

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2660

By: Lamons

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5  
6 AS INTRODUCED

7 An Act relating to public health and safety; amending  
8 Section 3, Chapter 374, O.S.L. 2002, Section 4,  
9 Chapter 374, O.S.L. 2002, as amended by Section 1,  
10 Chapter 412, O.S.L. 2003, Section 5, Chapter 374,  
11 O.S.L. 2002, as last amended by Section 2, Chapter  
12 410, O.S.L. 2005, Section 7, Chapter 374, O.S.L.  
13 2002, as last amended by Section 14, Chapter 315,  
14 O.S.L. 2006, Section 8, Chapter 374, O.S.L. 2002, as  
15 amended by Section 4, Chapter 412, O.S.L. 2003 and  
16 Sections 9 and 10, Chapter 374, O.S.L. 2002 (63 O.S.  
17 Supp. 2007, Sections 3240.1, 3240.2, 3240.3, 3240.5,  
18 3240.6, 3240.7 and 3240.8), which relate to the  
19 Community Hospitals Authority Act; changing name of  
20 act to Community Health Authority Act; changing  
21 provisions of act to reflect change in name; and  
22 providing an effective date.

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

24 SECTION 1. AMENDATORY Section 3, Chapter 374, O.S.L.  
2002 (63 O.S. Supp. 2007, Section 3240.1), is amended to read as  
follows:

Section 3240.1 This act shall be known and may be cited as the  
"Community ~~Hospitals~~ Health Authority Act".

1 SECTION 2. AMENDATORY Section 4, Chapter 374, O.S.L.  
2 2002, as amended by Section 1, Chapter 412, O.S.L. 2003 (63 O.S.  
3 Supp. 2007, Section 3240.2), is amended to read as follows:

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

6 1. "Authority" means the Community ~~Hospitals~~ Health Authority;

7 2. "Health care system" means a system providing inpatient and  
8 outpatient services that is not limited to a specific facility or  
9 modality of care;

10 3. "Medically indigent" means a person requiring medically  
11 necessary hospital or other health care services for the person or  
12 the dependents of the person, who has insufficient or no public or  
13 private third-party coverage and whose personal resources are  
14 insufficient to provide for needed medical care; and

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

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1 SECTION 3. AMENDATORY Section 5, Chapter 374, O.S.L.  
2 2002, as last amended by Section 2, Chapter 410, O.S.L. 2005 (63  
3 O.S. Supp. 2007, Section 3240.3), is amended to read as follows:

4 Section 3240.3 A. The Oklahoma Legislature finds that care of  
5 medically indigent persons and the needs of the Oklahoma State  
6 University Center for Health Sciences and the University of Oklahoma  
7 College of Medicine (Tulsa) will be enhanced through the  
8 establishment of the Community ~~Hospitals~~ Health Authority. The  
9 purpose of the Community ~~Hospitals~~ Health Authority is to provide  
10 maximum utilization and efficient administration in order to deliver  
11 health care services to medically indigent persons and to promote  
12 the teaching and training of physicians.

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

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

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

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

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

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

8 D. In the event the Legislature enacts a statewide program to  
9 reimburse hospitals for the cost, or a portion thereof, of providing  
10 indigent health care, the Legislature shall ensure that such  
11 reimbursement shall be made to all hospitals providing indigent care  
12 within the state.

13 SECTION 4. AMENDATORY Section 7, Chapter 374, O.S.L.  
14 2002, as last amended by Section 14, Chapter 315, O.S.L. 2006 (63  
15 O.S. Supp. 2007, Section 3240.5), is amended to read as follows:

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

21 B. The Authority shall be composed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20          SECTION 5.           AMENDATORY           Section 8, Chapter 374, O.S.L.  
21 2002, as amended by Section 4, Chapter 412, O.S.L. 2003 (63 O.S.  
22 Supp. 2007, Section 3240.6), is amended to read as follows:

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

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

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

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

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

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

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

21 C. The Authority shall prepare monthly a "budget vs. actual"  
22 report which shows by budget activity the monthly and year-to-date  
23 revenues and expenditures compared to budgeted revenues and  
24 expenditures. Such report shall be submitted to the Office of State

1 Finance and to the directors of the Fiscal Divisions of the State  
2 Senate and the Oklahoma House of Representatives.

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

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

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

10 SECTION 6. AMENDATORY Section 9, Chapter 374, O.S.L.  
11 2002 (63 O.S. Supp. 2007, Section 3240.7), is amended to read as  
12 follows:

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

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1 SECTION 7. AMENDATORY Section 10, Chapter 374, O.S.L.  
2 2002 (63 O.S. Supp. 2007, Section 3240.8), is amended to read as  
3 follows:

4 Section 3240.8 There is hereby created in the State Treasury a  
5 revolving fund for the Community ~~Hospitals~~ Health Authority to be  
6 designated the "Community ~~Hospitals~~ Health Authority Revolving  
7 Fund". The fund shall be a continuing fund, not subject to fiscal  
8 year limitations, and shall consist of monies available to the  
9 Authority. All monies accruing to the credit of the fund are hereby  
10 appropriated and may be budgeted and expended by the Community  
11 ~~Hospitals~~ Health Authority as authorized by law. The Authority  
12 shall ensure that all monies deposited into the fund are matched  
13 with federal dollars whenever possible.

14 SECTION 8. This act shall become effective November 1, 2008.

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