

and

Thornbrugh of the House

An Act relating to public health and safety; requiring certain entities to document sources of annual gross revenues; defining terms; requiring submission of certain information; providing for and limiting assessment of fee for certain purposes; providing for billing; requiring certain fees to be deposited into certain fund; requiring annual distribution of certain balance; limiting use of uncompensated care fund; disallowing reversion of money in fund to the General Revenue Fund; providing penalty for failure to comply with the provisions of this act; requiring promulgation of certain rules; creating the Uncompensated Care Fund revolving fund; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-705.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Any hospital, specialty hospital or ambulatory surgery center which has not received approval to construct a new facility from the State Department of Health prior to the effective date of this act shall be required to provide and shall furnish annually written verification, as evidenced by a Medicare cost report or audited financial statements to the State Commissioner of Health, that at least thirty-five percent (35%) of its annual gross revenues derive from Medicare, Medicaid, uncompensated care, or corporate tax contributions.

B. As used in this act:

1. "Uncompensated care" means care provided for which no payment was received from either the patient or an insurer.

Uncompensated care shall consist of 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;

3. "Tax Contributions" means federal and state corporate taxes and state property taxes paid by a facility; provided, however, sales tax credit for inclusion in this formula shall be prohibited.

C. 1. Within ninety (90) days following the conclusion of a facility's fiscal year, the facility shall furnish to the State Commissioner of Health information necessary to document compliance with the thirty-five percent (35%) threshold as provided in this act. For facilities that fail to meet such threshold, a fee will be assessed for the difference. In no instance will the assessed fee exceed thirty-five percent (35%) of a facility's total annual gross revenue. The Commissioner shall bill each facility determined to owe a fee.

2. Fees collected by the Commissioner shall be deposited into an Uncompensated Care Fund. Monies accruing to such fund shall be disbursed to facilities that exceed the thirty-five percent (35%) threshold established in this act.

3. The Commissioner shall annually distribute the balance of the fund to facilities on a pro rata share basis as determined by the uncompensated care percentages reported by facilities for the last reported fiscal year. No portion of the Uncompensated Care Fund shall be used for any purpose other than described in this section. Any money remaining in the fund at the end of the state's fiscal year shall remain in the fund and shall not revert to the General Revenue Fund.

D. 1. Failure by a facility to report to the Commissioner within the reporting period or to pay the assessed fee shall be grounds for termination of such facility's operating license. The State Board of Health shall promulgate rules to implement a

grievance procedure for facilities aggrieved by the provisions of this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-705.2 of Title 63, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the State Department of Health to be designated the "Uncompensated Care Fund". The fund shall be a continuing fund, not subject to fiscal year limitation, and shall consist of fees collected by the State Commissioner of Health from hospitals, specialty hospitals and ambulatory surgical centers that fail to document compliance with the provisions of this act. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Department of Health for annual distribution to facilities that document compliance with the thirty-five percent (35%) threshold as provided in this act. Expenditure from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 3. 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 Senate the 23rd day of February, 1999.

President of the Senate

Passed the House of Representatives the ____ day of _____ ,
1999.

Speaker of the House of
Representatives