

ENROLLED SENATE
BILL NO. 620

By: Monson of the Senate

and

Askins of the House

An Act relating to public health and safety; amending 63 O.S. 2001, Section 1-702b, which relates to hospitals and related institutions; modifying method of verifying certain revenues; modifying certain fee assessments and determinations; authorizing Commissioner of Health to obtain certain copies of reports; modifying placement of funds; removing requirement for distribution of certain funds; modifying definitions; requiring promulgation of rules; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2001, Section 1-702b, is amended to read 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~~ July 1, 1999, shall be required to provide, and shall furnish annually, written verification ~~as evidenced by a Medicare cost report and/or audited financial statements to~~ in such a manner as is required by the Commissioner that at least thirty percent (30%) of its annual ~~gross~~:

1. Net revenues are from Medicare, and/or Medicaid, with allowances for uncompensated care; and/or

2. Oklahoma state 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. The Commissioner may request and obtain certified copies of the facility's Medicare cost report and/or audited financial statements or any other documents as necessary to verify information provided by the facility.

2. For facilities not meeting the thirty percent (30%) threshold, a fee shall be assessed for the difference.

3. In no instance shall the fee exceed thirty percent (30%) of a facility's total annual ~~gross~~ net revenue.

4. 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~~ the Trauma Care Assistance Revolving Fund as established by Section 1-2522 of this title and shall not be used for any other purpose other than described in that section.

~~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 Board.~~

D. The Board shall promulgate rules for the implementation and enforcement of this section.

E. For purposes of this section:

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

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

3. "Cost" is determined by current Medicare cost-to-charge ratio methods;

4. "Net revenues" means gross patient care revenues less contractual adjustments; and

5. "Tax contributions" means federal and ~~state~~ Oklahoma corporate taxes and state property taxes paid by a facility doing business in Oklahoma. Parent or subsidiary companies, whether in state or out of state, are excluded. Sales tax credit for inclusion in this formula is prohibited.

SECTION 2. This act shall become effective November 1, 2003.

Passed the Senate the 13th day of May, 2003.

Presiding Officer of the Senate

Passed the House of Representatives the 9th day of April, 2003.

Presiding Officer of the House
of Representatives