

1 ENGROSSED HOUSE
2 BILL NO. 4064

By: McCall of the House

and

McCortney of the Senate

3
4
5
6
7 [state government - creating the State Government
8 Health Care Administrative Reform and
9 Reorganization Act of 2020 - creating divisions
10 within the Oklahoma Health Care Authority -
11 providing for consolidation of certain agency -
12 effective date]
13
14

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

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

18 This act shall be known and may be cited as the "State
19 Government Health Care Administrative Reform and Reorganization Act
20 of 2020".

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

23 Section 5006. A. There is hereby created the Oklahoma Health
24 Care Authority. The Oklahoma Health Care Authority shall include a

1 Division of Medicaid Services and a Division of Mental Health and
2 Substance Abuse Services, all under the administrative control of
3 the Administrator of the Oklahoma Health Care Authority and directly
4 responsible to the Administrator.

5 1. Whenever the term "Department of Mental Health and Substance
6 Abuse Services", "Mental Health Authority" or "Department", when
7 used in reference to the Oklahoma Department of Mental Health and
8 Substance Abuse Services, appears in the Oklahoma Statutes, it shall
9 mean the Division of Mental Health and Substance Abuse Services of
10 the Oklahoma Health Care Authority.

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

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

22 B. The Authority shall have the power and duty to:
23
24

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

4 2. Enter into contracts for the delivery of state-purchased
5 health care, including mental health and substance abuse treatment
6 services, and establish standards and criteria which must be met by
7 entities to be eligible to contract with the Authority for the
8 delivery of state-purchased health care;

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

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

14 5. Develop and submit plans, reports and proposals, provide
15 information and analyze areas of public and private health care
16 interaction pursuant to the provisions of the Oklahoma Health Care
17 Authority Act;

18 6. Serve as a resource for information on state-purchased and
19 state-subsidized health care access, cost containment and related
20 health issues;

21 7. Administer programs and enforce laws placed under the
22 jurisdiction of the Authority pursuant to the Oklahoma Health Care
23 Authority Act and the Mental Health Law of 1986, pursuant to Section
24

1 1-101 et seq. of Title 43A of the Oklahoma Statutes, and such other
2 duties prescribed by law;

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

6 9. Collaborate with and assist the State Department of Health
7 with the development of licensure standards and criteria for pre-
8 paid health plans; and

9 10. Exercise all incidental powers which are necessary and
10 proper to carry out the purposes of the Oklahoma Health Care
11 Authority Act and the Mental Health Law of 1986, pursuant to Section
12 1-101 et seq. of Title 43A of the Oklahoma Statutes.

13 ~~B. C. All positions within the Authority, including positions~~
14 ~~transferred from the consolidated agency as referenced in Section 3~~
15 ~~of this act, shall be unclassified until approval of the annual~~
16 ~~business and personnel plan submitted by January 1, 1995, by the~~
17 ~~Governor and the Legislature. In the annual business plan submitted~~
18 ~~January 1, 1995, the Board shall include a personnel plan which~~
19 ~~shall list, describe and justify all unclassified positions within~~
20 ~~the Authority and their compensation. All other employees and~~
21 ~~positions shall be classified and subject to the provisions of the~~
22 ~~Merit System of Personnel Administration as provided in the Oklahoma~~
23 ~~Personnel Act.~~

SECTION 3. NEW LAW

A new section of law to be codified in the Oklahoma Statutes as Section 5006.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. It is the intent of the Legislature to improve both the physical and mental health outcomes of Oklahomans. In order to accomplish this goal, a holistic approach integrating mental and physical health must be accomplished. It is the objective of this legislation to take the first steps to transition both the Oklahoma Health Care Authority and the Oklahoma Department of Mental Health and Substance Abuse Services to a comprehensive health care agency, in order to attain a coordinated health care delivery system and financing to optimize the quality of services provided to Oklahomans. This legislation sets forth the initial authorities required to commence the process. Subsequent planning for integrating the functions of both agencies shall be undertaken within the Health Cabinet.

B. The Oklahoma Department of Mental Health and Substance Abuse Services is consolidated into the Oklahoma Health Care Authority. The Administrator of the Oklahoma Health Care Authority shall assume all executive-level responsibilities for the consolidated agency and shall function as and possess the powers of the Commissioner of Mental Health and Substance Abuse Services for the consolidated agency as enumerated by existing statute. For the purposes of this

1 section, the term "consolidated agency" shall mean the Oklahoma
2 Department of Mental Health and Substance Abuse Services.

3 C. Not later than June 30, 2020, the Administrator of the
4 Oklahoma Health Care Authority shall cause the administrative
5 functions of the consolidated agency to be consolidated.

6 D. Not later than June 30, 2020, the Administrator of the
7 Oklahoma Health Care Authority shall provide recommendations to the
8 Legislature for the streamlining, reduction or elimination of the
9 governance structures and statutorily established positions of the
10 consolidated agency. Until otherwise provided for by law, the
11 governance structures and statutorily established positions of each
12 of the consolidated agency shall be maintained. Any funds
13 appropriated to, in the possession of or allocated to the
14 consolidated agency shall be deemed to be funds of the Oklahoma
15 Health Care Authority.

16 E. Upon request of the Administrator of the Oklahoma Health
17 Care Authority, the personnel of the consolidated agency shall
18 deliver to the Oklahoma Health Care Authority all books, papers,
19 records and property of the consolidated agency.

20 F. All functions, powers, duties and obligations previously
21 assigned to the consolidated agency are hereby transferred to the
22 Oklahoma Health Care Authority.

23 G. All rules, regulations, acts, orders, determinations and
24 decisions of the consolidated agency pertaining to the functions and

1 powers herein transferred and assigned to the Oklahoma Health Care
2 Authority, in force at the time of such transfer, assignment,
3 assumption or devolution, shall continue in force and effect as
4 rules, regulations, acts, orders, determinations and decisions of
5 the consolidated agency until duly modified or abrogated by the
6 appropriate body or until otherwise provided by law.

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

10 Section 5008. A. The Administrator of the Oklahoma Health Care
11 Authority shall have the training and experience necessary for the
12 administration of the Authority. The Administrator shall be
13 appointed by the Governor with the advice and consent of the Senate
14 and shall serve at the pleasure of the Governor and may be removed
15 or replaced without cause. Compensation for the Administrator shall
16 be determined by the Governor. The Administrator may be removed
17 from office by a two-thirds (2/3) vote of the members elected to and
18 constituting each chamber of the Legislature.

19 B. The Administrator of the Oklahoma Health Care Authority
20 shall be the chief executive officer of the Authority and shall act
21 for the Authority in all matters except as may be otherwise provided
22 by law. The powers and duties of the Administrator shall include
23 but not be limited to:

24 1. Supervision of the activities of the Authority;

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

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

8 4. Employment of such staff as may be necessary to perform the
9 duties of the Authority including but not limited to an attorney to
10 provide legal assistance to the Authority for the state Medicaid
11 program; ~~and~~

12 5. Establishment of a contract bidding process which:

- 13 a. encourages competition among entities contracting with
14 the Authority for state-purchased and state-subsidized
15 health care; provided, however, the Authority may make
16 patient volume adjustments to any managed care plan
17 whose prime contractor is a state-sponsored,
18 nationally accredited medical school. The Authority
19 may also make education or research supplemental
20 payments to state-sponsored, nationally accredited
21 medical schools based on the level of participation in
22 any managed care plan by managed care plan
23 participants,
24 b. coincides with the state budgetary process, and

1 c. specifies conditions for awarding contracts to any
2 insuring entity; and

3 6. Assumption of the responsibilities of the Commissioner of
4 the Oklahoma Department of Mental Health and Substance Abuse
5 Services.

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

9 SECTION 5. REPEALER 43A O.S. 2011, Section 2-103, as
10 last amended by Section 2, Chapter 4, O.S.L. 2019 (43A O.S. Supp.
11 2019, Section 2-103), is hereby repealed.

12 SECTION 6. This act shall become effective November 1, 2020.

13 Passed the House of Representatives the 11th day of March, 2020.

14
15
16 Presiding Officer of the House
of Representatives

17 Passed the Senate the ____ day of _____, 2020.

18
19
20 Presiding Officer of the Senate