

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 4064

By: McCall

5  
6  
7 COMMITTEE SUBSTITUTE

8 An Act relating to state government; creating the  
9 State Government Health Care Administrative Reform  
10 and Reorganization Act of 2020; amending 63 O.S.  
11 2011, Section 5006, which relates to the Oklahoma  
12 Health Care Authority; creating divisions within the  
13 Oklahoma Health Care Authority; providing for  
14 consolidation of certain agency; providing time frame  
15 for consolidation; requiring Administrator of the  
16 Oklahoma Health Care Authority to provide  
17 recommendations to Legislature; authorizing delivery  
18 of certain records and property; providing for  
19 transfer of duties and obligation; providing for  
20 transfer of rules; amending 63 O.S. 2011, Section  
21 5008, as amended by Section 2, Chapter 9, O.S.L. 2019  
22 (63 O.S. Supp. 2019, Section 5008), which relates to  
23 the Administrator of the Oklahoma Health Care  
24 Authority; providing for transfer of  
responsibilities; repealing 43A O.S. 2011, Section 2-  
103, as last amended by Section 2, Chapter 4, O.S.L.  
2019 (43A O.S. Supp. 2019, Section 2-103), which  
relates to the Board of Mental Health and Substance  
Abuse Services; providing for codification; providing  
for noncodification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "State  
2 Government Health Care Administrative Reform and Reorganization Act  
3 of 2020".

4 SECTION 2. AMENDATORY 63 O.S. 2011, Section 5006, is  
5 amended to read as follows:

6 Section 5006. A. There is hereby created the Oklahoma Health  
7 Care Authority. The Oklahoma Health Care Authority shall include a  
8 Division of Medicaid Services and a Division of Mental Health and  
9 Substance Abuse Services, all under the administrative control of  
10 the Administrator of the Oklahoma Health Care Authority and directly  
11 responsible to the Administrator.

12 1. Whenever the term "Department of Mental Health and Substance  
13 Abuse Services", "Mental Health Authority" or "Department", when  
14 used in reference to the Oklahoma Department of Mental Health and  
15 Substance Abuse Services, appears in the Oklahoma Statutes, it shall  
16 mean the Division of Mental Health and Substance Abuse Services of  
17 the Oklahoma Health Care Authority.

18 2. Whenever the term "Commissioner of the Department of Mental  
19 Health and Substance Abuse Services", "Commissioner of Mental  
20 Health" or "Commissioner", when used in reference to the  
21 Commissioner of Mental Health and Substance Abuse Services, appears  
22 in the Oklahoma Statutes, it shall mean the Administrator of the  
23 Oklahoma Health Care Authority.

24

1        3. Whenever the term "Board of Mental Health and Substance  
2 Abuse Services", "Board of Mental Health", or "Board", when used in  
3 reference to the Board of the Oklahoma Department of Mental Health  
4 and Substance Abuse Services, appears in the Oklahoma Statutes, it  
5 shall mean the Board of the Oklahoma Health Care Authority.

6        B. The Authority shall have the power and duty to:

7            1. Purchase health care benefits for Medicaid recipients, and  
8 others who are dependent on the state for necessary medical care, as  
9 specifically authorized by law;

10           2. Enter into contracts for the delivery of state-purchased  
11 health care, including mental health and substance abuse treatment  
12 services, and establish standards and criteria which must be met by  
13 entities to be eligible to contract with the Authority for the  
14 delivery of state-purchased health care;

15           3. Develop a proposed standard basic health care benefits  
16 package or packages to be offered by health services providers, for  
17 Medicaid recipients;

18           4. Study all matters connected with the provision of state-  
19 purchased and state-subsidized health care coverage;

20           5. Develop and submit plans, reports and proposals, provide  
21 information and analyze areas of public and private health care  
22 interaction pursuant to the provisions of the Oklahoma Health Care  
23 Authority Act;

1 6. Serve as a resource for information on state-purchased and  
2 state-subsidized health care access, cost containment and related  
3 health issues;

4 7. Administer programs and enforce laws placed under the  
5 jurisdiction of the Authority pursuant to the Oklahoma Health Care  
6 Authority Act and the Mental Health Law of 1986, pursuant to Section  
7 1-101 et seq. of Title 43A of the Oklahoma Statutes, and such other  
8 duties prescribed by law;

9 8. Collaborate with and assist the Insurance Commissioner in  
10 the development of a Uniform Claim Processing System for use by  
11 third-party payors and health care providers;

12 9. Collaborate with and assist the State Department of Health  
13 with the development of licensure standards and criteria for pre-  
14 paid health plans; and

15 10. Exercise all incidental powers which are necessary and  
16 proper to carry out the purposes of the Oklahoma Health Care  
17 Authority Act and the Mental Health Law of 1986, pursuant to Section  
18 1-101 et seq. of Title 43A of the Oklahoma Statutes.

19 ~~B. C. All positions within the Authority, including positions~~  
20 ~~transferred from the consolidated agency as referenced in Section 3~~  
21 ~~of this act, shall be unclassified until approval of the annual~~  
22 ~~business and personnel plan submitted by January 1, 1995, by the~~  
23 ~~Governor and the Legislature. In the annual business plan submitted~~  
24 ~~January 1, 1995, the Board shall include a personnel plan which~~

1 ~~shall list, describe and justify all unclassified positions within~~  
2 ~~the Authority and their compensation. All other employees and~~  
3 ~~positions shall be classified and subject to the provisions of the~~  
4 ~~Merit System of Personnel Administration as provided in the Oklahoma~~  
5 ~~Personnel Act.~~

6 SECTION 3. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 5006.1 of Title 63, unless there  
8 is created a duplication in numbering, reads as follows:

9 A. The Oklahoma Department of Mental Health and Substance Abuse  
10 Services is consolidated into the Oklahoma Health Care Authority.  
11 The Administrator of the Oklahoma Health Care Authority shall assume  
12 all executive-level responsibilities for the consolidated agency and  
13 shall function as and possess the powers of the Commissioner of  
14 Mental Health and Substance Abuse Services for the consolidated  
15 agency as enumerated by existing statute. For the purposes of this  
16 section, the term "consolidated agency" shall mean the Oklahoma  
17 Department of Mental Health and Substance Abuse Services.

18 B. Not later than June 30, 2020, the Administrator of the  
19 Oklahoma Health Care Authority shall cause the administrative  
20 functions of the consolidated agency to be consolidated.

21 C. Not later than June 30, 2020, the Administrator of the  
22 Oklahoma Health Care Authority shall provide recommendations to the  
23 Legislature for the streamlining, reduction or elimination of the  
24 governance structures and statutorily established positions of the

1 consolidated agency. Until otherwise provided for by law, the  
2 governance structures and statutorily established positions of each  
3 of the consolidated agency shall be maintained. Any funds  
4 appropriated to, in the possession of or allocated to the  
5 consolidated agency shall be deemed to be funds of the Oklahoma  
6 Health Care Authority.

7 D. Upon request of the Administrator of the Oklahoma Health  
8 Care Authority, the personnel of the consolidated agency shall  
9 deliver to the Oklahoma Health Care Authority all books, papers,  
10 records and property of the consolidated agency.

11 E. All functions, powers, duties and obligations previously  
12 assigned to the consolidated agency are hereby transferred to the  
13 Oklahoma Health Care Authority.

14 F. All rules, regulations, acts, orders, determinations and  
15 decisions of the consolidated agency pertaining to the functions and  
16 powers herein transferred and assigned to the Oklahoma Health Care  
17 Authority, in force at the time of such transfer, assignment,  
18 assumption or devolution, shall continue in force and effect as  
19 rules, regulations, acts, orders, determinations and decisions of  
20 the consolidated agency until duly modified or abrogated by the  
21 appropriate body or until otherwise provided by law.

22 SECTION 4. AMENDATORY 63 O.S. 2011, Section 5008, as  
23 amended by Section 2, Chapter 9, O.S.L. 2019 (63 O.S. Supp. 2019,  
24 Section 5008), is amended to read as follows:

1 Section 5008. A. The Administrator of the Oklahoma Health Care  
2 Authority shall have the training and experience necessary for the  
3 administration of the Authority. The Administrator shall be  
4 appointed by the Governor with the advice and consent of the Senate  
5 and shall serve at the pleasure of the Governor and may be removed  
6 or replaced without cause. Compensation for the Administrator shall  
7 be determined by the Governor. The Administrator may be removed  
8 from office by a two-thirds (2/3) vote of the members elected to and  
9 constituting each chamber of the Legislature.

10 B. The Administrator of the Oklahoma Health Care Authority  
11 shall be the chief executive officer of the Authority and shall act  
12 for the Authority in all matters except as may be otherwise provided  
13 by law. The powers and duties of the Administrator shall include  
14 but not be limited to:

15 1. Supervision of the activities of the Authority;

16 2. Formulation and recommendation of rules for approval or  
17 rejection by the Oklahoma Health Care Authority Board and  
18 enforcement of rules and standards promulgated by the Board;

19 3. Preparation of the plans, reports and proposals required by  
20 the Oklahoma Health Care Authority Act, Section 5003 et seq. of this  
21 title, other reports as necessary and appropriate, and an annual  
22 budget for the review and approval of the Board;

23 4. Employment of such staff as may be necessary to perform the  
24 duties of the Authority including but not limited to an attorney to

1 provide legal assistance to the Authority for the state Medicaid  
2 program; ~~and~~

3 5. Establishment of a contract bidding process which:

- 4 a. encourages competition among entities contracting with  
5 the Authority for state-purchased and state-subsidized  
6 health care; provided, however, the Authority may make  
7 patient volume adjustments to any managed care plan  
8 whose prime contractor is a state-sponsored,  
9 nationally accredited medical school. The Authority  
10 may also make education or research supplemental  
11 payments to state-sponsored, nationally accredited  
12 medical schools based on the level of participation in  
13 any managed care plan by managed care plan  
14 participants,
- 15 b. coincides with the state budgetary process, and
- 16 c. specifies conditions for awarding contracts to any  
17 insuring entity; and

18 6. Assumption of the responsibilities of the Commissioner of  
19 the Oklahoma Department of Mental Health and Substance Abuse  
20 Services.

21 C. The Administrator may appoint advisory committees as  
22 necessary to assist the Authority with the performance of its duties  
23 or to provide the Authority with expertise in technical matters.

1 SECTION 5. REPEALER 43A O.S. 2011, Section 2-103, as  
2 last amended by Section 2, Chapter 4, O.S.L. 2019 (43A O.S. Supp.  
3 2019, Section 2-103), is hereby repealed.

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

8

9 57-2-11542 LRB 02/27/20

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24