

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2481

By: McCall, **Lawson**, **Mize** and
Boles

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8 COMMITTEE SUBSTITUTE

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10 An Act relating to the Oklahoma Health Care
11 Authority; amending 63 O.S. 2011, Sections 5007 and
12 5008, which relate to the Oklahoma Health Care
13 Authority Act; modifying appointments to the Oklahoma
14 Health Care Authority Board; authorizing Governor to
15 appoint Administrator of the Oklahoma Health Care
16 Authority; providing for determination of
17 compensation; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 5007, is
amended to read as follows:

Section 5007. A. There is hereby created the Oklahoma Health
Care Authority Board. ~~On and after July 1, 1994, as the terms of~~
~~the initially appointed members expire, the Board shall be composed~~
~~of seven appointed members who shall serve for terms of four (4)~~
~~years and shall be appointed as follows:~~

1 ~~1. Two members shall be appointed by the President Pro Tempore~~
2 ~~of the Senate;~~

3 ~~2. Two members shall be appointed by the Speaker of the House~~
4 ~~of Representatives; and~~

5 ~~3. Three members shall be appointed by the Governor. Two of~~
6 ~~the members appointed by the Governor shall be consumers.~~

7 ~~B. Members appointed pursuant to this paragraph, with the~~
8 ~~exception of the consumer members, shall include persons having~~
9 ~~experience in medical care, health care services, health care~~
10 ~~delivery, health care finance, health insurance and managed health~~
11 ~~care. Consumer members shall have no financial or professional~~
12 ~~interest in medical care, health care services, health care~~
13 ~~delivery, health finance, health insurance or managed care. In~~
14 ~~making the appointments, the appointing authority shall also give~~
15 ~~consideration to urban, rural, gender and minority representation.~~

16 ~~C. 1. As the terms of office of members appointed before July~~
17 ~~1, 1995, expire, appointments made on or after July 1, 1995, shall~~
18 ~~be subject to the following requirements:~~

19 ~~a. One member appointed by the Governor shall be a~~
20 ~~resident of the First Congressional District. The~~
21 ~~term of office of the member appointed by the Governor~~
22 ~~and serving as of the effective date of this act shall~~
23 ~~expire on September 1, 2003;~~

- b. ~~One member appointed by the President Pro Tempore of the Senate shall be a resident of the Second Congressional District and a consumer. The term of office of the member appointed by the President Pro Tempore of the Senate and serving as of the effective date of this act shall expire on September 1, 1999;~~
- c. ~~One member appointed by the President Pro Tempore of the Senate shall be a resident of the Third Congressional District. The term of office of the member appointed by the President Pro Tempore of the Senate and serving as of the effective date of this act shall expire on September 1, 2004;~~
- d. ~~One member appointed by the Speaker of the House of Representatives shall be a resident of the Fourth Congressional District. The term of office of the member appointed by the Speaker of the House of Representatives and serving as of the effective date of this act shall expire on September 1, 2001;~~
- e. ~~One member appointed by the Speaker of the House of Representatives shall be a resident of the Fifth Congressional District and a consumer. The term of office of the member appointed by the Speaker of the House of Representatives and serving as of the~~

1 ~~effective date of this act shall expire on September~~
2 ~~1, 1998;~~

3 ~~f. One member appointed by the Governor shall be a~~
4 ~~resident of the Sixth Congressional District and a~~
5 ~~consumer. The term of office of the member appointed~~
6 ~~by the Governor and serving as of the effective date~~
7 ~~of this act shall expire on September 1, 2000; and~~

8 ~~g. The second consumer member appointed by the Governor~~
9 ~~shall be appointed at large. The term of office of~~
10 ~~the member appointed by the Governor and serving as of~~
11 ~~the effective date of this act shall expire on~~
12 ~~September 1, 2002.~~

13 ~~2. Appointments made subsequent to the effective date of this~~
14 ~~act shall not be restricted to any particular congressional~~
15 ~~district. Appointments made after July 1 of the year in which a~~
16 ~~redrawing of a congressional district becomes effective shall be~~
17 ~~from the state at large. However, no appointments may be made after~~
18 ~~July 1 of the year in which such modification becomes effective if~~
19 ~~such appointment would result in more than two members serving from~~
20 ~~the same modified district.~~

21 ~~D. The terms of the members serving on the Board as of the~~
22 ~~effective date of this act shall expire on September 1 of the year~~
23 ~~in which the respective terms expire. Thereafter, as new terms~~
24 ~~begin, members shall be appointed to four-year staggered terms which~~

1 ~~shall expire on September 1. Should a member serve less than a~~
2 ~~four-year term, the term of office of the member subsequently~~
3 ~~appointed shall be for the remainder of the four-year term.~~

4 ~~E. On and after July 1, 1994, any subsequently appointed~~
5 ~~administrator of the Authority shall be appointed by the Board. The~~
6 ~~administrator shall have the training and experience necessary for~~
7 ~~the administration of the Authority, as determined by the Board,~~
8 ~~including, but not limited to, prior experience in the~~
9 ~~administration of managed health care. The administrator shall~~
10 ~~serve at the pleasure of the Board which shall consist of the~~
11 ~~following nine (9) members:~~

12 1. Five members appointed by the Governor;

13 2. Two members appointed by the Speaker of the House of
14 Representatives; and

15 3. Two members appointed by the President Pro Tempore of the
16 Senate.

17 B. Each member shall serve at the pleasure of his or her
18 appointing authority and may be removed or replaced without cause.
19 Any member of the Board shall be prohibited from voting on any issue
20 in which the member has a direct financial interest. The
21 Administrator of the Oklahoma Health Care Authority shall be an ex
22 officio member of the Board, but shall be entitled to vote only in
23 case of a tie vote.

24 ~~F.~~ C. The Board shall have the power and duty to:

1 1. Establish the policies of the Oklahoma Health Care
2 Authority;

3 2. ~~Appoint the Administrator of the Authority;~~

4 3. Adopt and promulgate rules as necessary and appropriate to
5 carry out the duties and responsibilities of the Authority. The
6 Board shall be the rulemaking body for the Authority; and

7 4. 3. Adopt, publish and submit by January 1 of each year to
8 the Governor, the President Pro Tempore of the Senate, and the
9 Speaker of the House of Representatives appropriate administrative
10 policies and the business plan for that year. All actions governed
11 by said administrative policies and annual business plan shall be
12 examined annually in an independent audit.

13 G. ~~1. A vacancy in a position shall be filled in the same~~
14 ~~manner as provided in subsection A of this section.~~

15 2. D. A majority of the members of the Board shall constitute a
16 quorum for the transaction of business and for taking any official
17 action. Official action of the Board must have a favorable vote by
18 a majority of the members present.

19 3. ~~Members appointed pursuant to subsection A of this section~~
20 ~~shall serve without compensation but shall be reimbursed for~~
21 ~~expenses incurred in the performance of their duties in accordance~~
22 ~~with the State Travel Reimbursement Act.~~

1 ~~H.~~ E. The Board and the Authority shall act in accordance with
2 the provisions of the Oklahoma Open Meeting Act, the Oklahoma Open
3 Records Act and the Administrative Procedures Act.

4 SECTION 2. AMENDATORY 63 O.S. 2011, Section 5008, is
5 amended to read as follows:

6 Section 5008. A. The Administrator of the Oklahoma Health Care
7 Authority shall have the training and experience necessary for the
8 administration of the Authority, ~~as determined by the Oklahoma~~
9 ~~Health Care Authority Board, including, but not limited to, prior~~
10 ~~experience in the administration of managed health care.~~ The
11 Administrator shall be appointed by the Governor with the advice and
12 consent of the Senate and shall serve at the pleasure of the ~~Board~~
13 Governor and may be removed or replaced without cause. Compensation
14 for the Administrator shall be determined by the Governor.

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

- 20 1. Supervision of the activities of the Authority;
- 21 2. Formulation and recommendation of rules for approval or
22 rejection by the Oklahoma Health Care Authority Board and
23 enforcement of rules and standards promulgated by the Board;

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

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

9 5. Establishment of a contract bidding process which:

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

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

4 SECTION 3. 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.

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9 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT EFFICIENCY, dated
10 02/27/2019 - DO PASS, As Amended and Coauthored.