

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SENATE BILL 1217

By: Brecheen

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5  
6 AS INTRODUCED

7 An Act relating to health care facilities; amending  
8 63 O.S. 2011, Section 1-116, which relates to  
9 definitions; modifying definitions; amending 63 O.S.  
10 2011, Section 1-118, which relates to the Division of  
11 Health Care Information within the Oklahoma State  
12 Department of Health; broadening authority for  
13 collection of certain information; requiring public  
14 disclosure of certain information; prohibiting  
15 certain use of information for certain purposes;  
16 requiring development of certain rules by the State  
17 Board of Health; exempting certain facilities from  
18 certain requirements; amending 63 O.S. 2011, Section  
19 1-706, which relates to licensure of hospitals;  
20 broadening conditions for revocation of licensure;  
21 and providing an effective date.

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

23 SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-116, is  
24 amended to read as follows:

Section 1-116. When used in the Oklahoma Health Care  
Information System Act:

1. "Ambulatory surgical center" means a facility as defined in  
Section 2657 of this title;

2. "Board" means the State Board of Health;

1       ~~2.~~ 3. "Commissioner" means the State Commissioner of Health;

2       ~~3.~~ 4. "Department" means the State Department of Health;

3       ~~4.~~ 5. "Diagnosis-Related Group (DRG)" means a statistical  
4 system of classifying inpatient admissions into groups for the  
5 purposes of payment, as defined by the Centers for Medicare and  
6 Medicaid Services;

7       6. "Health care providers" means a hospital or related  
8 institution licensed pursuant to Section 1-702 of this title,  
9 ambulatory surgical centers licensed pursuant to Section 2660 of  
10 this title, nursing facilities licensed pursuant to Section 1-1903  
11 of this title, physicians as specified in paragraphs 1 through 7 of  
12 subsection A of Section 725.2 of Title 59 of the Oklahoma Statutes,  
13 physical therapists, physician assistants, pharmacists, nurses and  
14 home health care providers licensed pursuant to the laws of this  
15 state;

16       ~~5.~~ 7. "Hospital" means a facility licensed pursuant to the  
17 provisions of Section 1-701 of this title;

18       8. "Third-party payor" means any entity, other than a  
19 purchaser, which is responsible for payment either to the purchaser  
20 or the health care provider for health care services rendered by the  
21 health care provider;

22       ~~6.~~ 9. "Public-supported provider" means any public or private  
23 entity supported in whole or in part by federal or state funds, or  
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1 any health care provider contracting with the state for providing  
2 health care services including, but not limited to, Medicaid;

3 ~~7.~~ 10. "Identifying information" means a program identifying  
4 number assigned for purposes of statistical and data analysis, which  
5 protects and maintains patient and physician anonymity. Identifying  
6 information shall remain confidential as provided in Section 1-120  
7 of this title;

8 ~~8.~~ 11. "Information providers" means and includes health care  
9 providers, third-party payors or public-supported providers required  
10 to report or submit information to the Division of Health Care  
11 Information pursuant to the Oklahoma Health Care Information System  
12 Act;

13 ~~9.~~ 12. "Division" means the Division of Health Care  
14 Information; and

15 ~~10.~~ 13. "Health care information system" means the system for  
16 receipt, collection, analysis, evaluation, processing, utilization  
17 and dissemination of health care data established and maintained by  
18 the Division of Health Care Information pursuant to the Oklahoma  
19 Health Care Information System Act.

20 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-118, is  
21 amended to read as follows:

22 Section 1-118. A. The Division of Health Care Information is  
23 hereby created within the State Department of Health.

24 B. The Division shall:

- 1        1. Collect from providers health care information for which the  
2 Division has established a defined purpose and a demonstrated  
3 utility that is consistent with the intent of the provisions of  
4 Section 1-117 et seq. of this title;
- 5        2. Establish and maintain a uniform health care information  
6 system;
- 7        3. Analyze health care data submitted including, but not  
8 limited to, geographic mapping of disease entities;
- 9        4. Provide for dissemination of health care data to users and  
10 consumers;
- 11       5. Provide for the training and education of information  
12 providers regarding processing and maintenance and methods of  
13 reporting required information;
- 14       6. Be authorized to access all state agency health-related data  
15 sets, and information submitted by hospitals and ambulatory surgical  
16 centers, and shall develop mechanisms for the receipt of health care  
17 data to the Division or its agent; provided, however, all provisions  
18 for confidentiality shall remain in place;
- 19       7. Provide for the exchange of information with citizens of  
20 this state, other agencies or political subdivisions of this state,  
21 the federal government or other states, or agencies thereof. The  
22 Division shall collaborate with county health departments, including  
23 the Oklahoma City-County Health Department and the Tulsa City-County  
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1 Health Department, hospitals, and ambulatory surgical centers in  
2 developing city-county based health data sets;

3 8. Contract with other public or private entities for the  
4 purpose of collecting, processing or disseminating health care data;  
5 and

6 9. Build and maintain the data base.

7 C. 1. The State Board of Health shall adopt rules governing  
8 the acquisition, compilation and dissemination of all data collected  
9 pursuant to the Oklahoma Health Care Information System Act.

10 2. The rules shall include, but not be limited to:

11 a. adequate measures to provide system security for all  
12 data and information acquired pursuant to the Oklahoma  
13 Health Care Information System Act,

14 b. adequate procedures to ensure confidentiality of  
15 patient records,

16 c. charges for users for the cost of data preparation for  
17 information that is beyond the routine data  
18 disseminated by the office, and

19 d. time limits for the submission of data by information  
20 providers.

21 D. The Division shall adopt standard nationally recognized  
22 coding systems to ensure quality in receiving and processing data.

23 E. The Division shall implement mechanisms to encrypt all  
24 personal identifiers contained in any health care data upon

1 transmission to the State Department of Health, and all such data  
2 shall remain encrypted while maintained in the Department's database  
3 or while used by a contractor.

4 F. The Division may contract with an organization for the  
5 purpose of data analysis. Any contract or renewal thereof shall be  
6 based on the need for, and the feasibility, cost and performance of,  
7 services provided by the organization. The Division shall require  
8 any data analyzer at a minimum to:

- 9 1. Analyze the information;
- 10 2. Prepare policy-related and other analytical reports as  
11 determined necessary for purposes of this act; and
- 12 3. Protect the encryption and confidentiality of the data.

13 G. The Board shall have the authority to set fees and charges  
14 with regard to the collection and compilation of data requested for  
15 special reports, and for the dissemination of data. These funds  
16 shall be deposited in the Oklahoma Health Care Information System  
17 Revolving Fund account.

18 H. The Division may accept grants or charitable contributions  
19 for use in carrying out the functions set forth in the Oklahoma  
20 Health Care Information System Act from any source. These funds  
21 shall be deposited in the Oklahoma Health Care Information System  
22 Revolving Fund.

23 I. The Department shall make available to the public on its  
24 internet website the most current price information it receives from

1 hospitals and ambulatory surgical centers as defined by Section 1-  
2 116 of this title. Any data disclosed to the Department by a  
3 hospital or ambulatory surgical center shall be the sole property of  
4 the facility submitting the data. Information published by the  
5 Department shall contain:

6 1. Information for each hospital, as defined by Section 1-701  
7 of this title, listed separately and categorized by specialty; and

8 2. Information for each ambulatory surgical center, as defined  
9 by Section 2657 of this title, shall be listed separately and  
10 categorized by specialty.

11 J. Any data or product derived from the data disclosed pursuant  
12 to this act, including a consolidation or analysis of the data,  
13 shall be and will remain the sole property of the State of Oklahoma.  
14 The Department shall be prohibited from allowing proprietary  
15 information it receives pursuant to this act to be used by any  
16 person or entity for commercial purposes.

17 K. Beginning with the quarter ending June 30, 2014, and  
18 quarterly thereafter, each hospital and ambulatory surgical center  
19 in this state shall provide to the Department, utilizing electronic  
20 health records software, the following information about the one  
21 hundred (100) most frequently reported inpatient admissions, by  
22 Diagnosis-Related Group, to their facilities:

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1        1. The amount that will be charged to a patient for each  
2 Diagnosis-Related Group if all charges are paid in full without a  
3 public or private third party paying for any portion of the charges;

4        2. The average negotiated settlement between hospitals or  
5 ambulatory surgical centers and any private third party on the  
6 amount that will be charged to a patient;

7        3. The amount of Medicaid reimbursement for each Diagnosis-  
8 Related Group, including claims and pro rata supplemental payments;

9        4. The amount of Medicare reimbursement for each Diagnosis-  
10 Related Group; and

11        5. For the five largest health insurers providing payment to  
12 the hospital on behalf of insured persons, the range and the average  
13 amount of the payment made for each Diagnosis-Related Group. Prior  
14 to submitting information to the Department, each hospital and  
15 ambulatory surgical center shall redact the names of the health  
16 insurers and any other information that would otherwise identify  
17 participating health insurers.

18        L. Beginning with the quarter ending June 30, 2014, and  
19 quarterly thereafter, each hospital and ambulatory surgical center  
20 in this state shall provide to the Department, utilizing electronic  
21 health records software, the following information about the total  
22 costs for the twenty (20) most frequently reported surgical  
23 procedures and twenty (20) most common imaging procedures, by  
24 Diagnosis-Related Group, to their facilities. Hospitals and



1 ambulatory surgical centers shall provide information in the same  
2 manner as required by paragraphs 1 through 5 of subsection K of this  
3 section.

4 M. A hospital or ambulatory surgical center shall not be  
5 required to report the information required by this act when the  
6 information would be in violation of the Federal Health Insurance  
7 Portability and Accountability Act of 1996, or any other federal  
8 law.

9 N. The Board shall adopt rules on or before March 1, 2014, to  
10 ensure that the provisions of this act are fully implemented.

11 O. The provisions of this act shall not apply to hospitals or  
12 ambulatory surgical centers who do not accept Medicaid or Medicare  
13 funds for the provision of medical services.

14 SECTION 3. AMENDATORY 63 O.S. 2011, Section 1-706, is  
15 amended to read as follows:

16 Section 1-706. A. The State Commissioner of Health shall issue  
17 licenses for the operation of hospitals or ambulatory surgical  
18 centers found to comply with the provisions of this ~~article~~ title  
19 and rules and standards of the State Board of Health.

20 B. The Commissioner may suspend or revoke any such license on  
21 any of the following grounds:

22 1. Violation of any of the provisions of this article, or rules  
23 or standards promulgated pursuant thereto;

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1           2. Permitting, aiding or abetting the commission of any illegal  
2 act in the licensed hospital or institution; ~~or~~

3           3. Conduct or practices deemed by the Commissioner to be  
4 detrimental to the welfare of the patients of the hospital or  
5 institution; or

6           4. Violations of Section 1-118 of this title.

7           C. If a license is revoked, a new application for license shall  
8 be considered by the Commissioner on receipt of evidence that the  
9 conditions upon which revocation was based have been corrected. A  
10 new license may then be granted after proper inspection has been  
11 made and all provisions of this article and rules and standards of  
12 the State Board of Health have been satisfied.

13           SECTION 4. This act shall become effective November 1, 2014.

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