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April 6, 2023

ENGROSSED HOUSE
BILL NO. 1658

By: McEntire of the House

and

Rosino of the Senate

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

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

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

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

1 B. ~~A contracted entity selected by the Oklahoma Health Care~~
2 ~~Authority under Section 4 of this act shall obtain a certificate of~~
3 ~~authority as a health maintenance organization issued by the~~
4 ~~Insurance Department prior~~ Prior to the execution of ~~the~~ a contract
5 between ~~the~~ a contracted entity and the Oklahoma Health Care
6 Authority, the contracted entity shall obtain the appropriate
7 certificate of authority issued by the Insurance Department.

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

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

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

- 22 a. representatives of local Oklahoma provider
- 23 organizations who are Medicaid providers,
- 24 b. essential community providers, and

1 c. a representative from a teaching hospital owned,
2 jointly owned, or affiliated with and designated by
3 the University Hospitals Authority, University
4 Hospitals Trust, Oklahoma State University Medical
5 Authority, or Oklahoma State University Medical Trust.

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

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

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

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

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

23 G. A contracted entity or a subcontractor of a contracted
24 entity shall not enforce a policy or contract term with a provider

1 that requires the provider to contract for all products that are
2 currently offered or that may be offered in the future by the
3 contracted entity or subcontractor.

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

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

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

15 K. All contracted entities shall:

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

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

23 L. Each contracted entity and each participating provider shall
24 submit data through the state-designated entity for health

1 information exchange to ensure effective systems and connectivity to
2 support clinical coordination of care, the exchange of information,
3 and the availability of data to the Authority to manage the state
4 Medicaid program.

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

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

10 COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES
11 April 6, 2023 - DO PASS
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