

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL 1552

By: Weedn, Fisher, Stipe and
Mickle of the Senate

and

Beutler, Adair, McCarter,
Wells and Pope (Clay) of
the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public health and safety; amending Section 1, Chapter 213, O.S.L. 1999 (63 O.S. Supp. 1999, Sections 1-702b), which relates to hospitals; modifying requirements for certain facilities related to verification of sources of gross revenue; creating the Oklahoma Medicaid Pharmacy Task Force; stating purposes of Task Force; requiring report of recommendations; providing for composition of Task Force; providing for terms of service of appointees, filling of vacancies, travel reimbursement, convening of the first meeting and staffing of the Task Force; providing for written report; 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 1, Chapter 213, O.S.L. 1999 (63 O.S. Supp. 1999, Section 1-702b), is amended to read as follows:

Section 1-702b A. Any hospital, specialty hospital or ambulatory ~~surgery~~ surgical center ~~which has~~ that:

1. Has not received approval to construct a new facility from the State Commissioner of Health by the effective date of this act, to construct a new facility; or

2. Is acquired after the effective date of this act;

shall ~~be required to~~ provide, and shall furnish annually, written verification as evidenced by a Medicare cost report and/or audited financial statements to the Commissioner that at least thirty percent (30%) of its annual gross revenues are from Medicare, Medicaid, uncompensated care, and/or corporate tax contributions.

B. 1. Within ninety (90) days following the conclusion of a facility's fiscal year, the facility shall furnish to the Commissioner necessary documentation of compliance with the thirty percent (30%) threshold as specified in this section.

2. For facilities not meeting the thirty percent (30%) threshold, a fee shall be assessed for the difference. In no instance shall the fee exceed thirty percent (30%) of a facility's total annual gross revenue. The Commissioner shall bill each facility determined to owe a fee. Fees collected by the Commissioner shall be deposited into an uncompensated care fund. Disbursement from the fund shall be made to facilities that exceed the thirty percent (30%) threshold.

C. 1. On an annual basis, the Commissioner shall distribute the balance of the fund to facilities on a pro rata share determined by the uncompensated care percentages reported by facilities for the last reported fiscal year.

2. No portion of uncompensated care fund shall be used for any purpose other than described in this section.

3. Any money remaining in the fund at the end of the state's fiscal year shall not revert to the General Fund.

D. Failure of a facility to report to the Commissioner within the reporting period shall be grounds for termination of operating license. Failure of a facility to pay the assessed fee shall be grounds for termination of operating license. A grievance procedure policy will be implemented by rules established by the Commissioner.

E. For purposes of this section:

1. "Uncompensated care" means care provided for which no payment was received from the patient or insurer. Uncompensated care is the sum of a facility's bad debt and charity care;

2. "Charity care" means care for which a facility never expected to be reimbursed; and

3. "Tax contributions" means federal and state corporate taxes and state property taxes paid by a facility. Sales tax credit for inclusion in this formula is prohibited.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5030.10 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. 1. There is hereby created until July 1, 2001, the Oklahoma Medicaid Pharmacy Task Force. The Task Force shall have as its purpose:

- a. to assist the Legislature by providing a comprehensive evaluation of the fee-for-service provisions of the pharmacy drug benefit program for the Medicaid recipients. The comprehensive evaluation shall include information to be provided by the Oklahoma Health Care Authority and other sources. During the comprehensive evaluation the Task Force may look at other components of the medical benefits under the State Medicaid fee-for-service program, and
- b. to consider and recommend solutions that simultaneously improve:
 - (1) the design and management of pharmaceutical benefits in this state, and
 - (2) the quality and cost effectiveness of care provided to Medicaid beneficiaries.

2. In recommending solutions, the Task Force shall further consider such factors as health economics, demographics and utilization trends of Medicaid beneficiaries;

3. The Task Force shall report its recommendations to the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before November 15, 2000.

E. The Task Force shall be composed of thirteen (13) members as follows:

1. The administrator of the Oklahoma Health Care Authority, or a designee;

2. A representative from the Oklahoma State Medical Association, who shall be a licensed physician who is presently serving Medicaid beneficiaries;

3. A representative from the Oklahoma Pharmacy Association, who shall be a pharmacist licensed in this state and who shall presently serve Medicaid beneficiaries;

4. A representative from the Oklahoma Osteopathic Association, who shall be a licensed physician and who shall presently serve Medicaid beneficiaries;

5. A representative from the Oklahoma Director of Nurses Association, who shall be a nurse licensed to practice in this state and who shall presently serve Medicaid beneficiaries;

6. A representative of the Pharmaceutical Research and Manufacturers of America;

7. A representative of the Oklahoma Nursing Home Association;

8. A disabled Medicaid beneficiary, appointed by the Governor;

9. A participant in the Temporary Assistance for Needy Families Program who is also a Medicaid beneficiary, appointed by the President Pro Tempore of the Senate;

10. An elderly Medicaid beneficiary, appointed by the Speaker of the House of Representatives;

11. One member of the Senate, appointed by the President Pro Tempore, who shall serve as chair;

12. One member of the House, appointed by the Speaker of the House of Representatives, who shall serve as vice-chair; and

13. One member representing the Office of State Finance.

F. Appointed members of the Task Force shall serve at the pleasure of their appointing authorities. A vacancy in a position shall be filled in the same manner as the original appointment. Members of the Task Force shall serve without compensation but shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

G. The chair of the Task Force shall convene the first meeting of the Task Force on or before July 15, 2000. The Task Force shall act in accordance with the provisions of the Open Meeting Act and the Oklahoma Open Records Act. Staffing for the Task Force shall be provided by the staffs of the Senate and the House of Representatives.

H. The Legislature shall issue a written report of its evaluation of the system by January 31, 2001.

SECTION 3. This act shall become effective July 1, 2000.

SECTION 4. 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.

47-2-3543

CJ

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