

OSP Senate Bill 605

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO.605 By: McCortney

AS INTRODUCED

An Act relating to Insure Oklahoma; directing the Oklahoma Health Care Authority to establish the Oklahoma Plan; describing the Plan; providing eligibility criteria; directing the Authority to seek certain federal approval; setting forth payment structure and funding sources; directing the Authority to enter into certain contracts; setting forth certain requirements for qualified benefit plans; assigning oversight of premium assistance program to the Authority; providing for promulgation of rules; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW

A new section of law to be codified in the Oklahoma Statutes as Section 1011.3A of Title 56, unless there is created a duplication in numbering, reads as follows:

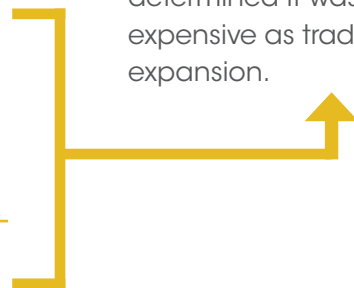
A. The Oklahoma Health Care Authority shall establish the Oklahoma Plan within the Insure Oklahoma program. [The Oklahoma Plan shall be a health insurance premium assistance program administered by the Authority which shall provide coverage through one or more commercial health insurers to any person who meets the requirements set forth in subsection B of this section and enrolls in the plan.]

This section expands Medicaid under ObamaCare, but seeks to deliver ObamaCare expansion benefits through a different means.

- It's still expanding Medicaid eligibility to the entire ObamaCare expansion population of able-bodied adults.
- It's still providing all ObamaCare expansion benefits to able-bodied adults.
- It's still using ObamaCare expansion funding.
- It's still subject to all other ObamaCare expansion requirements.

Three other states have attempted similar plans: Arkansas, Iowa, and New Hampshire.

- Iowa ended the plan after 18 months, after experiencing large cost overruns, premium increases, and insurers fleeing the market.
- New Hampshire ended the plan last year, after determining that it was more than twice as expensive as traditional Medicaid expansion.
- Arkansas lawmakers are now considering ending the plan, after a state-funded evaluation determined it was twice as expensive as traditional Medicaid expansion.



This section expands Medicaid to the entire ObamaCare expansion population.

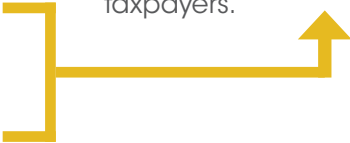
This includes thousands of able-bodied adults who already receive generous subsidies for premiums and cost-sharing in the ObamaCare Exchange. Currently, the state pays nothing for these individuals' health insurance costs, as these premium and cost-sharing subsidies are funded entirely by the federal government. This bill would shift some of these costs to state taxpayers.

B. Any person shall be eligible whose household income does not exceed one hundred thirty-eight percent (138%) of the federal poverty level (FPL) guidelines, and who:

1. Meets the work requirement criteria for the Supplemental Nutrition Assistance Program (SNAP) set forth in 7 U.S.C., Section 2015(o);
2. Qualifies for an exemption set forth in 7 U.S.C., Section 2015(o) (3) (A), (B), (D) or (E); or
3. Is otherwise exempt from a work requirement pursuant to federal Medicaid laws or guidelines.

C. The Oklahoma Health Care Authority shall apply to the Secretary of the United States Department of Health and Human Services for any necessary federal approval to:

1. Allow the Authority to enter into a contract with one or more commercial health insurers to provide coverage to persons who enroll in the Oklahoma Plan established pursuant to subsection B of this section;
2. Seek the enhanced Federal Medical Assistance Percentage (FMAP) rate;
3. Seek the federal financial participation for administrative expenses;
4. Allow a person who is determined eligible for advance payments of the premium tax credit and



Oklahoma law already contains a Medicaid work requirement, once approved by CMS. This is a mask to make the expansion appear more conservative.

Re-stating an existing work requirement is not a good deal to exchange for massively expanding welfare eligibility under ObamaCare.

cost-sharing reductions to use such credits and reductions to purchase coverage through the Oklahoma Care Plan; and

5. Implement the additional provisions of this act.

D.

1. Upon receipt of federal approval referenced in subsection C of this section, the Oklahoma Health Care Authority shall utilize matching funds from the enhanced Federal Medical Assistance Percentage (FMAP) rate for the premium assistance program. The Authority may utilize funds from the federal financial participation described in subsection C of this section for administrative expenses associated with the Oklahoma Plan and the state Medicaid program.
2. The enrollee shall be responsible for paying a limited portion of premiums on a sliding scale, depending on income, in amounts to be determined by the Authority.
3. The Authority may assess fees on hospitals and use fee proceeds including, but not limited to, Supplemental Hospital Offset Payment Program (SHOPP) proceeds to fund the program.
4. Third parties, including but not limited to employers, may assist with payment of the enrollee's premiums.

E.

1. Upon receipt of federal approval referenced in subsection C of this section, the Oklahoma Health Care Authority may enter into a contract with one or more providers of insurance to provide the coverage described in this subsection to persons who enroll in the Oklahoma Care Plan.
2. Qualified benefit plans shall be responsible for ensuring provider network adequacy, furnishing necessary care coordination and care management services, providing customer service to members, paying claims and monitoring quality.
3. Qualified benefit plans shall, at a minimum, cover all services covered under Insure Oklahoma.
4. The Authority shall be responsible for the administration and oversight of the premium assistance program.

F. The Oklahoma Health Care Authority Board shall, in consultation with the Insurance Commissioner, adopt such rules as are necessary to implement the provisions of this section.

SECTION 2. This act shall become effective November 1, 2019.

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