

ENGROSSED HOUSE
BILL NO. 1859

By: Blackwell, Braddock,
Brannon, Smithson, Glenn
and Brown of the House

and

Laughlin of the Senate

An Act relating to public health and safety; creating the Rural Hospitals Relief Act; providing short title; stating legislative findings; providing for establishment and functions of locally designated health care districts; providing for certification of certain amounts to specified entity; requiring promulgation of rules and specifying contents; requiring submission of certain application; amending 70 O.S. 2001, Section 3424.1, which relates to the Oklahoma Rural Health Policy and Research Center; modifying mission of the center; requiring hospital requesting certain designation to meet certain criteria; providing for codification; and providing an effective date.

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 5026 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. This act shall be known and may be cited as the "Rural Hospitals Relief Act".

B. The Oklahoma Legislature finds that establishment of subordinate health care entities designated as "health care districts" will better promote efficient administration of health care service delivery to eligible persons in this state.

C. Such locally designated health care districts shall:

1. Coordinate the delivery of health care services in local jurisdictions such as municipalities and counties; provided, however, jurisdictions containing multiple areas shall be contiguous and shall possess commonality as it relates to need;

2. Be authorized to adjust Medicaid provider rates above the state minimum established by the Oklahoma Health Care Authority;

3. Be authorized to contract with employer-sponsored health plans or private health plans to provide services to Medicaid and indigent beneficiaries; and

4. Be authorized to expand health care services or health care providers within health care districts including federally qualified health centers as well as certified rural health clinics.

D. Health care districts may be established by local communities wherein locally generated tax dollars are received for the benefit of local hospitals or other local health care services. Such districts shall have the same boundaries as the area over which the locally assessed tax is levied.

E. Health care districts may be established by the governing boards of the hospitals located within the area over which the locally assessed tax for the benefit of the local hospital or other local health care service is levied. The governing board of such hospital shall be the governing board of the local health care district.

F. 1. Each health care district may certify to the Oklahoma Health Care Authority the amount of funds generated by tax assessment within the health care district for the benefit of the local hospital or other local health care services.

2. The Authority shall submit such information to the Centers for Medicare and Medicaid Services for the purpose of applying for federal matching funds. The Authority shall submit any necessary applications for waivers to accomplish the provisions of this act.

G. Upon the approval of this waiver by the Centers for Medicare and Medicaid Services (CMS), the Oklahoma Health Care Authority Board is hereby directed to promulgate rules to enact the provisions of this section. Such rules shall, at a minimum, address:

1. Internal establishment of local health care district accounts within the Authority including, but not limited to, procedures for remitting funds out of such accounts back to the local health care district;

2. Methods for certifying funds for each local health care district and for reporting such amounts to the Centers for Medicare and Medicaid Services (CMS) for federal matching purposes. The revenue for each health care district account shall consist of federal matching dollars received for such certified funds. The Oklahoma Health Care Authority shall apply for federal matching funds based on the amount of funds certified by the local health care district for such purposes. The Authority shall not reduce the amount of disbursements otherwise due to a health care district based on the receipt of such local area dedicated monies and any attributable federal matching funds of the health care district; and

3. Procedures for continuing the claims payment function of the Authority, pursuant to a draw-down process for funds, for each Medicaid service within the local health care district.

SECTION 2. AMENDATORY 70 O.S. 2001, Section 3424.1, is amended to read as follows:

Section 3424.1 A. There is hereby created the Oklahoma Rural Health Policy and Research Center at the Oklahoma State University College of Osteopathic Medicine.

B. The mission of the Oklahoma Rural Health Policy and Research Center shall be to ~~improve~~:

1. Improve rural health care delivery in Oklahoma through the coordination of rural medical education, telemedicine, research, and health care policy; and

2. Establish a process for the following hospitals to request designation as a rural health care delivery system through the Oklahoma Rural Health Policy and Research Center:

a. rural hospitals located in a Metropolitan Statistical Area, or

b. hospitals located in an administrative area administratively designated as urban or nonrural.

C. The hospital located in a Metropolitan Statistical Area or other area administratively described as urban or nonrural which requests designation as a rural health care delivery system must meet two of the following criteria:

1. Location in a county with a population density of less than two hundred twenty-five (225) persons per square mile of land area;

2. Location in a county with a municipality of twenty-five thousand (25,000) persons or less excluding the major city designated as urban or nonrural; or

3. Is the only hospital located in the county.

SECTION 3. This act shall become effective November 1, 2005.

Passed the House of Representatives the 15th day of March, 2005.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2005.

Presiding Officer of the Senate