



# Oklahoma State Senate

# Legislative Brief July 1998

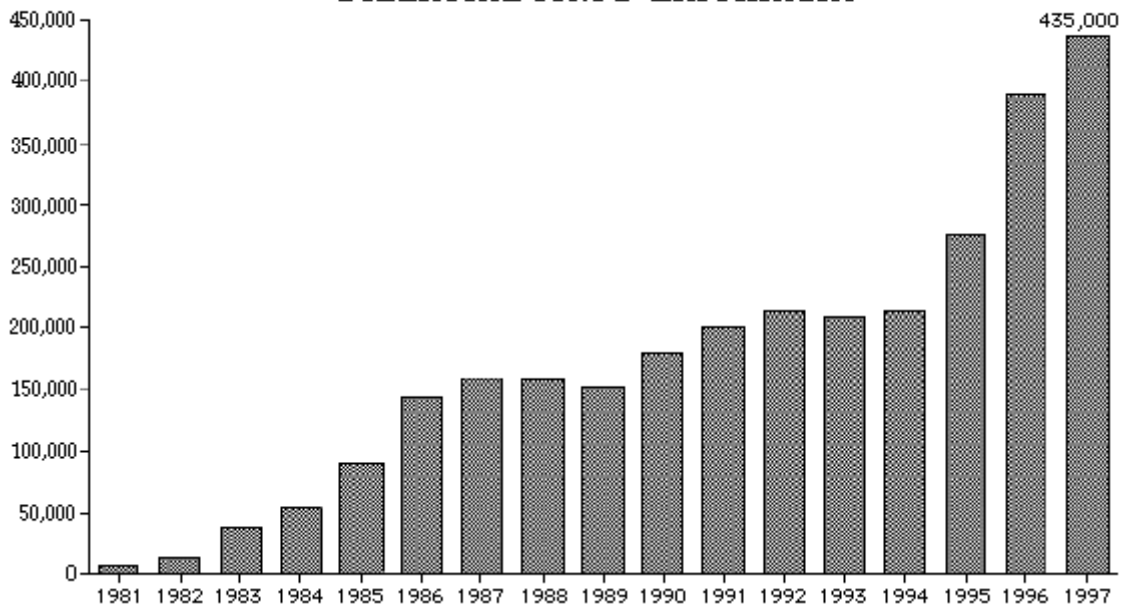
## Health Care

### Issue Background

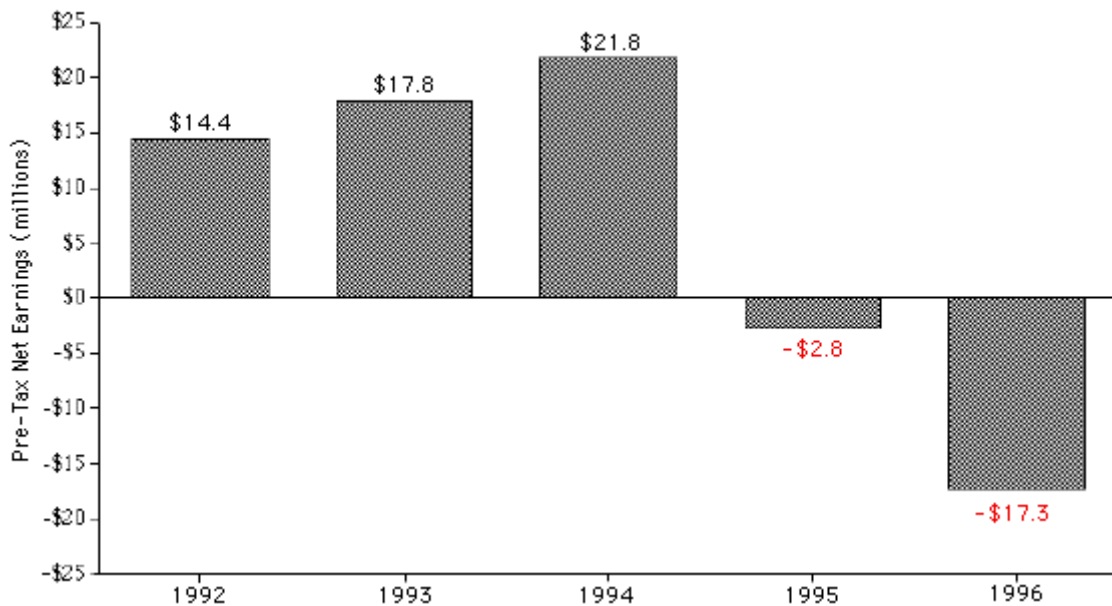
#### Health Care Delivery

While health maintenance organizations (HMOs) have existed in Oklahoma since 1961, the changing of the state Medicaid program from fee-for-service to managed care in the early 90's sparked an overall increase in private sector managed care entity enrollments as well. The increase in the types of managed care entities has also meant an increase in the need for additional regulation and oversight. Although more prevalent in Oklahoma than ever before, HMOs still have low market saturation levels. In its December 1997 Managed Care Update, Blue Cross Blue Shield of Oklahoma projected that most HMOs would lose money due to such factors as increased competition, an aging population, increases in the costs of new technology and drugs, and increases in medical treatment utilization. Managed care entities and insurers are contending with these types of economic realities in a climate that is becoming increasingly more regulatory and that is more frequently being driven by consumers.

### Oklahoma HMO Enrollment



## Earnings or Losses Reported by State HMOs



Accordingly, the Legislature addressed concerns in 1997 about quality of care and patient rights protection through enactment of laws which:

- required large groups of 50 or more employees to also offer an out-of-network option,
- gave primary care physicians almost complete autonomy in making medically necessary referrals, and
- mandated 48 hours of coverage for pregnant women during delivery.

The trend toward further fine tuning of the state's health care delivery system through increased regulation and mandates, and the continuation of the transition of the state Medicaid program into a managed care system were the focus of the 1998 legislative agenda.

### Developmental Disabilities

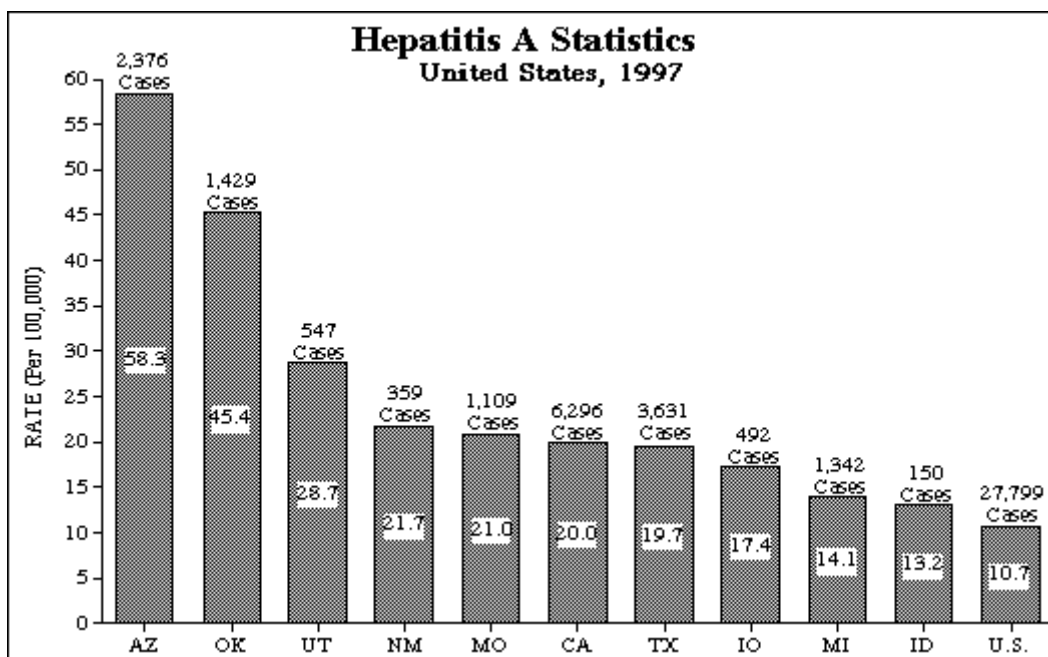
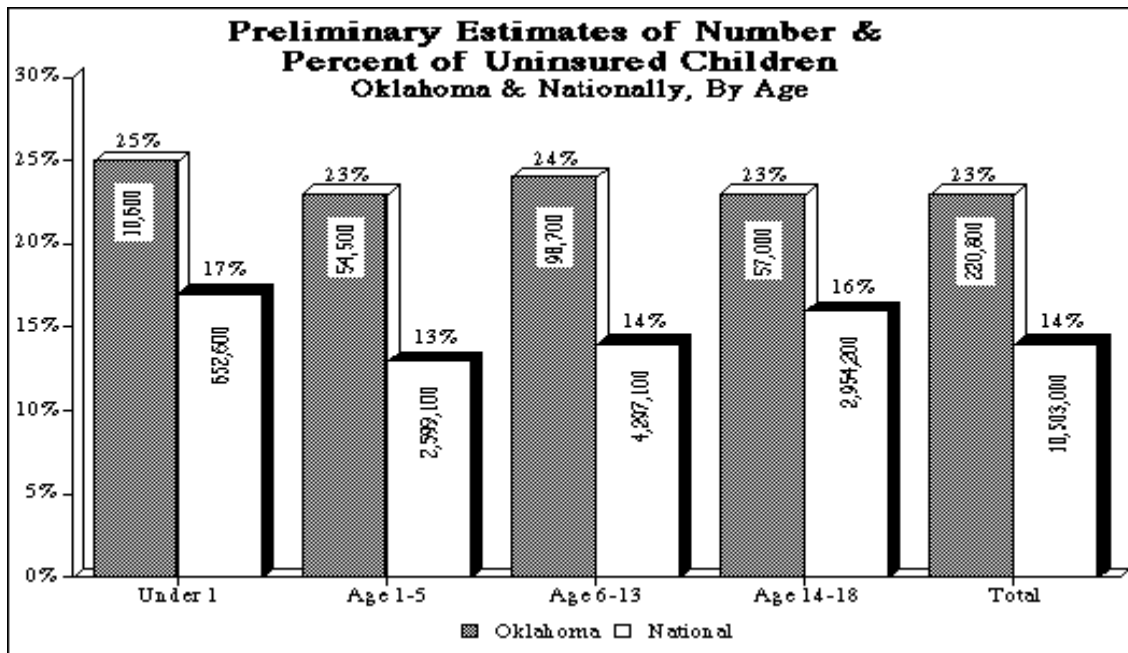
Issues affecting the quality of life of Oklahoma's developmentally or otherwise disabled citizens have come to the forefront as debate continues over appropriate levels of care and treatment for the special health care needs of the disabled.

### Children's Health Insurance

Finally, the health status of the state's children figured prominently on the legislative agenda as substantial funding commitments were devoted to improving health care related services to children.

Oklahoma ranks third in the nation in the number of uninsured children. While the state enjoyed a momentary increase in the early 90's in the rate of immunizations of the state's children against childhood diseases such as measles, mumps, rubella, etc., according to the Centers for Disease Control (CDC), the state's rate of immunizations has recently declined. In 1997, Oklahoma was second in the nation in the number of Hepatitis A cases, exceeded only by Arizona. The high percentage of Native Americans in the populations of both states appears to be a factor influencing this statistic. The Legislature gave its support to Sen. Kelly Haney's initiative to add Hepatitis A to the list of required childhood immunizations.

The Legislature also addressed gaps in reporting of immunizations by requiring immunization information sharing between the State Department of Health and the Oklahoma Health Care Authority.



## Summary of Actions

### Health Insurance Mandates/Health Care Regulation/Managed Care

#### SB 873 (Helton/Glover)

Requires health plans doing business in Oklahoma to provide coverage for side effects associated with prostate cancer surgery and other related conditions.

#### HB 3171 (Long/Hopper Smith)

Requires insurers to reimburse clean claims within sixty days of receipt and requires notice of contested or denied claims.

#### SB 1087 (Monson/Paulk)

Regulates organ donation in the state by ensuring that Oklahomans get first priority for state-donated organs prior to their being made available nationally.

#### HB 2542 (Gray/Weedn)

Prohibits performance in this state of an abortion procedure termed "partial birth".

#### SB 1323 (Monson/Seikel)

Exempts from state solvency requirements provider service networks (PSNs) that only serve Medicare beneficiaries if the PSN is in compliance with federal solvency requirements.

HB 2624 (Vaughn/Hendrick)

Allows medical doctors and doctors of osteopathy to administer high dosages of certain controlled dangerous substances for the purpose of pain management for patients with acute or chronic pain or who are experiencing pain as a result of a terminal illness.

SB 859 (Robinson/Mitchell)

Moves back by one year the date by which institutionalized and severely and persistently mentally ill clients must be enrolled in Medicaid managed care.

**Disabled Persons**

HB 3280 (Lindley/Williams)

Requires the Developmental Disabilities Services Division (DDSD) of the Department of Human Services to annually report the division's administrative activities and performance data on services to clients to the Governor and the Legislature. DDSD is to also design and implement a voucher waiver program to serve wait listed individuals with developmental disabilities, subject to funding availability.

SB 1024 (Morgan/Lindley)

Creates a Task Force on Assistive Technology to assess the state's system and resources for providing assistive technology to persons with disabilities and to make recommendations for actions necessary to ensure timely availability of assistive technology to such persons.

SB 1324 (Henry/Weaver)

Creates the Task Force on Crisis Services for Individuals with Disabilities to assess individual and family needs at the onset of severe disability, and to recommend system improvements to address the immediate and extended needs of individuals and families in crisis due to the new acquisition of a disability from injury, illness or a progressive medical condition.

HB 3285 (Mitchell/Weedn)

Prohibits closure of the state-administered resource centers for the developmentally disabled until provided by legislation.

HB 2313 (Eddins/Cain)

Requires health plans to provide coverage for certain costs associated with dental procedures for children under 8 years of age and disabled persons.

**Children's Health**

SB 887 (Monson/Glover)

Adds varicella (chicken pox) to the list of required immunizations for children.

SB 1239 (Monson/Seikel)

Requires the State Board of Health to provide immunization information for certain school children to the Health Care Authority for use in improving reporting of immunization rates among Medicaid recipients.

SB 1400 (Haney/Hamilton)

Adds Hepatitis A to the list of required immunizations for children.

**APPROPRIATIONS**

Children's Health

SB 923 (Haney/Hamilton) and HB 3065 (Hamilton/Haney) contain \$8.6M in new money appropriated to two health-related initiatives designed to improve the health status of children and their families:

\$7.9M was appropriated for Children's First, a child abuse prevention initiative which utilizes registered nurses for home visitations to first time mothers during the pregnancy and until the newborn is two years of age. A woman must enter the program prior to her sixth month. The appropriation includes \$3.2M to provide full 12-month funding for nurses who were phased in during FY'98, and \$4.7M to expand and add nurses in counties with the greatest need in FY'99.

\$700,000 was appropriated for Healthy Families America, a program funded through Oklahoma Child Abuse Prevention Fund grants that works with women during a first or subsequent pregnancy through home visitations by paraprofessionals trained to improve parenting skills and provide early childhood development skills and training.

SB 924 (Haney/Hamilton) allows doctors to prescribe nonsedating antihistamines for Medicaid eligible children without prior authorization.

**Significant Vetoes**

HB 3292 (Mitchell/Monson)

Would have provided for expansion of health insurance coverage under Medicaid for children through 18 years of age. The Governor's veto message cited his objections to providing coverage under Medicaid expansion provisions for what he termed "able-bodied" 18 year olds.

Funding to accomplish the expansions, however, was approved when the Governor signed SB 923 into law. Given the available funding, the Health Care Authority will implement coverage for 15-17 year old children in families with incomes below 185% of the federal poverty level (FPL). The appropriation also includes an annualized amount to pay for the 12-1-97 Medicaid expansion that extended coverage to pregnant women and children up to 14 years old in families with incomes below 185% FPL.

HB 2701 (Ross/Monson)

Would have required the Health Care Authority to explore options for further expansion of coverage under Medicaid to include additional children and families. Veto message states that last year's expansion has not been implemented and resources should be used for this prior expansion.

SB 1059 (Monson/Seikel)

Would have mandated coverage for treatment of severe mental illness. Veto message states that the act would increase cost of health insurance.

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