

THE HOUSE OF REPRESENTATIVES
Tuesday, April 8, 2008

Committee Substitute for
ENGROSSED
Senate Bill No. 1420

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1420 - By:
SPARKS of the Senate and COX of the House.

(Public health and safety - Oklahoma Health Information Exchange Act -
stroke - codification -
effective date)

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 7100.1 of Title 63, unless there is created a duplication in numbering,
3 reads as follows:

4 Sections 1 through 7 of this act shall be known and may be cited as the “Oklahoma
5 Health Information Exchange Act”.

6 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 7100.2 of Title 63, unless there is created a duplication in numbering,
8 reads as follows:

9 A. The Legislature finds that the exchange of health information in Oklahoma has
10 been impeded as a result of:

1 1. Confusion about the proper application of federal and state privacy and privilege
2 law; and

3 2. Concern regarding potential liability for violations of such laws.

4 B. The purpose of this act is to:

5 1. Set forth a standard process for authorizing the exchange of health information
6 in compliance with federal and state law; and

7 2. Ensure immunization from liability under state law for exchanges of health
8 information in accordance with the standard process.

9 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma
10 Statutes as Section 7100.3 of Title 63, unless there is created a duplication in numbering,
11 reads as follows:

12 As used in the Oklahoma Health Information Exchange Act:

13 1. "Board" means the State Board of Health;

14 2. "Health information" means information, regardless of source or form, that:

15 a. includes demographic information collected from an individual,

16 b. relates to the past, present or future physical or mental health or
17 condition of an individual; the provision of health care to an individual;
18 or the past, present or future payment for the provision of health care
19 to an individual, or

20 c. identifies the individual or from which there is a reasonable basis to
21 believe the information can be used to identify the individual; and

22 3. "Health care entity" means:

- 1 a. a health plan that, either as an individual or group, provides for, or
2 pays the cost of, medical care,
3 b. a health care provider that offers or renders medical or health services,
4 or
5 c. any further individual or association defined as a covered entity under
6 45 C.F.R., Section 160.103.

7 SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma
8 Statutes as Section 7100.4 of Title 63, unless there is created a duplication in numbering,
9 reads as follows:

10 A. The State Board of Health shall adopt and distribute a standard authorization
11 form and accompanying instructions for use in obtaining authorization for the exchange
12 of health information.

13 B. The authorization form adopted and distributed by the Board shall comply with
14 all applicable federal and state privacy and privilege laws.

15 SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma
16 Statutes as Section 7100.5 of Title 63, unless there is created a duplication in numbering,
17 reads as follows:

18 A. A health care entity shall accept the authorization form adopted and distributed
19 by the State Board of Health as a valid authorization for the exchange of health
20 information.

21 B. A health care entity is not required under this act to use the authorization form
22 adopted and distributed by the Board.

1 SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 7100.6 of Title 63, unless there is created a duplication in numbering,
3 reads as follows:

4 Persons exchanging health information under the authorization form adopted and
5 distributed by the State Board of Health pursuant to Section 4 of this act, when used in
6 accordance with the instructions of the Board, or by using any HIPAA-compliant
7 authorization, shall be immunized from liability in actions based upon state privacy or
8 privilege law that may be claimed to arise from the exchange of such information.

9 SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma
10 Statutes as Section 7100.7 of Title 63, unless there is created a duplication in numbering,
11 reads as follows:

12 The exchange of health information under the authorization form adopted and
13 distributed by the State Board of Health shall not be deemed to have violated or waived
14 any privilege protected under the statutory or common law of this state.

15 SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma
16 Statutes as Section 1-270 of Title 63, unless there is created a duplication in numbering,
17 reads as follows:

18 A. The Oklahoma Hospital Advisory Council shall create a statewide coordinated
19 system of care for stroke, which shall include special focus and attention on timely access
20 to care, diagnosis, and the most advanced treatment for persons most disproportionately
21 affected by stroke. Such system, within existing funding limits, shall include, but shall
22 not be limited to:

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

- 1 1. Partnerships with relevant associations;
- 2 2. Measures to raise awareness about the effects of uncontrolled high blood
- 3 pressure and diabetes; and
- 4 3. Promotion of adherence to primary and secondary stroke recognition and
- 5 prevention guidelines by health care professionals, including emergency medical services
- 6 providers such as emergency medical responders and transport providers, and hospital
- 7 emergency room and health clinic personnel.

8 B. The State Board of Health shall promulgate rules as necessary to implement the
9 recommendations of the Oklahoma Hospital Advisory Council pursuant to this section.

10 SECTION 9. AMENDATORY Section 3, Chapter 374, O.S.L. 2002 (63 O.S.
11 Supp. 2007, Section 3240.1), is amended to read as follows:

12 Section 3240.1 This act shall be known and may be cited as the “Community
13 ~~Hospitals~~ Health Authority Act”.

14 SECTION 10. AMENDATORY Section 4, Chapter 374, O.S.L. 2002, as
15 amended by Section 1, Chapter 412, O.S.L. 2003 (63 O.S. Supp. 2007, Section 3240.2), is
16 amended to read as follows:

17 Section 3240.2 As used in the Community ~~Hospitals~~ Health Authority Act:

- 18 1. “Authority” means the Community ~~Hospitals~~ Health Authority;
- 19 2. “Health care system” means a system providing inpatient and outpatient
20 services that is not limited to a specific facility or modality of care;
- 21 3. “Medically indigent” means a person requiring medically necessary hospital or
22 other health care services for the person or the dependents of the person, who has

1 insufficient or no public or private third-party coverage and whose personal resources are
2 insufficient to provide for needed medical care; and

3 4. "Participating health care system" means a health care system that has within it
4 a major community hospital that expends at least Five Million Dollars (\$5,000,000.00)
5 annually providing care for medically indigent persons from a multicounty service area
6 and that is located in a municipality having a population of three hundred seventy-five
7 thousand (375,000) or more which does not have a health care system statutorily charged
8 with indigent care and medical teaching or training responsibilities on ~~the effective date~~
9 ~~of the Community Hospitals Authority Act July 1, 2002.~~

10 SECTION 11. AMENDATORY Section 5, Chapter 374, O.S.L. 2002, as last
11 amended by Section 2, Chapter 410, O.S.L. 2005 (63 O.S. Supp. 2007, Section 3240.3), is
12 amended to read as follows:

13 Section 3240.3 A. The Oklahoma Legislature finds that care of medically indigent
14 persons and the needs of the Oklahoma State University Center for Health Sciences and
15 the University of Oklahoma College of Medicine (Tulsa) will be enhanced through the
16 establishment of the Community ~~Hospitals~~ Health Authority. The purpose of the
17 Community ~~Hospitals~~ Health Authority is to provide maximum utilization and efficient
18 administration in order to deliver health care services to medically indigent persons and
19 to promote the teaching and training of physicians.

20 B. The Community ~~Hospitals~~ Health Authority shall:

21 1. Support the missions of the Oklahoma State University Center for Health
22 Sciences and the University of Oklahoma College of Medicine (Tulsa) with regard to:

1 of government and with the authority to exercise the rights, privileges and functions as
2 specified in the Community ~~Hospitals~~ Health Authority Act.

3 B. The Authority shall be composed as follows:

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

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

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

11 4. One member appointed by the President Pro Tempore of the State Senate;

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

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

16 7. One representative from the Oklahoma Department of Commerce designated as
17 the Community Action Agency for the largest county in terms of population included
18 within the geographic boundaries of the Community ~~Hospitals~~ Health Authority;

19 8. One representative from the chamber of commerce, or any other organization of
20 business entities, from the largest metropolitan area in terms of population included
21 within the geographic boundaries of the Community ~~Hospitals~~ Health Authority;

1 9. One representative appointed by the existing members of the Authority from a
2 city-county health department; and

3 10. One representative appointed by the existing members of the Authority from a
4 charitable or philanthropic foundation with assets in excess of Five Hundred Million
5 Dollars (\$500,000,000.00) that has demonstrated a commitment to supporting the
6 missions of the Community ~~Hospitals~~ Health Authority.

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

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

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

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

18 SECTION 13. AMENDATORY Section 8, Chapter 374, O.S.L. 2002, as
19 amended by Section 4, Chapter 412, O.S.L. 2003 (63 O.S. Supp. 2007, Section 3240.6), is
20 amended to read as follows:

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

- 1 1. Adopt bylaws and promulgate rules for the regulation of its affairs and the
2 conduct of its business;
- 3 2. Adopt an official seal;
- 4 3. Maintain an office in one of the participating hospitals for the Community
5 Hospitals Health Authority at no cost to the Authority;
- 6 4. Sue and be sued;
- 7 5. Make and enter into all contracts necessary or incidental to the performance of
8 its duties and the execution of its powers pursuant to the Community Hospitals Health
9 Authority Act;
- 10 6. Purchase or lease equipment, furniture, materials and supplies, and incur such
11 other expenses as may be necessary to discharge its duties and responsibilities or to
12 make any of its powers effective;
- 13 7. Accept any and all grants from persons and from the United States of America,
14 or from any corporation or agency created or designed by the United States of America,
15 and, in connection with any such grant, to enter into such agreements as the United
16 States of America or such corporation or agency may require;
- 17 8. Accept grants and gifts from private individuals and organizations;
- 18 9. Provide for complete financial audits on all accounts of the Community Hospitals
19 Health Authority and to authorize periodic audits by an independent external auditing
20 agency. Such audits shall be performed annually in a format approved by the State
21 Auditor and Inspector, and all such audits shall be submitted to the State Auditor and
22 Inspector for review. Such audits shall be made in accordance with generally accepted

1 auditing standards and government auditing standards. Financial statements shall be
2 prepared in accordance with generally accepted accounting principles. In addition to the
3 audits, the State Auditor and Inspector, whenever the State Auditor deems it
4 appropriate, and at least once each five (5) years, or upon receipt of a request to do so
5 from the Governor, the Attorney General, the President Pro Tempore of the Senate, the
6 Speaker of the House of Representatives or the Authority shall conduct a special audit of
7 the Authority;

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

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

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

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

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

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

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

3 F. The Authority shall be and is prohibited from acquiring any real property.

4 SECTION 14. AMENDATORY Section 9, Chapter 374, O.S.L. 2002 (63 O.S.
5 Supp. 2007, Section 3240.7), is amended to read as follows:

6 Section 3240.7 The Community ~~Hospitals~~ Health Authority shall submit an annual
7 report to the Governor, the President Pro Tempore of the Senate and the Speaker of the
8 House of Representatives. Such report shall be submitted in accordance with the
9 requirements for financial statement audits in Section 212A of Title 74 of the Oklahoma
10 Statutes, and shall include an account of the operations and actions of the Authority and
11 an accounting of all revenue received and disbursed by the Authority for the previous
12 fiscal year. The report shall include an accounting of expenses related to the care and
13 treatment of indigent persons for whom the Authority receives any form of state or
14 federal reimbursement.

15 SECTION 15. AMENDATORY Section 10, Chapter 374, O.S.L. 2002 (63 O.S.
16 Supp. 2007, Section 3240.8), is amended to read as follows:

17 Section 3240.8 There is hereby created in the State Treasury a revolving fund for
18 the Community ~~Hospitals~~ Health Authority to be designated the “Community ~~Hospitals~~
19 Health Authority Revolving Fund”. The fund shall be a continuing fund, not subject to
20 fiscal year limitations, and shall consist of monies available to the Authority. All monies
21 accruing to the credit of the fund are hereby appropriated and may be budgeted and
22 expended by the Community ~~Hospitals~~ Health Authority as authorized by law. The

1 Authority shall ensure that all monies deposited into the fund are matched with federal
2 dollars whenever possible.

3 SECTION 16. This act shall become effective November 1, 2008.

4 COMMITTEE REPORT BY: COMMITTEE ON PUBLIC HEALTH, dated 04-07-08 - DO
5 PASS, As Amended.