all books, papers,
12 records and property of the consolidated agency.

13 E. All functions, powers, duties and obligations previously
14 assigned to the consolidated agency are hereby transferred to the
15 Oklahoma Health Care Authority.

16 F. All rules, regulations, acts, orders, determinations and
17 decisions of the consolidated agency pertaining to the functions and
18 powers herein transferred and assigned to the Oklahoma Health Care
19 Authority, in force at the time of such transfer, assignment,
20 assumption or devolution, shall continue in force and effect as
21 rules, regulations, acts, orders, determinations and decisions of
22 the consolidated agency until duly modified or abrogated by the
23 appropriate body or until otherwise provided by law.

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1 SECTION 4. AMENDATORY 63 O.S. 2011, Section 5008, as
2 amended by Section 2, Chapter 9, O.S.L. 2019 (63 O.S. Supp. 2019,
3 Section 5008), is amended to read as follows:

4 Section 5008. A. The Administrator of the Oklahoma Health Care
5 Authority shall have the training and experience necessary for the
6 administration of the Authority. The Administrator shall be
7 appointed by the Governor with the advice and consent of the Senate
8 and shall serve at the pleasure of the Governor and may be removed
9 or replaced without cause. Compensation for the Administrator shall
10 be determined by the Governor. The Administrator may be removed
11 from office by a two-thirds (2/3) vote of the members elected to and
12 constituting each chamber of the Legislature.

13 B. The Administrator of the Oklahoma Health Care Authority
14 shall be the chief executive officer of the Authority and shall act
15 for the Authority in all matters except as may be otherwise provided
16 by law. The powers and duties of the Administrator shall include
17 but not be limited to:

- 18 1. Supervision of the activities of the Authority;
- 19 2. Formulation and recommendation of rules for approval or
20 rejection by the Oklahoma Health Care Authority Board and
21 enforcement of rules and standards promulgated by the Board;
- 22 3. Preparation of the plans, reports and proposals required by
23 the Oklahoma Health Care Authority Act, Section 5003 et seq. of this
24

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

3 4. Employment of such staff as may be necessary to perform the
4 duties of the Authority including but not limited to an attorney to
5 provide legal assistance to the Authority for the state Medicaid
6 program; ~~and~~

7 5. Establishment of a contract bidding process which:

8 a. encourages competition among entities contracting with
9 the Authority for state-purchased and state-subsidized
10 health care; provided, however, the Authority may make
11 patient volume adjustments to any managed care plan
12 whose prime contractor is a state-sponsored,
13 nationally accredited medical school. The Authority
14 may also make education or research supplemental
15 payments to state-sponsored, nationally accredited
16 medical schools based on the level of participation in
17 any managed care plan by managed care plan
18 participants,

19 b. coincides with the state budgetary process, and

20 c. specifies conditions for awarding contracts to any
21 insuring entity; and

22 6. Assumption of the responsibilities of the Commissioner of
23 the Oklahoma Department of Mental Health and Substance Abuse
24 Services.

1 C. The Administrator may appoint advisory committees as
2 necessary to assist the Authority with the performance of its duties
3 or to provide the Authority with expertise in technical matters.

4 SECTION 5. REPEALER 43A O.S. 2011, Section 2-103, as
5 last amended by Section 2, Chapter 4, O.S.L. 2019 (43A O.S. Supp.
6 2019, Section 2-103), is hereby repealed.

7 SECTION 6. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

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12 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 03/02/2020 - DO PASS,
13 As Amended.

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