

ENROLLED HOUSE
BILL NO. 1257

BY: HAMILTON (James) and
STEIDLEY of the HOUSE

and

TAYLOR, HANEY and
SHURDEN of the SENATE

AN ACT RELATING TO THE OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS; AMENDING SECTION 17 OF ENROLLED SENATE BILL NO. 414 OF THE 1ST SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO APPROPRIATIONS TO THE DEPARTMENT OF VETERANS AFFAIRS; MODIFYING CERTAIN APPROPRIATION; SPECIFYING PURPOSES; PROVIDING FOR DUTIES AND COMPENSATION OF EMPLOYEES; LIMITING THE SALARY OF THE DIRECTOR; PROVIDING BUDGETARY LIMITATIONS; REQUIRING THE BUDGET WORK PROGRAM TO INCLUDE CERTAIN ENTITIES AND ACTIVITIES; AUTHORIZING CERTAIN EXPENDITURES FOR CERTAIN PURPOSES; LIMITING CERTAIN AMOUNTS AND EXPENDITURES; DEFINING TERM; STATING LEGISLATIVE INTENT FOR UTILIZATION OF CERTAIN FUNDS FOR CERTAIN PURPOSES; PROHIBITING CERTAIN USE OF CERTAIN EMPLOYEES; PROVIDING FOR THE TRANSFER OF THE GEORGE NIGH REHABILITATION INSTITUTE TO THE OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS; SPECIFYING AND PROVIDING FOR TRANSFER OF CERTAIN PROPERTY, FUNDS, INTEREST, POWERS, DUTIES, OBLIGATIONS, LIABILITIES AND OTHER ITEMS; PROVIDING FOR TRANSFER OF CERTAIN PERSONNEL AND THEIR BENEFITS; PREVENTING CERTAIN LOSSES; AUTHORIZING CERTAIN CONSTRUCTION CONTRACTS; REQUIRING CERTAIN PRIORITIES; AUTHORIZING THE ACCEPTANCE OF CERTAIN PERSONS AS PATIENTS; PROVIDING FOR THE COORDINATION OF SUCH TRANSFERS; CREATING THE GEORGE NIGH REHABILITATION INSTITUTE REVOLVING FUND; PROVIDING FOR DEPOSITS AND EXPENDITURES; AMENDING SECTION 42, CHAPTER 326, O.S.L. 1988 (56 O.S. SUPP. 1990, SECTION 300), WHICH RELATES TO THE OKLAHOMA MEDICAL CENTER; REMOVING THE GEORGE NIGH REHABILITATION CENTER FROM THE OKLAHOMA MEDICAL CENTER; AMENDING 74 O.S. 1981, SECTION 1304, AS LAST AMENDED BY SECTION 2, CHAPTER 244, O.S.L. 1990 (74 O.S. SUPP. 1990, SECTION 1304), WHICH RELATES TO THE STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD; AUTHORIZING CERTAIN CONTRACTS; AUTHORIZING CERTAIN COPAYMENTS AND DEDUCTIBLES; MODIFYING TERM; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. AMENDATORY Section 17 of Enrolled Senate Bill No. 414 of the 1st Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 17. There is hereby appropriated to the Oklahoma Department of Veterans Affairs from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1992, the following sum of ~~Sixteen Million Four Hundred Forty-one Thousand Four Hundred Ninety-six Dollars (\$16,441,496.00)~~ or so much thereof as may be required to perform the duties imposed upon the Oklahoma Department of Veterans Affairs by law-:

<u>Personal Services</u>	<u>\$16,350,507.00</u>
<u>Other Operating Expenses</u>	<u>100,000.00</u>
<u>TOTAL</u>	<u>\$16,450,507.00</u>

SECTION 2. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Department of Veterans Affairs by law shall be set by the War Veterans Commission of Oklahoma. The salary of the Director shall not exceed Fifty-five Thousand Dollars (\$55,000.00) per annum, payable monthly for the fiscal year ending June 30, 1992. The Oklahoma Department of Veterans Affairs for the fiscal year ending June 30, 1992, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-time-equivalent Employees	1,366.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	\$26,500,000.00
Professional and Personal Services Contracts	\$360,000.00
Lease-Purchase Agreements	\$0.00
Purchase of Equipment	\$800,000.00
Expenditure of Revolving Funds	\$18,500,000.00
Expenditure of Federal Funds	\$9,100,000.00
Total Expenditures for Operations	\$44,050,507.00

SECTION 3. Pursuant to the provisions of Section 41.7 of Title 62 of the Oklahoma Statutes, the Oklahoma Department of Veterans Affairs shall file its budget work program with the Director of State Finance and the Legislative Service Bureau for the fiscal year ending June 30, 1992, to include the following budget entities and activities:

- Central Office Administration
- State Accrediting Agency
- Ardmore Veterans Center
- Claremore Veterans Center
- Clinton Veterans Center

George Nigh Rehabilitation Institute
Norman Veterans Center
Sulphur Veterans Center
Talihina Veterans Center
Financial Assistance to Veterans and Dependent Children

SECTION 4. The appropriation made by Section 17 of Enrolled Senate Bill No. 414 of the 1st Session of the 43rd Oklahoma Legislature, as amended by Section 1 of this act, may be used for the vocational rehabilitation of disabled veterans pursuant to the provisions of Section 68.2 of Title 72 of the Oklahoma Statutes and to aid the destitute minor dependents of disabled, destitute or deceased honorably discharged war veterans. The aid to destitute minor dependents shall be expended by the War Veterans Commission of Oklahoma to maintain, support, and educate said minor dependents on a per capita basis of not to exceed Thirteen Dollars (\$13.00) per capita, per day. A minor dependent may continue to receive said aid for a maximum of three (3) years after attaining eighteen (18) years of age if the minor dependent is attending a high school or a school of equivalent level which has been approved by the War Veterans Commission of Oklahoma. For the purposes of this section, "minor dependents" means those minor dependents who have been or whose parents, guardians, or custodians have been or had been at the time of death, citizens of this state for a period of three (3) years.

SECTION 5. It is the intent of the Legislature that the Oklahoma Department of Veterans Affairs shall utilize funds to fully implement a fifty-bed Alzheimer's unit located at the Talihina Veterans Center for the care of patients with Alzheimer's disease.

SECTION 6. It is the intent of the Legislature that the Oklahoma Department of Veterans Affairs shall utilize an additional seventy-eight (78) authorized FTE for nurse and other support services for direct patient care. The Department shall not utilize the authorized FTE for administration positions.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 63.18 of Title 72, unless there is created a duplication in numbering, reads as follows:

A. The facility known as the George Nigh Rehabilitation Institute in Okmulgee, Oklahoma, is hereby transferred from the Department of Human Services to the Oklahoma Department of Veterans Affairs to be administered pursuant to such rules and policies as prescribed by the War Veterans Commission of Oklahoma. The transfer shall include all real property, buildings, furniture, equipment, supplies, records, personnel, assets, current and future liabilities, fund balances, encumbrances, obligations, indebtedness, powers, duties and responsibilities associated with the George Nigh Rehabilitation Institute.

B. All monies remaining in any funds or accounts in the name of the George Nigh Rehabilitation Institute or maintained by the Department of Human Services for the benefit of the Institute are transferred to the Oklahoma Department of Veterans Affairs. Any remaining bond proceeds and the interest earned on the bond proceeds associated with the construction of the George Nigh Rehabilitation Institute which would otherwise be payable to the Department of Human Services are transferred to the Oklahoma Department of Veterans Affairs.

C. All employees of the George Nigh Rehabilitation Institute on the effective date of this act shall be transferred to the Oklahoma Department of Veterans Affairs without loss of pay, seniority, rights, privileges or benefits, and without change in status, whether classified or unclassified, as provided in the Oklahoma Personnel Act.

D. The Oklahoma Department of Veterans Affairs may contract with the Department of Human Services for the completion of construction of the George Nigh Rehabilitation Institute by the construction crews of the Department of Human Services. If the Oklahoma Department of Veterans Affairs contracts with the Department of Human Services, the Department of Human Services shall give priority to the completion of the Institute.

E. In addition to war veterans, the Oklahoma Department of Veterans Affairs may accept any other persons as patients at the George Nigh Rehabilitation Institute.

F. The Director of Public Affairs, the Director of State Finance and the Administrator of the Office of Personnel Management shall coordinate the transfers made pursuant to this section.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 222.1 of Title 72, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Veterans Affairs to be designated the "George Nigh Rehabilitation Institute Revolving Fund". The fund shall be a continuing fund not subject to fiscal year limitations and shall consist of all monies received by the Department from any gifts, contributions, bequests, individual reimbursements and other sources of revenue, for the care or support of persons who have been admitted and cared for at the Institute and any other monies directed by law to be placed in the fund. Monies accruing to the fund may be expended by the Oklahoma Department of Veterans Affairs for operation, maintenance and capital improvement of the facility. Expenditures from the fund shall be made on warrants issued by the State Treasurer against claims filed with the Director of State Finance for approval and payment.

SECTION 9. AMENDATORY Section 42, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Section 300), is amended to read as follows:

Section 300. The Oklahoma Medical Center shall include the Oklahoma Memorial Hospital, the Children's Hospital of Oklahoma, the O'Donoghue Rehabilitation Institution, and the Child Study Center ~~and the George Nigh Rehabilitation Center in Okmulgee, Oklahoma.~~

SECTION 10. AMENDATORY 74 O.S. 1981, Section 1304, as last amended by Section 2, Chapter 244, O.S.L. 1990 (74 O.S. Supp. 1990, Section 1304), is amended to read as follows:

Section 1304. (1) There is hereby created the State and Education Employees Group Insurance Board which shall consist of seven (7) members as follows: The Director of State Finance, two members appointed by the Governor, two members appointed by the Speaker of the House of Representatives, and two members appointed by the President Pro Tempore of the Senate. The appointed members shall each receive compensation of Five Hundred Dollars (\$500.00) per month. Appointed members who fail to attend a regularly scheduled monthly meeting of the Board shall not receive the related monthly compensation. In the event an appointed member does not attend at least seventy-five percent (75%) of the regularly scheduled monthly meetings of the Board during a calendar year, the appointing authority may remove said member. A member may also be removed for any other cause as provided by law. A vacancy in the office of the appointed member shall be filled for the unexpired term of office in the same manner as the original appointment.

(2) The initial term of office of the members appointed by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4)

years which is coterminous with the term of office of the office of the appointing authority.

(3) The initial term of office of one of the members appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1992. The initial term of office of the other member appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1994. Thereafter, the term of office of the members appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be four (4) years.

(4) The appointed members shall:

(a) have demonstrated professional experience in investment or funds management, public funds management, public or private group health or pension fund management, or group health insurance management; or

(b) be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or

(c) be licensed by the Oklahoma State Board of Public Accountancy to practice in this state as a public accountant or a certified public accountant.

In making appointments that conform to the requirements of this subsection, at least one (1) but not more than two (2) members shall be appointed each from paragraphs (b) and (c) of this subsection by the combined appointing authorities.

(5) No appointed member of the State and Education Employees Group Insurance Board shall be a lobbyist registered in this state as provided by law, a health care provider, a plan participant, be employed, directly or indirectly, by any insurance company or carrier, or health care provider, or be employed directly or indirectly, by any firm under contract to the Board for any goods or services whatsoever.

(6) The State and Education Employees Group Insurance Board shall not be subject to the provisions of the Oklahoma Sunset Law.

(7) The Attorney General shall furnish the Board with legal representation.

(8) The Court Administrator shall designate grievance panel members as shall be necessary. The members of the grievance panel shall consist of two attorneys licensed to practice law in this state and one state licensed health care professional or health care administrator who has at least three (3) years practical experience, has had or has admitting privileges to a State of Oklahoma hospital, has a working knowledge of prescription medication, or has worked in an administrative capacity at some point in their career. The state health care professional shall be appointed by the Governor.

(9) The Board shall at its first meeting elect one of its members as chairman. He shall preside over meetings of the Board and perform such other duties as may be required by the Board.

(10) The Board shall elect another member to serve as vice-chairman who shall perform the duties of the chairman in the absence of the latter or upon his inability or refusal to act.

(11) The Board shall also elect a secretary who shall keep minutes of all meetings and who shall certify to actions of the Board.

(12) The Board shall adopt rules and regulations requiring payment for medical and dental services and treatment rendered by duly licensed hospitals, physicians and dentists.

(13) The State and Education Employees Group Insurance Board will not have the authority to enter into a contract with out-of-state providers in connection with any PPO or hospital or medical

network plan; provided however, said Board may process medical claims in catastrophic or emergency situations by (1) eliminating any per confinement deductible and (2) allowing covered medical expense up to usual and prevailing charges. These exceptions will only be allowed according to rules defined by the Board and by prior approval as to catastrophic illness expenses.

(14) The Board shall contract with the Oklahoma Medical Center and the George Nigh Rehabilitation Institute for the provision of ~~its~~ their services, on the same basis as other hospitals and providers in the state network, provided however the Board shall have discretion to reduce the co-payment and the deductibles up to fifty percent (50%) at the Oklahoma Medical Center and the George Nigh Rehabilitation Institute, and ~~its~~ their medical ~~staff~~ staffs. For purposes of this subsection, the phrase "Oklahoma Medical Center" shall be limited to the Oklahoma Memorial Hospital, the Children's Hospital of Oklahoma, the O'Donaghue Rehabilitation Institute, ~~and the George Nigh Rehabilitation Institute~~ and the Child Study Center.

(15) The Administrator shall appoint an advisory committee to the State and Education Employees Group Insurance Board. The advisory committee shall consist of seven (7) members. Of the members appointed to the advisory committee, at least one member must be an active state employee, at least one member must be a retired state employee, at least one member must be an active education employee, at least one member must be a retired education employee, and at least one member must be either an active county employee or a retired county employee.

SECTION 11. This act shall become effective July 1, 1991.

SECTION 12. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 23rd day of May, 1991.

Speaker of the House of
Representatives

Passed the Senate the 23rd day of May, 1991.

President of the Senate