

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2081

By: Gray

AS INTRODUCED An Act relating to public health and safety; amending Section 8, Chapter 330, O.S.L. 1993 (63 O.S. Supp. 1993, Section 3208), which relates to University Hospitals; requiring certain legislative approval prior to issuance of bonds; removing certain limitations; and providing an effective date.

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

SECTION 1. AMENDATORY Section 8, Chapter 330, O.S.L. 1993 (63 O.S. Supp. 1993, Section 3208), is amended to read as follows:

Section 3208. A. On and after June 1, 1993, and until July 1, 1993, in order to effectuate the transfer of the University Hospitals from the Commission for Human Services and the Department of Human Services to the University Hospitals Authority, the Authority shall have the powers and duties to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;
2. Adopt an official seal;
3. Maintain an office at the University Hospitals;
4. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Hospitals Authority Act;

5. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to implement the provisions of this subsection to prescribe their duties and to fix their compensation; and

6. Establish petty cash funds and provide for appropriate accounting procedures and controls.

B. On and after July 1, 1993, the Authority shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Adopt an official seal;

3. Maintain an office at the University Hospitals;

4. Sue and be sued, subject to the provisions of the Governmental Tort Claims Act;

5. Establish rates of payment for hospital and clinical services, which shall provide for exceptions and adjustments in cases where the recipients of services are unable to pay and for whom no third party source of payment is available, and to establish different rates of payment for indigent and nonindigent care;

6. Enter into cooperative agreements with the Board of Regents of the University of Oklahoma for educational programs, professional staffing, research and other medical activities;

7. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Hospitals Authority Act;

8. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to maintain and operate the hospitals or clinics, or to discharge its duties and responsibilities or to make any of its powers effective;

9. Acquire by purchase, lease, gift, or by any other manner, and to maintain, use and operate or to contract for the maintenance, use and operation of or lease of any and all property of any kind,

real, personal, or mixed or any interest therein unless otherwise provided by the University Hospitals Authority Act;

10. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to operate and maintain the University Hospitals and to prescribe their duties and to fix their compensation. The Authority shall employ and fix the duties and compensation of an administrator of the hospitals;

11. Accept grants from the United States of America, or from any corporation or agency created or designed by the United States of America, and, in connection with any such grant, to enter into such agreements as the United States of America or such corporation or agency may require;

12. Make and issue bonds and to pledge revenues of the Authority subject to the Oklahoma Bond Oversight and Reform Act and as specifically authorized by a concurrent resolution adopted by the Legislature prior to commencing any action in anticipation of issuance of revenue bonds. Nothing in the University Hospitals Authority Act shall authorize the issuance of any bonds of the Authority payable other than from revenues of the University Hospitals. Funds appropriated to the University Hospitals shall not be used for issuance of bonds. Authority revenue bonds issued under the provisions of this act shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided. Such revenue bonds shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the

~~principal of or the interest on such bonds. The maximum amount of outstanding bonds at any time shall not exceed Fifty Million Dollars (\$50,000,000.00) unless a greater amount is expressly approved by the Legislature by a concurrent resolution adopted prior to commencing any action in anticipation of issuance of revenue bonds of the University Hospitals Authority for the greater amount;~~

13. Provide for complete financial audits on all accounts of the University Hospitals Authority and to authorize periodic audits by an independent external auditing agency. Such audits to be performed annually in a format approved by the State Auditor and Inspector and all such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting principals. In addition to said audits, the State Auditor and Inspector, whenever he deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the Authority shall conduct a special audit of the Authority and the University Hospitals;

14. Engage in long-term planning for the operation and management of the University Hospitals;

15. Establish petty cash funds and provide for appropriate accounting procedures and controls;

16. Contract with national manufacturers and distributors of drugs and medical supplies when appropriate to carry out the purposes of this act;

17. Do all other things necessary and proper to implement the provisions of the University Hospitals Authority Act;

18. Waive, by such means as the Authority deems appropriate, the exemption from federal income taxation of interest on the

Authority's bonds provided by the Internal Revenue Code of 1986, as amended, or any other federal statute providing a similar exemption; and

19. Arrange for guaranties or insurance of its bonds by the federal government or by any private insurer, and to pay any premiums therefor.

C. The University Hospitals Authority and the University Hospitals shall be subject to the Oklahoma Budget Law of 1947, Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

D. The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted to the Office of State Finance and to the Directors of the House of Representatives Fiscal Division and the Senate Fiscal Division.

E. The Authority shall be subject to the professional risk management program provided for in Section 85.34 of Title 74 of the Oklahoma Statutes.

F. The Department of Human Services Institutional Maintenance and Construction Unit and the Architecture and Engineering Planning Unit should be given first priority to be vendor for the University Hospitals Authority for construction and remodeling projects which fall within their scope of services. The Authority may enter into contracts for construction and remodeling projects with another contractor only after compliance with all other applicable statutes and after making a specific finding that another contractor is more competitive.

G. The Authority shall continue to provide space, utilities and janitorial services to the Department of Human Services Institutional Maintenance and Construction Architecture and Engineering Planning Unit.

SECTION 2. This act shall become effective September 1, 1994.

44-2-7485

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