

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 3027

By: Bush

AS INTRODUCED

An Act relating to nursing homes; requiring liability insurance for nursing facilities; specifying coverage; directing the Oklahoma Health Care Authority to promulgate rules establishing certain 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.

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

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

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