

STATE NEWS WEEKLY SUMMARY CONTINUED



Most of the issues identified by the task force for discussion, such as quality assessment, access and information sharing, are what its chairmen have called "quality issues," rather than financial considerations.

Randel said a key component of the Ohio proposals is that they will impose regulations on "anyone bearing (financial) risk." Part of the problem in the managed care area, several speakers noted Thursday, was that there is no clear definition of what qualifies as a managed care program. In Oklahoma, for example, only four health care plans — health maintenance organizations (HMOs), pre-paid health plans, provider service networks and workplace medical plans — are regulated by the State Department of Health, Mike Hartsell, executive director of the department told the panel. At the same time, he noted, Oklahoma law does not define what constitutes a managed care program, leaving a number of health care programs, such as preferred provider programs and many others, unregulated.

Randel said legislation which addresses the managed care issue from the standpoint of "anyone bearing risk" should cover all existing health care programs, as well as those which may develop in the future.

That idea was not readily embraced by members of the panel, many of whom argued that only those entities which sell insurance products should be regulated, while those which are not involved in the insurance industry should not be regulated.

Randel also argued that only one state agency, particularly the state insurance commission, should be charged with regulating the managed care industry. The sharing of regulatory responsibility, Randel said, has historically led to problems in states such as California, New York and Minnesota.

According to Hartsell, his department

bears the primary responsibility of enforcing regulations on the health care industry. When dealing with HMOs, he noted, the Oklahoma Insurance Commission evaluates the organizations' finances, but only makes recommendations to the health department.

Randel said the primary regulatory focus of the legislation proposed in Ohio is solvency.

That, he said, is because the failure of a health care organization "is one of the worst things you can imagine."

Quality issues, Randel indicated, are important to consumers, but are best addressed by the market place, rather than by regulatory agencies.

That approach, however, Randel said, has drawn objections from those within the health care industry.

As members turned their attention to the task force's future discussions, some reluctance was expressed about taking action without hearing from representatives of some of the health care provider groups, such as provider service networks, preferred provider organizations and others.

That desire left one major issue unresolved by the panel — a determination of what entities would be regulated under any law proposed for Oklahoma. After hearing from representatives of additional health care provider groups, the task force's members indicated that they felt they would be better suited for arriving at a decision on the issue.

In informal balloting near the end of the meeting, however, 18 of the 30 task force members attending the meeting expressed a preference for dividing the regulatory responsibility in Oklahoma between two or more agencies, while 12 of the members expressed a preference for having only one regulatory authority.

In votes on other regulatory issues:

- Twenty-nine of the panel's members voiced support for regulations dealing with solvency;
- Twenty said the capacity to meet a network obligations should be regulated, while 5 panel members disagreed;
- Nineteen of the panel's members said they believe provider selection and access should be regulated, compared to six who said that it should not;
- Twenty voted that the process of credentialing should be regulated, while two voted that it should not;

- Twenty-six panel members said quality assurance should be regulated;
- Twenty-seven voted that utilization review, data reporting and outcome information should also be regulated; and
- Nine said profit should be regulated by a legislatively-imposed limit, while 15 said that it should not.

—SHAWN ASHLEY
10/17/96

REVENUE & TAXATION

GENERAL REVENUE RECEIPTS SHOW GAINS FOR MONTH, QUARTER

■(OKLAHOMA CITY) Led by gains in income, sales and gross production taxes, Oklahoma's General Revenue collections exceeded those of the prior year and estimate for both the month of September and the first quarter of the fiscal year, the Office of State Finance reported Tuesday.

Receipts totaled \$352.4 million for the month and \$908.5 million for the first quarter for the period ending September 30.

The three-month first quarter total was up \$67.8 million or 8.1 percent from a year ago and was \$41.7 million or 4.8 percent above the estimate. Under the estimate, the first quarter had been expected to show a gain of 3.1 percent above the prior year.

Receipts from each of the four major taxes topped both the prior year and estimate for the quarter. Income, sales and gross production taxes exceeded both the prior year and estimate for the month. Motor vehicle receipts, representing vehicle sales and licenses, exceeded the prior year but trailed the estimate by 2.4 percent for the month.

The estimate is based on historical collection patterns for the month and year to date as applied to the State Board of Equalization's certified estimate for the 1996 fiscal year.

Of the total General Revenue September receipts of \$352.4 million, \$289.3 million will go for October allocations to state agencies to satisfy appropriations. The remaining \$63.1 million will be carried forward for future months. This plus \$139.8 million in the General Revenue Cash-Flow Reserve Fund will leave a cash-flow balance of \$202.9 million for use as needed in future months.

General Revenue Fund receipts historically exceed allocation requirements in Sep-

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"Bureaucracies are designed to perform public business. But as soon as a bureaucracy is established, it develops an autonomous spiritual life and comes to regard the public as its enemy."

Brooks Atkinson
"September 9"
Once Around the Sun
1951