

1 ENGROSSED HOUSE
2 BILL NO. 1658

By: McEntire of the House

3 and

4 Rosino of the Senate
5

6 An Act relating to poor persons; 56 O.S. 2021,
7 Section 4002.5, as amended by Section 9, Chapter 395,
8 O.S.L. 2022 (56 O.S. Supp. 2022, Section 4002.5),
9 which relates to ensuring access to Medicaid Act;
10 adding when an entity shall obtain a certificate of
11 authority; health maintenance organization; accident
12 and health insurer; prepaid dental plan organization;
13 providing an effective date; and declaring an
14 emergency.

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

16 SECTION 1. AMENDATORY 56 O.S. 2021, Section 4002.5, as
17 amended by Section 9, Chapter 395, O.S.L. 2022 (56 O.S. Supp. 2022,
18 Section 4002.5), is amended to read as follows:

19 Section 4002.5 A. A contracted entity shall be responsible for
20 all administrative functions for members enrolled in its plan
21 including, but not limited to, claims processing, authorization of
22 health services, care and case management, grievances and appeals,
23 and other necessary administrative services.

24 B. ~~A contracted entity selected by the Oklahoma Health Care
Authority under Section 4 of this act shall obtain a certificate of
authority as a health maintenance organization issued by the~~

1 ~~Insurance Department prior~~ Prior to the execution of ~~the~~ a contract
2 between ~~the~~ a contracted entity and the Oklahoma Health Care
3 Authority, the contracted entity shall obtain the appropriate
4 certificate of authority issued by the Insurance Department.

5 1. A contracted entity shall obtain a certificate of authority
6 issued by the Insurance Department to operate as a health
7 maintenance organization when the contracted services to be
8 delivered include physical health services, behavioral health
9 services, and prescription drug services.

10 2. A contracted entity shall obtain a certificate of authority
11 issued by the Insurance Department to operate as an accident and
12 health insurer or as a prepaid dental plan organization when the
13 contracted services to be delivered include dental services.

14 C. 1. To ensure providers have a voice in the direction and
15 operation of the contracted entities selected by the Oklahoma Health
16 Care Authority under Section 4 4002.3b of this ~~act~~ title, each
17 contracted entity shall have a shared governance structure that
18 includes:

- 19 a. representatives of local Oklahoma provider
- 20 organizations who are Medicaid providers,
- 21 b. essential community providers, and
- 22 c. a representative from a teaching hospital owned,
- 23 jointly owned, or affiliated with and designated by
- 24 the University Hospitals Authority, University

Hospitals Trust, Oklahoma State University Medical
Authority, or Oklahoma State University Medical Trust.

2. No less than one-third (1/3) of the contracted entity's
local governing body shall be comprised of representatives of local
Oklahoma provider organizations.

3. No less than two members of the contracted entity's clinical
and quality committees shall be representatives of local Oklahoma
provider organizations, and the committees shall be chaired or co-
chaired by a representative of a local Oklahoma provider
organization.

D. A contracted entity shall promptly notify the Authority of
all material changes affecting the delivery of care or the
administration of its program.

E. A contracted entity shall have a medical loss ratio that
meets the standards provided by 42 C.F.R., Section 438.8.

F. A contracted entity shall provide patient data to a provider
upon request to the extent allowed under federal or state laws,
rules or regulations including, but not limited to, the Health
Insurance Portability and Accountability Act of 1996.

G. A contracted entity or a subcontractor of a contracted
entity shall not enforce a policy or contract term with a provider
that requires the provider to contract for all products that are
currently offered or that may be offered in the future by the
contracted entity or subcontractor.

1 H. Nothing in this act or in a contract between the Authority
2 and a contracted entity shall prohibit the contracted entity from
3 contracting with a statewide or regional accountable care
4 organization.

5 I. Nothing in this act, in a contract between the Authority and
6 a contracted entity, or in a contract between a contracted entity
7 and a provider shall prohibit any provider from contracting with
8 more than one contracted entity.

9 J. A contracted entity shall not withhold, fail to offer, or
10 make impracticable a contract with a provider on the basis of
11 independent practice or lack of hospital system affiliation.

12 K. All contracted entities shall:

13 1. Use the same drug formulary, which shall be established by
14 the Authority; and

15 2. Ensure broad access to pharmacies including, but not limited
16 to, pharmacies contracted with covered entities under Section 340B
17 of the Public Health Service Act. Such access shall, at a minimum,
18 meet the requirements of the Patient's Right to Pharmacy Choice Act,
19 Section 6958 et seq. of Title 36 of the Oklahoma Statutes.

20 L. Each contracted entity and each participating provider shall
21 submit data through the state-designated entity for health
22 information exchange to ensure effective systems and connectivity to
23 support clinical coordination of care, the exchange of information,
24

and the availability of data to the Authority to manage the state Medicaid program.

SECTION 2. This act shall become effective July 1, 2023.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 13th day of March, 2023.

Presiding Officer of the House
of Representatives

Passed the Senate the ____ day of _____, 2023.

Presiding Officer of the Senate