An Act

ENROLLED HOUSE
BILL NO. 1658

By: McEntire of the House

and

Rosino of the Senate

An Act relating to poor persons; amending 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; requiring contracted entity to obtain certificate of authority; requiring entity to obtain certain certificate of authority as a health maintenance organization; requiring entity to obtain certain certificate of authority as an accident and health insurer or as a prepaid dental plan organization; and declaring an emergency.

SUBJECT: Poor persons

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.

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

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

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

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

a. representatives of local Oklahoma provider organizations who are Medicaid providers,

b. essential community providers, and

c. a representative from a teaching hospital owned, jointly owned, or affiliated with and designated by 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.

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

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

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

K. All contracted entities shall:

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

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

L. Each contracted entity and each participating provider shall submit data through the state-designated entity for health information exchange to ensure effective systems and connectivity to support clinical coordination of care, the exchange of information, and the availability of data to the Authority to manage the state Medicaid program.

SECTION 2. 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 10th day of May, 2023.

Presiding Officer of the House
of Representatives

Passed the Senate the 18th day of April, 2023.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 11th

day of May, 20 23, at 10:48 o'clock a. M.

By: Summer Curry

Approved by the Governor of the State of Oklahoma this 15th

day of May, 20 23, at 11:10 o'clock a. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 15th

day of May, 20 23, at 1:53 o'clock p M.

By: Brian Bingman