

ENROLLED HOUSE
BILL NO. 2965

By: Erwin, Taylor and Gray
of the House

and

Weedn and Long of the
Senate

An Act relating to ambulatory surgical centers; amending 36 O.S. 1991, Sections 6054, as last amended by Section 1, Chapter 76, O.S.L. 1996, 6056, as amended by Section 3, Chapter 76, O.S.L. 1996, and 6057, as amended by Section 4, Chapter 76, O.S.L. 1996 (36 O.S. Supp. 1997, Sections 6054, 6056 and 6057), which relate to the Health Care Freedom of Choice Act; adding term; expanding where certain services and procedures may be performed; adding certain surgical centers which an insured is allowed to choose; amending 63 O.S. 1991, Section 2660, which relates to issues of licenses for ambulatory surgical center facilities; updating language; prohibiting certain issuances of licenses for certain locations; specifying conditions; providing certain population limitations; providing for elections; setting procedures; and providing for construction and applicability of subsection.

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

SECTION 1. AMENDATORY 36 O.S. 1991, Section 6054, as last amended by Section 1, Chapter 76, O.S.L. 1996 (36 O.S. Supp. 1997, Section 6054), is amended to read as follows:

Section 6054. As used in the Health Care Freedom of Choice Act:

1. "Accident and health insurance policy" or "policy" means any policy, certificate, contract, agreement or other instrument that provides accident and health insurance, as defined in Section 703 of this title, to any person in this state;

2. "Ambulatory surgical center" means any facility as defined in Section 2657 of Title 63 of the Oklahoma Statutes;

3. "Hospital" means any facility as defined in Section 1-701 of Title 63 of the Oklahoma Statutes;

~~3.~~ 4. "Insured" means any person entitled to reimbursement for expenses of health care services and procedures under an accident and health insurance policy issued by an insurer;

~~4.~~ 5. "Insurer" means any entity that provides an accident and health insurance policy in this state, including but not limited to a licensed insurance company, a not-for-profit hospital service and/or medical indemnity corporation, a fraternal benefit society, a multiple employer welfare arrangement or any other entity subject to regulation by the Insurance Commissioner; and

~~5.~~ 6. "Practitioner" means any person holding a valid license to practice medicine and surgery, osteopathic medicine, chiropractic,

podiatric medicine, optometry or dentistry, pursuant to the state licensing provisions of Title 59 of the Oklahoma Statutes.

SECTION 2. AMENDATORY 36 O.S. 1991, Section 6056, as amended by Section 3, Chapter 76, O.S.L. 1996 (36 O.S. Supp. 1997, Section 6056), is amended to read as follows:

Section 6056. Services and procedures covered under an accident and health insurance policy may be performed at any hospital or ambulatory surgical center where a practitioner is authorized to practice, doctor's office or clinic, at the choice of the insured, or the insured's parent or guardian if the insured is a minor, and the practitioner who is providing the services and procedures.

SECTION 3. AMENDATORY 36 O.S. 1991, Section 6057, as amended by Section 4, Chapter 76, O.S.L. 1996 (36 O.S. Supp. 1997, Section 6057), is amended to read as follows:

Section 6057. A. Any provision, exclusion or limitation in an accident and health insurance policy which:

1. Denies an insured, or the insured's parent or guardian if the insured is a minor, the free choice of any practitioner or the use of any hospital or ambulatory surgical center where the practitioner is authorized to practice, doctor's office or clinic; or

2. Otherwise conflicts with any provision of the Health Care Freedom of Choice Act~~7~~, shall, to the extent of the denial or conflict, be void, but such voidance shall not affect the validity of the other provisions of the policy.

B. Any policy form presently approved for use containing any provision, exclusion or limitation determined by the Insurance Commissioner to be in conflict with any provision of the Health Care Freedom of Choice Act shall be brought into compliance with the act by the filing of a rider, an endorsement, or a new or revised policy form approved by the Commissioner.

SECTION 4. AMENDATORY 63 O.S. 1991, Section 2660, is amended to read as follows:

Section 2660. A. Upon receipt of an application for a license, the Commissioner shall issue a license if the applicant and ambulatory surgical center facilities meet the requirements established ~~under this act~~ pursuant to Sections 2657 through 2665 of this title. A license, unless sooner suspended or revoked, shall be renewable annually upon receipt of an application for a license and the license fee from the licensee and approval by the State Commissioner of Health.

B. Each license shall be issued only for the premises, persons or governmental units named in the application and shall not be transferable or assignable except with the written consent of the Commissioner. Licenses shall be posted in a conspicuous place on the licensed premises.

C. 1. The provisions of this subsection shall only apply to counties with a population of less than sixty-five thousand (65,000) persons according to the most recent Federal Decennial Census, in which is located a municipal or county hospital:

- a. established pursuant to Section 30-101 of Title 11, Sections 781 through 796 of Title 19, or Sections 176 through 180.4 of Title 60 of the Oklahoma Statutes, and
- b. which has outstanding bonded indebtedness.

2. No ambulatory surgical center shall be licensed at any location within the limits of a municipality unless the majority of the voters of said municipality, voting at the next scheduled election in said municipality, approve the licensing of the

ambulatory surgical center. An election shall be called upon the filing of a petition with the municipal clerk containing the signatures of not less than ten percent (10%) of the voters who voted in the last General Election.

3. No ambulatory surgical center shall be licensed at any location in a county outside the limits of a municipality unless the majority of the voters of said county, voting at the next scheduled election in said county, approve the licensing of the ambulatory surgical center. An election shall be called upon the filing of a petition with the county election board containing the signatures of not less than ten percent (10%) of the voters who voted in the last General Election.

4. The provisions of this subsection shall not apply to:

- a. any ambulatory surgical center having a license issued by the Commissioner of Health, which license was valid and in full force and effect on April 1, 1998, or
- b. any ambulatory surgical center for which an application was pending with the Commissioner of Health on April 1, 1998.

5. Nothing in this subsection shall be construed to affect in any manner the sale or transfer of any existing ambulatory surgical center.

Passed the House of Representatives the 19th day of May, 1998.

Speaker of the House of
Representatives

Passed the Senate the 20th day of May, 1998.

President of the Senate