STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1188 By: Thornbrugh

COMMITTEE SUBSTITUTE

An Act relating to public health and safety; requiring certain hospitals and centers to furnish verification that certain percentage of revenues are from certain other revenues; requiring certain audit financial statements to the State Commissioner of Health; setting procedure for determining threshold; defining terms; providing certain fee for failure to meet threshold; providing for deposit; providing for distribution; prohibiting certain uses; specifying certain penalties; providing for grievance procedure; providing for codification; providing an effective date; 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 1-702b of Title 63, unless there is created a duplication in numbering, reads as follows:

Section 1-702b. A. Any hospital, specialty hospital or ambulatory surgery center which has not received approval to construct a new facility from the State Commissioner of Health by 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 twenty-five percent (25%) 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 twenty-five percent (25%) threshold as specified in this section.

2. For facilities not meeting the twenty-five percent (25%) threshold, a fee shall be assessed for the difference. In no instance shall the fee exceed twenty-five percent (25%) 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 twenty-five percent (25%) 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:

a. "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.

b. "Charity care" means care for which a facility never expected to be reimbursed.

c. "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. This act shall become effective July 1, 1999.

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.

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