

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 499

By: Standridge

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5
6 AS INTRODUCED

7 An Act relating to public health; defining terms;
8 permitting hospital trusts; providing geographic
9 requirements and limitations; authorizing submission
10 to voters question related to imposition of taxation;
11 requiring certain use of revenues from such taxation;
12 requiring certain organization of trusts; providing
13 requirements for trust instruments; requiring trust
14 board of directors; providing for size and
15 characteristics of such board; providing for election
16 and appointment of directors; making such boards
17 subject to the Oklahoma Open Meeting Act and Oklahoma
18 Open Records Act; requiring certain Attorney General
19 approval; requiring certain filings of trust
20 agreement; requiring a balanced budget; requiring
21 certain submissions of annual trust budgets;
22 requiring certain financial audits; requiring certain
23 submissions of financial audit reports; authorizing
24 trust to seek certain waiver; providing for
25 codification; and providing an effective date.

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

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 7303 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23 A. As used in this section:
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1 1. "Hospital" means a hospital as such term is defined by
2 Section 1-701 of Title 63 of the Oklahoma Statutes and shall also
3 include a medical facility owned or operated by a city or county
4 that provides medical diagnosis or treatment to area citizens
5 through a medical care clinic, laboratory radiology services or
6 nursing home services;

7 2. "Hospital trust" means a trust established pursuant to the
8 provisions of this section; and

9 3. "Hospital district" means a designated geographical area
10 established by a hospital trust.

11 B. 1. A hospital or two or more hospitals located within a
12 county or adjacent counties, or located within a county or adjacent
13 counties and a municipality may jointly create a public trust and
14 subsidiary districts for the purposes of submitting to voters of
15 each such county the question of whether to impose a tax not
16 previously imposed, the revenues of which shall be used for the
17 financial support of hospitals within each district.

18 2. The boundaries of a hospital trust should be coextensive
19 with the boundaries of a county or a group of member counties.

20 3. The county or counties, or the county or counties and
21 municipality in which a hospital trust is established must approve
22 and shall be the beneficiary of the public trust pursuant to the
23 provisions of Sections 176 and 177 of Title 60 of the Oklahoma
24 Statutes.

1 C. The instrument creating the hospital trust shall provide at
2 a minimum:

3 1. The reasons for organizing and constituting a hospital
4 trust, including a statement that the hospital trust will comply
5 with all applicable provisions of Sections 176 through 180.4 of
6 Title 60 of the Oklahoma Statutes and the Oklahoma Community
7 Hospital District Act;

8 2. A statement that the public trust shall be separate and
9 independent from the affairs of the beneficiary in all matters or
10 activities authorized by the written instrument creating the public
11 trust;

12 3. The names and corporate headquarters of each hospital
13 located in the proposed hospital district;

14 4. A concise description of the geographic boundaries to be
15 embraced within the proposed hospital district;

16 5. A statement that the proposed hospital district is embracing
17 only those lands within the proposed boundaries specified by this
18 subsection which can reasonably and economically be served in the
19 foreseeable future;

20 6. Assurance that all hospitals located within the hospital
21 district which meet the eligibility criteria can participate in the
22 public trust; and

23 7. For the appointment, succession, powers, duties, terms and
24 manner of removal of trustees.

1 D. Each trust created pursuant to this section shall be
2 governed by a board of directors. Each board shall contain at least
3 seven (7) members and shall contain, at a minimum:

- 4 a. the county commissioner or his or her designee of each
5 district within a participating county,
- 6 b. the elected chief executive or his or her designee of
7 each participating municipality,
- 8 c. one layperson from each district represented by a
9 county commissioner and appointed by the board of
10 commissioners, and
- 11 d. one layperson from each participating municipality and
12 appointed by the elected chief executive of the
13 municipality.

14 E. Members of each board of directors shall elect a chair to
15 preside over meetings of the board. Vacancies shall be filled in
16 the same manner as the original appointment. The meetings of the
17 board shall comply with the Oklahoma Open Meeting Act and Oklahoma
18 Open Records Act.

19 F. As a condition precedent, each trust created pursuant to
20 this section must receive approval from the Attorney General that
21 the public trust is in the proper form.

22 G. A certified copy of the public trust agreement must be filed
23 with the Secretary of State and with the court clerk of each
24 beneficiary county and municipality.

1 H. Each hospital trust and its subsidiary districts shall
2 comply with:

3 1. The annual budget provisions of the state requiring a
4 balanced budget. A copy of the budget shall be submitted annually
5 to the President Pro Tempore of the Senate, the Speaker of the House
6 of Representatives, the Governor and to each beneficiary of the
7 community hospital public trust authority;

8 2. The Public Competitive Bidding Act of 1974;

9 3. The Oklahoma Open Records Act;

10 4. The Oklahoma Open Meeting Act; and

11 5. The provisions of Sections 176 through 180.4 of Title 60 of
12 the Oklahoma Statutes.

13 I. Each hospital trust shall provide for complete financial
14 audits on all accounts of the trust and authorize periodic audits by
15 an independent external auditing agency. Such audits shall be
16 performed annually in a format approved by the State Auditor and
17 Inspector. The audits shall be made in accordance with generally
18 accepted auditing standards and government auditing standards.
19 Financial statements shall be prepared in accordance with generally
20 accepted accounting principles. Such audits shall be submitted to
21 the State Auditor and Inspector and to the beneficiary of the
22 district for review.

23 J. Each hospital trust is hereby authorized to apply for one or
24 more waivers through the Oklahoma Health Care Authority to execute

1 the district's own demonstration project pursuant to Section 1115 of
2 the Social Security Act for the purposes of implementing an upper
3 payment limit (UPL) funding structure.

4 SECTION 2. This act shall become effective November 1, 2019.

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