

ENROLLED SENATE
BILL NO. 686

By: Smith and Williams of the
Senate

and

McIntyre and McClain of
the House

An Act relating to public health and safety; amending Sections 4, 5, 7 and 8, Chapter 374, O.S.L. 2002 (63 O.S. Supp. 2002, Sections 3240.2, 3240.3, 3240.5 and 3240.6), which relate to the Community Hospitals Authority Act; clarifying definition; expanding powers and modifying composition of Authority; prohibiting supplanting of specified funding; clarifying language; deleting provisions related to state fund appropriations, appointment of an executive director and prohibitions on employing personnel; specifying method of distribution for specified reimbursement; and providing an effective date.

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

SECTION 1. AMENDATORY Section 4, Chapter 374, O.S.L. 2002 (63 O.S. Supp. 2002, Section 3240.2), is amended to read as follows:

Section 3240.2 As used in the Community Hospitals Authority Act:

1. "Authority" means the Community Hospitals Authority;
2. "Health care system" means a system providing inpatient and outpatient services that is not limited to a specific facility or modality of care;
3. "Medically indigent" means a person requiring medically necessary hospital or other health care services for the person or the dependents of the person, who has insufficient or no public or private third-party coverage, and whose personal resources are insufficient to provide for needed medical care; and
4. "Participating health care system" means a health care system that has within it a major community hospital that expends at least Five Million Dollars (\$5,000,000.00) annually providing care for medically indigent persons from a multicounty service area and that is located in a municipality having a population of three

hundred seventy-five thousand (375,000) or more which does not have a health care system statutorily charged with indigent care and medical teaching or training responsibilities on the effective date of the Community Hospitals Authority Act.

SECTION 2. AMENDATORY Section 5, Chapter 374, O.S.L. 2002 (63 O.S. Supp. 2002, Section 3240.3), is amended to read as follows:

Section 3240.3 A. The Oklahoma Legislature finds that care of medically indigent persons and the needs of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine (Tulsa) will be enhanced through the establishment of the Community Hospitals Authority. The purpose of the Community Hospitals Authority is to provide maximum utilization and efficient administration in order to deliver health care services to medically indigent persons and to promote the teaching and training of physicians.

B. The Community Hospitals Authority shall:

1. Support the missions of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine (Tulsa) with regard to:

- a. teaching and training for medical students,
- b. conducting medical and biomedical research, and
- c. medical care for indigent and nonindigent populations;

2. Act as a vehicle for securing additional funds outside funding that is in addition to existing state appropriations Medicaid Program appropriated funding for education and indigent care and graduate medical education; provided, however, under no circumstance shall funds secured pursuant to this provision be used to supplant such existing state Medicaid Program appropriated funding; and

3. Coordinate the delivery and efficiency of medical service across Northeast Oklahoma including, but not limited to, all counties located totally or partly in the Tulsa Metropolitan Area.

C. The Authority may contract for indigent care services with participating health care systems.

~~D. No appropriation of state funds shall be made to the Authority or to a participating health care system. Except as provided in subsection E of this section, no state funds shall be provided to the Authority except the funds it may be entitled to receive pursuant to the Medicaid program as administered by the Oklahoma Health Care Authority.~~

~~E. In the event the Legislature enacts a statewide program is enacted whereby to reimburse hospitals are reimbursed for the cost, or a portion thereof, of providing indigent health care, the Legislature shall insure ensure that such reimbursement shall be made to all hospitals statewide with the exception of the University~~

~~of Oklahoma Medical Center based on each hospital's indigent care caseload as it relates to the total amount of providing indigent care provided by all hospitals other than the University of Oklahoma Medical Center within the state.~~

SECTION 3. AMENDATORY Section 7, Chapter 374, O.S.L. 2002 (63 O.S. Supp. 2002, Section 3240.5), is amended to read as follows:

Section 3240.5 A. There is hereby created the Community Hospitals Authority, an agency of the State of Oklahoma, a body corporate and politic, with powers of government and with the authority to exercise the rights, privileges and functions as specified in the Community Hospitals Authority Act.

B. The Authority shall be composed as follows:

1. The presidents of Oklahoma State University and the University of Oklahoma or their designees;

2. One member appointed by the Governor who shall be a citizen and resident of a metropolitan area meeting the criteria provided in paragraph 4 of Section 4 3240.2 of this ~~act~~ title who has no direct affiliation with a participating health care system or a university listed in paragraph 1 of this subsection;

3. One member appointed by the Speaker of the ~~Oklahoma~~ House of Representatives;

4. One member appointed by the President Pro Tempore of the ~~Oklahoma~~ State Senate; ~~and~~

5. The Director of the Oklahoma Health Care Authority; and

6. One representative from each of the three participating health care systems, as defined in Section 3240.2 of this title, who shall each serve terms of three (3) years and may be reappointed.

C. The members appointed by the Governor, the Speaker of the ~~Oklahoma~~ House of Representatives and the President Pro Tempore of the ~~Oklahoma~~ State Senate shall serve terms of three (3) years and may be reappointed. Successors shall be appointed for terms of three (3) years.

D. Each member of the Authority, prior to appointment, shall be a resident of the state and a registered voter.

E. The members of the Authority shall serve without compensation but may be reimbursed for all actual and necessary travel expenses incurred in the performance of their duties in accordance with the provisions of the State Travel Reimbursement Act.

F. A quorum of the Authority shall be a majority of the voting members. The members of the Authority shall annually elect a chair from among its membership.

SECTION 4. AMENDATORY Section 8, Chapter 374, O.S.L. 2002 (63 O.S. Supp. 2002, Section 3240.6), is amended to read as follows:

Section 3240.6 A. The Community Hospitals Authority shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Adopt an official seal;

3. Maintain an office in one of the participating hospitals for the Community Hospitals Authority at no cost to the Authority;

~~4. Annually appoint an executive director which shall be the chief executive officer of one of the participating hospitals and shall rotate between the participating hospitals on an annual basis;~~

~~5. Sue and be sued;~~

~~6.~~ 5. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the Community Hospitals Authority Act;

~~7.~~ 6. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to discharge its duties and responsibilities or to make any of its powers effective;

~~8.~~ 7. Accept any and all grants from persons and from the United States of America, or from any corporation or agency created or designed by the United States of America, and, in connection with any such grant, to enter into such agreements as the United States of America or such corporation or agency may require;

~~9.~~ 8. Accept grants and gifts from private individuals and organizations;

~~10.~~ 9. Provide for complete financial audits on all accounts of the Community Hospitals Authority and to authorize periodic audits by an independent external auditing agency. Such audits shall be performed annually in a format approved by the State Auditor and Inspector, and all such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting principles. In addition to the audits, the State Auditor and Inspector, whenever the State Auditor deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the Authority shall conduct a special audit of the Authority;

~~11.~~ 10. Engage in long-term planning for the operation and management of the Community Hospitals Authority;

~~12.~~ 11. Establish petty cash funds and provide for appropriate accounting procedures and controls; and

~~13.~~ 12. Do all other things necessary and proper to implement the provisions of the Community Hospitals Authority Act.

B. The Community Hospitals Authority shall be subject to the Oklahoma Budget Law of 1947.

C. The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted to the Office of State Finance and to the directors of the Fiscal Divisions of the State Senate and the Oklahoma House of Representatives.

D. The Authority shall be subject to the professional risk management program provided for in Section 85.58A of Title 74 of the Oklahoma Statutes.

E. The Authority shall be and is prohibited from issuing bonds or other evidences of indebtedness.

~~F. The Authority shall be and is prohibited from employing any personnel.~~

~~G.~~ The Authority shall be and is prohibited from acquiring any real property.

SECTION 5. This act shall become effective November 1, 2003.

Passed the Senate the 21st day of May, 2003.

Presiding Officer of the Senate

Passed the House of Representatives the 27th day of May, 2003.

Presiding Officer of the House
of Representatives

