

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1244

By: McCortney

4  
5  
6 AS INTRODUCED

7 An Act relating to the Supplemental Hospital Payment  
8 Program; amending 63 O.S. 2011, Section 3241.3, as  
9 last amended by Section 2, Chapter 56, O.S.L. 2019  
10 (63 O.S. Supp. 2019, Section 3241.3), which relates  
11 to hospital fee assessment; modifying date upon which  
12 program terminates; updating statutory reference; and  
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 63 O.S. 2011, Section 3241.3, as  
16 last amended by Section 2, Chapter 56, O.S.L. 2019 (63 O.S. Supp.  
17 2019, Section 3241.3), is amended to read as follows:

18 Section 3241.3. A. For the purpose of assuring access to  
19 quality care for Oklahoma Medicaid consumers, the Oklahoma Health  
20 Care Authority, after considering input and recommendations from the  
21 Hospital Advisory Committee, shall assess hospitals licensed in  
22 Oklahoma, unless exempt under subsection B of this section, a  
23 supplemental hospital offset payment program fee.

24 B. The following hospitals shall be exempt from the  
25 supplemental hospital offset payment program fee:

1 1. A hospital that is owned or operated by the state or a state  
2 agency, the federal government, a federally recognized Indian tribe,  
3 or the Indian Health Service;

4 2. A hospital that provides more than fifty percent (50%) of  
5 its inpatient days under a contract with a state agency other than  
6 the Authority;

7 3. A hospital for which the majority of its inpatient days are  
8 for any one of the following services, as determined by the  
9 Authority using the Inpatient Discharge Data File published by the  
10 Oklahoma State Department of Health, or in the case of a hospital  
11 not included in the Inpatient Discharge Data File, using  
12 substantially equivalent data provided by the hospital:

- 13 a. treatment of a neurological injury,
- 14 b. treatment of cancer,
- 15 c. treatment of cardiovascular disease,
- 16 d. obstetrical or childbirth services,
- 17 e. surgical care, except that this exemption shall not  
18 apply to any hospital located in a city of less than  
19 five hundred thousand (500,000) population and for  
20 which the majority of inpatient days are for back,  
21 neck, or spine surgery;

22 4. A hospital that is certified by the federal Centers for  
23 Medicaid and Medicare Services as a long-term acute care hospital or  
24 as a children's hospital; and

1           5. A hospital that is certified by the federal Centers for  
2 Medicaid and Medicare Services as a critical access hospital.

3           C. The supplemental hospital offset payment program fee shall  
4 be an assessment imposed on each hospital, except those exempted  
5 under subsection B of this section, for each calendar year in an  
6 amount calculated as a percentage of each hospital's net patient  
7 revenue.

8           1. The assessment rate shall be determined annually based upon  
9 the percentage of net hospital patient revenue needed to generate an  
10 amount up to the sum of:

- 11           a. the nonfederal portion of the upper payment limit gap,  
12           plus
- 13           b. the annual fee to be paid to the Authority under  
14           subparagraph c of paragraph 1 of subsection G of  
15           Section 3241.4 of this title, plus
- 16           c. the amount to be transferred by the Authority to the  
17           Medical Payments Cash Management Improvement Act  
18           Programs Disbursing Fund under subsection C of Section  
19           3241.4 of this title.

20           2. The assessment rate until December 31, 2012, shall be fixed  
21 at two and one-half percent (2.5%). At no time in subsequent years  
22 shall the assessment rate exceed four percent (4%).

23           3. Net hospital patient revenue shall be determined using the  
24 data from each hospital's Medicare Cost Report contained in the

1 Centers for Medicare and Medicaid Services' Healthcare Cost Report  
2 Information System file.

3 a. Through 2013, the base year for assessment shall be  
4 the hospital's fiscal year that ended in 2009, as  
5 contained in the Healthcare Cost Report Information  
6 System file dated December 31, 2010.

7 b. For years after 2013, the base year for assessment  
8 shall be determined by rules established by the  
9 Authority.

10 4. If a hospital's applicable Medicare Cost Report is not  
11 contained in the Centers for Medicare and Medicaid Services'  
12 Healthcare Cost Report Information System file, the hospital shall  
13 submit a copy of the hospital's applicable Medicare Cost Report to  
14 the Authority in order to allow the Authority to determine the  
15 hospital's net hospital patient revenue for the base year.

16 5. If a hospital commenced operations after the due date for a  
17 Medicare Cost Report, the hospital shall submit its initial Medicare  
18 Cost Report to the Authority in order to allow the Authority to  
19 determine the hospital's net patient revenue for the base year.

20 6. Partial year reports may be prorated for an annual basis.

21 7. In the event that a hospital does not file a uniform cost  
22 report under 42 U.S.C., Section 1396a(a)(40), the Authority shall  
23 establish a uniform cost report for such facility subject to the  
24

1 Supplemental Hospital Offset Payment Program provided for in this  
2 section.

3 8. The Authority shall review what hospitals are included in  
4 the Supplemental Hospital Offset Payment Program provided for in  
5 this subsection and what hospitals are exempted from the  
6 Supplemental Hospital Offset Payment Program pursuant to subsection  
7 B of this section. Such review shall occur at a fixed period of  
8 time. This review and decision shall occur within twenty (20) days  
9 of the time of federal approval and annually thereafter in November  
10 of each year.

11 9. The Authority shall review and determine the amount of the  
12 annual assessment. Such review and determination shall occur within  
13 the twenty (20) days of federal approval and annually thereafter in  
14 November of each year.

15 D. A hospital may not charge any patient for any portion of the  
16 supplemental hospital offset payment program fee.

17 E. Closure, merger and new hospitals.

18 1. If a hospital ceases to operate as a hospital or for any  
19 reason ceases to be subject to the fee imposed under the  
20 Supplemental Hospital Offset Payment Program Act, the assessment for  
21 the year in which the cessation occurs shall be adjusted by  
22 multiplying the annual assessment by a fraction, the numerator of  
23 which is the number of days in the year during which the hospital is  
24 subject to the assessment and the denominator of which is 365.

1 Immediately upon ceasing to operate as a hospital, or otherwise  
2 ceasing to be subject to the supplemental hospital offset payment  
3 program fee, the hospital shall pay the assessment for the year as  
4 so adjusted, to the extent not previously paid.

5 2. In the case of a hospital that did not operate as a hospital  
6 throughout the base year, its assessment and any potential receipt  
7 of a hospital access payment will commence in accordance with rules  
8 for implementation and enforcement promulgated by the Authority,  
9 after consideration of the input and recommendations of the Hospital  
10 Advisory Committee.

11 F. 1. In the event that federal financial participation  
12 pursuant to Title XIX of the Social Security Act is not available to  
13 the Oklahoma Medicaid program for purposes of matching expenditures  
14 from the Supplemental Hospital Offset Payment Program Fund at the  
15 approved federal medical assistance percentage for the applicable  
16 year, the supplemental hospital offset payment program fee shall be  
17 null and void as of the date of the nonavailability of such federal  
18 funding through and during any period of nonavailability.

19 2. In the event of an invalidation of the Supplemental Hospital  
20 Offset Payment Program Act by any court of last resort, the  
21 supplemental hospital offset payment program fee shall be null and  
22 void as of the effective date of that invalidation.

23 3. In the event that the supplemental hospital offset payment  
24 program fee is determined to be null and void for any of the reasons

1 enumerated in this subsection, any supplemental hospital offset  
2 payment program fee assessed and collected for any period after such  
3 invalidation shall be returned in full within twenty (20) days by  
4 the Authority to the hospital from which it was collected.

5 G. The Authority, after considering the input and  
6 recommendations of the Hospital Advisory Committee, shall promulgate  
7 rules for the implementation and enforcement of the supplemental  
8 hospital offset payment program fee. Unless otherwise provided, the  
9 rules adopted under this subsection shall not grant any exceptions  
10 to or exemptions from the hospital assessment imposed under this  
11 section.

12 H. The Authority shall provide for administrative penalties in  
13 the event a hospital fails to:

- 14 1. Submit the supplemental hospital offset payment program fee;
- 15 2. Submit the fee in a timely manner;
- 16 3. Submit reports as required by this section; or
- 17 4. Submit reports timely.

18 I. The supplemental hospital offset payment program fee shall  
19 terminate effective December 31, ~~2025~~ 2030.

20 J. The Authority shall have the power to promulgate emergency  
21 rules to enact the provisions of ~~this act~~ the Supplemental Hospital  
22 Offset Payment Program Act.

1 SECTION 2. This act shall become effective November 1, 2020.

2  
3 57-2-3098 DC 1/9/2020 12:24:20 PM  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25