

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3027

 By: Bush

7 AS INTRODUCED

8 An Act relating to nursing homes; requiring liability
9 insurance for nursing facilities; specifying
10 coverage; directing the Oklahoma Health Care
11 Authority to promulgate rules establishing certain
12 form; providing exception for mandated coverage;
 providing for certain form; providing for suspension
 or revocation of license for failure to comply;
 providing for codification; and providing an
 effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 1-1903.1 of Title 63, unless
18 there is created a duplication in numbering, reads as follows:

19 A. A nursing facility shall maintain liability insurance
20 coverage of at least One Million Dollars (\$1,000,000.00) for each
21 occurrence of negligence. An insurance policy or contract required
22 under this section shall cover injury to a patient that occurs while
23 the patient is on the premises of the nursing facility or in the
24 care of the nursing facility.

1 B. The Oklahoma Health Care Authority shall promulgate rules
2 providing for a standard form to be signed and dated by an insurance
3 agent licensed in this state stating that the nursing facility has
4 an unexpired and valid insurance policy or contract of at least One
5 Million Dollars (\$1,000,000.00) that meets the requirements of this
6 section. This form shall be completed annually and shall be kept in
7 a file at the facility.

8 C. If a nursing facility, for financial reasons or for lack of
9 availability of an underwriter willing to issue a policy, is unable
10 to secure the insurance required under subsection A of this section
11 or if the policy limits are exhausted, the nursing facility shall
12 notify the patient, a relative, or guardian of each patient for whom
13 the nursing facility provides care that the liability coverage is
14 not provided and there shall not be a ground for suspension or
15 revocation of the nursing facility's license under the Nursing Home
16 Care Act. The nursing facility shall also notify the Authority that
17 coverage is not provided and provide the reason coverage is not
18 provided.

19 D. The Authority shall promulgate rules providing for a
20 standard form for the facility to provide to patients, relatives or
21 guardians notifying the patients, relatives or guardians that the
22 facility does not carry liability insurance for the reasons allowed
23 in subsection C of this section. This form shall be signed and
24 dated by a patient, relative or guardian and maintained in the file

1 of the patient. If the facility is without insurance for reasons
2 provided for in subsection C of this section for longer than one (1)
3 year, the facility shall update this notification form with
4 signatures and dates annually. In no case shall the inability to
5 secure coverage serve to indemnify the nursing facility due to
6 negligence.

7 E. The insurance policy or contract shall be maintained at all
8 times in an amount as required by this section, except as provided
9 for in subsections C and D of this section. Failure by a nursing
10 facility to renew the policy or contract or to maintain the policy
11 or contract in the required amount may be a ground for suspension or
12 revocation of the nursing facility license under the Nursing Home
13 Care Act.

14 SECTION 2. This act shall become effective November 1, 2020.
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16 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 02/25/2020 - DO
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