BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	**SB434**
Version:	**ENGR**
Request Number:	
Author:	**Rep. McEntire and Sen. McCortney**
Date:	**3/25/2021**
Impact:	**Potential cost saving of $162M**

Research Analysis

SB 434 creates the Indian Health Service, Tribal and Urban Indian (I/T/U) shared savings program and the I/T/U shared savings revolving fund. The measure allows a non-I/T/U Medicaid provider to an American Indian or Alaska Native (AI/AN) Medicaid beneficiary to be eligible for a 100% federal matching reimbursement rate if the provider was a referral from an I/T/U facility.

The measure directs the Oklahoma Health Care Authority (OHCA) to distribute up to 50% of any savings from the I/T/U shared savings program to participating I/T/U facilities. OHCA is required to deposit the remainder savings into the I/T/U shared savings revolving fund after administrative costs have been fully paid and all other distributions have been made. The measure prohibits I/T/U shared savings revolving funds to be used to replace other general revenues funded by the legislature.

The Oklahoma Health Care Authority is authorized to promulgate administrative rules and enter into contractual agreements with I/T/U facilities pursuit to this act. The measure requires the OHCA to seek federal approval for the implementation of this act.

Lastly, the measure requires the Oklahoma Health Care Authority's chief financial officer to prepare an annual report which must be submitted to the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives within thirty days following the end of each state fiscal year.

Prepared By: Dan Brooks

Fiscal Analysis

From the Oklahoma Health Care Authority: In SFY '20, $540 million was paid to non-tribal providers. So $540 million at 70% FMAP (blend) that is potentially $162 million potential state share savings. There is a high potential for this number to increase with this program in place.

Prepared By: Stacy Johnson

Other Considerations

None.