

1 **SENATE FLOOR VERSION**

February 16, 2026

2 **AS AMENDED**

3 SENATE BILL NO. 1553

By: Kern

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5  
6 **[ Medicaid - adverse determinations - appeal - costs**  
7 **- effective date ]**  
8

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

10 SECTION 1. AMENDATORY 56 O.S. 2021, Section 4002.8, as  
11 last amended by Section 3, Chapter 372, O.S.L. 2025 (56 O.S. Supp.  
12 2025, Section 4002.8), is amended to read as follows:

13 Section 4002.8. A. A contracted entity shall utilize uniform  
14 procedures established by the Oklahoma Health Care Authority under  
15 subsection B of this section for the review and appeal of any  
16 adverse determination by the contracted entity sought by any member  
17 or provider adversely affected by such determination.

18 B. The Authority shall develop procedures for members or  
19 providers to seek review by the contracted entity of any adverse  
20 determination made by the contracted entity.

21 C. A provider shall have six (6) months from the receipt of a  
22 claim denial to file an appeal.

23 D. A contracted entity shall ensure that all appeals of adverse  
24 determinations made by the contracted entity are reviewed by a

1 licensed physician or, if appropriate for the requested service, a  
2 licensed psychologist or mental health professional. The contracted  
3 entity shall not use any automated claim review software or other  
4 automated functionality for such appeals.

5 E. The physician, psychologist, or other mental health  
6 professional who reviews the appeal shall:

7 1. Possess a current and valid unrestricted license in any  
8 United States jurisdiction;

9 2. Be of the same or similar specialty as a physician, psychologist, or other mental health professional who typically  
10 manages the medical condition or disease. This requirement shall be  
11 considered met:

12 a. for a physician, if:

13 (1) the physician maintains board certification for  
14 the same or similar specialty as the medical  
15 condition in question, or

16 (2) the physician's training and experience:

17 (a) includes treatment of the condition,

18 (b) includes treatment of complications that may  
19 result from the service or procedure, and

20 (c) is sufficient for the physician to determine  
21 if the service or procedure is medically  
22 necessary or clinically appropriate, ~~or~~

23 b. for a psychologist, if:

- 1           (1) the psychologist is currently licensed in  
2           accordance with the Psychologists Licensing Act,  
3           (2) the psychologist has training and experience in  
4           the testing for and treatment of the condition,  
5           and  
6           (3) the psychologist's training and experience is  
7           sufficient to determine if the service is  
8           medically necessary or clinically appropriate, or

9       c. for a mental health professional other than a  
10       psychologist, if the mental health professional's  
11       training and experience:

- 12           (1) includes treatment of the condition, and  
13           (2) is sufficient for the mental health professional  
14           to determine if the service is medically  
15           necessary or clinically appropriate;

16       3. Not have been directly involved in making the adverse  
17       determination;

18       4. Not have any financial interest in the outcome of the  
19       appeal; and

20       5. Consider all known clinical aspects of the health care  
21       service under review including, but not limited to, a review of any  
22       medical records pertinent to the active condition that are provided  
23       to the contracted entity by the member's provider, or a health care  
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1 facility, and any pertinent medical literature provided to the  
2 contracted entity by the provider.

3 F. 1. Upon receipt of notice from the contracted entity that  
4 the adverse determination has been upheld on appeal, the member or  
5 provider may request a fair hearing from the Authority. The  
6 Authority shall develop procedures for fair hearings in accordance  
7 with 42 C.F.R., Part 431.

8 2. Such procedures shall provide for the recovery of costs by a  
9 psychologist or other mental health provider from the contracted  
10 entity for time and expenses related to the appeal if the adverse  
11 determination of the contracted entity is reversed through the fair  
12 hearing. The procedures for calculation of such costs shall take  
13 into account the time spent by the psychologist or other mental  
14 health provider on the administration of the appeal that would have  
15 otherwise been spent providing services to patients.

16 SECTION 2. This act shall become effective November 1, 2026.

17 COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES  
18 February 16, 2026 - DO PASS AS AMENDED

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