

**SENATE FLOOR VERSION**  
February 22, 2017  
**AS AMENDED**

SENATE BILL NO. 658

By: Allen of the Senate

and

West (Rick) of the House

[ Oklahoma Medicaid Program - cost-containment initiatives - effective date ]

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 5010, is

amended to read as follows:

Section 5010. A. The Oklahoma Health Care Authority shall analyze the state-purchased and state-subsidized health care programs and explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

1. Creation of economic incentives for the persons for whom the state purchases or subsidizes health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial responsibility;

1       2. Utilization of provider arrangements that encourage cost  
2 containment and ensure access to quality care, including, but not  
3 limited to, prepaid delivery systems, utilization review, and  
4 prospective payment methods;

5       3. Coordination of state agency efforts to purchase drugs  
6 effectively;

7       4. Development of recommendations and methods for purchasing  
8 medical equipment and supporting services on a volume discount  
9 basis; and

10      5. Development of data systems to obtain utilization data from  
11 state-purchased and state-subsidized health care programs in order  
12 to identify cost centers, utilization patterns, provider and  
13 hospital practice patterns, and procedure costs; and

14      6. Methods to reduce payments to out-of-state providers in  
15 bordering states when in-state providers are available and feasible  
16 for the delivery of health care services.

17      B. 1. The Authority shall prepare for the ~~Governor, the~~  
18 ~~Legislature and the Joint Legislative Oversight Committee for the~~  
19 ~~Oklahoma Health Care Authority President Pro Tempore of the Senate,~~  
20 the Speaker of the House of Representatives and the Governor  
21 annual report on the savings realized and all costs incurred in the  
22 implementation of any drug and health care services cost containment  
23 programs including, but not limited to:

- a. development and implementation of a drug prior authorization list, and
- b. other uses of prior authorizations

2. Costs shall include direct costs such as staffing, contracts other resources used.

SECTION 2. This act shall become effective November 1, 2017.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
February 22, 2017 - DO PASS AS AMENDED