

An Act

ENROLLED SENATE
BILL NO. 456

By: Treat, Simpson, Boggs and
David of the Senate

and

McCall, Lawson, Conley,
Bush, Frix, Hasenbeck,
Fetgatter, Vancuren, Moore,
McEntire, Roberts (Dustin),
Steagall, Townley, Burns,
Randleman, Olsen, Strom,
Sterling, Cornwell, Davis,
Kiger, Manger, Marti,
Dills, Fincher, Pae, May,
Boles, McBride, Mize, West
(Kevin), Talley, Stark,
West (Josh), Taylor,
Phillips, Smith, Grego,
Boatman, Luttrell,
Patzkowsky, Baker, Miller,
Gann, Sims, Hill, Kerbs,
Lepak, Echols, McDugle,
Kannady, Wallace, West
(Tammy), Roberts (Sean),
Wright and Ford of the
House

An Act relating to the Oklahoma Health Care Authority; amending 63 O.S. 2011, Sections 5007 and 5008, which relate to the Oklahoma Health Care Authority Act; removing antiquated language; modifying appointments to the Oklahoma Health Care Authority Board; deleting Board authority to appoint the Administrator; authorizing Governor to appoint Administrator of the Oklahoma Health Care Authority; providing for determination of compensation;

providing method for removal from office; updating statutory language; and declaring an emergency.

SUBJECT: Agency governance

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

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

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

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

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

- a. ~~One member appointed by the Governor shall be a resident of the First Congressional District. The term of office of the member appointed by the Governor and serving as of the effective date of this act shall 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 effective date of this act shall expire on September 1, 1998;~~
- f. ~~One member appointed by the Governor shall be a resident of the Sixth Congressional District and a consumer. The term of office of the member appointed by the Governor and serving as of the effective date of this act shall expire on September 1, 2000; and~~

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

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

~~D. The terms of the members serving on the Board as of the effective date of this act shall expire on September 1 of the year in which the respective terms expire. Thereafter, as new terms begin, members shall be appointed to four-year staggered terms which shall expire on September 1. Should a member serve less than a four-year term, the term of office of the member subsequently appointed shall be for the remainder of the four-year term.~~

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

~~1. Five members appointed by the Governor;~~

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

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

~~B. Each member shall serve at the pleasure of his or her appointing authority and may be removed or replaced without cause.~~

Any member of the Board shall be prohibited from voting on any issue in which the member has a direct financial interest. The Administrator of the Oklahoma Health Care Authority shall be an ex officio member of the Board, but shall be entitled to vote only in case of a tie vote.

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

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

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

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

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

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

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

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

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

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

Section 5008. A. The Administrator of the Oklahoma Health Care Authority shall have the training and experience necessary for the administration of the Authority, ~~as determined by the Oklahoma Health Care Authority Board, including, but not limited to, prior experience in the administration of managed health care.~~ The Administrator shall be appointed by the Governor with the advice and consent of the Senate and shall serve at the pleasure of the Board Governor and may be removed or replaced without cause. Compensation for the Administrator shall be determined by the Governor. The Administrator may be removed from office by a two-thirds (2/3) vote of the members elected to and constituting each chamber of the Legislature.

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

1. Supervision of the activities of the Authority;

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

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

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

5. Establishment of a contract bidding process which:

a. encourages competition among entities contracting with the Authority for state-purchased and state-subsidized

health care; provided, however, the Authority may make patient volume adjustments to any managed care plan whose prime contractor is a state-sponsored, nationally accredited medical school. The Authority may also make education or research supplemental payments to state-sponsored, nationally accredited medical schools based on the level of participation in any managed care plan by managed care plan participants,

- b. coincides with the state budgetary process, and
- c. specifies conditions for awarding contracts to any insuring entity.

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

SECTION 3. 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 Senate the 6th day of March, 2019.

Presiding Officer of the Senate

Passed the House of Representatives the 12th day of March, 2019.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____