

OKLAHOMA STATE SENATE  
JOINT  
COMMITTEE REPORT

May 17, 2021

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1045

By: Thompson of the Senate and Wallace of the House

Title: Appropriations; making an appropriation to the Oklahoma Health Care Authority. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Dugger, Haste, Howard, Jech, Kidd, Montgomery, Newhouse, Pederson, Pemberton, Rader, Rosino, Simpson, Weaver, Hall, Thompson

Nay: Brooks, Dossett (J.J.), Floyd, Kirt

Constitutional Privilege:

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator SIMPSON - Adopted (Request No: 2179)

OKLAHOMA HOUSE OF REPRESENTATIVES  
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB1045

By: Wallace et al of the House

Thompson et al of the Senate

Title: Appropriations; making an appropriation to the Oklahoma Health  
Care Authority. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

  
Chr.  
Representative Kevin Wallace

YEAS: 25

Baker, Boatman, Dills, Echols, Fetgatter, Ford, Hilbert, Hill, Kannady, Lawson, Martinez, McDugle,  
Miller, Mize, Newton, Osburn, Pfeiffer, Roberts (D), Roberts (S), Russ, Sterling, Strom, Wallace, West  
(J), West (T)

NAYS: 9

Bennett, Blancett, Goodwin, Lepak, McEntire, Munson, Nichols, Virgin, Walke

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1045

6 By: Thompson and Hall of the  
7 Senate

8 and

9 Wallace and Hilbert of the  
10 House

11 COMMITTEE SUBSTITUTE

12 An Act relating to the Supplemental Hospital Offset  
13 Payment Program; amending 63 O.S. 2011, Section  
14 3241.2, as last amended by Section 1, Chapter 56,  
15 O.S.L. 2019 (63 O.S. Supp. 2020, Section 3241.2),  
16 which relates to definitions; modifying and adding  
17 definitions; amending 63 O.S. 2011, Section 3241.3,  
18 as last amended by Section 2, Chapter 56, O.S.L. 2019  
19 (63 O.S. Supp. 2020, Section 3241.3), which relates  
20 to supplemental hospital offset payment program fee;  
21 modifying assessment methodology; stating allowed  
22 expenses; fixing certain rates for specified time  
23 periods; requiring annual determination of base year;  
24 clarifying rulemaking entity; rendering portion of  
fee null and void under certain condition; removing  
termination date of fee; amending 63 O.S. 2011,  
Section 3241.4, as last amended by Section 3, Chapter  
345, O.S.L. 2016 (63 O.S. Supp. 2020, Section  
3241.4), which relates to Supplemental Hospital  
Offset Payment Program Fund; removing limitation on  
certain transfers; extending time period for certain  
payments; allowing access payments through directed  
payments; allowing certain transfers of directed  
payments; clarifying rulemaking entity; updating  
statutory reference; providing an effective date; and  
declaring an emergency.

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

2 SECTION 1. AMENDATORY 63 O.S. 2011, Section 3241.2, as  
3 last amended by Section 1, Chapter 56, O.S.L. 2019 (63 O.S. Supp.  
4 2020, Section 3241.2), is amended to read as follows:

5 Section 3241.2. As used in the Supplemental Hospital Offset  
6 Payment Program Act:

7 1. "Authority" means the Oklahoma Health Care Authority;

8 2. "Base year" means a hospital's fiscal year as reported in  
9 the Medicare Cost Report or as determined by the Authority if the  
10 hospital's data is not included in the Medicare Cost Report. The  
11 base year data ~~will~~ shall be used in all assessment calculations;

12 3. ~~"Net hospital patient revenue" means the gross hospital~~  
13 ~~revenue as reported on Worksheet G-2 (Columns 1 and 2, Lines "Total~~  
14 ~~inpatient routine care services", "Ancillary services", and~~  
15 ~~"Outpatient services") of the Medicare Cost Report, multiplied by~~  
16 ~~the hospital's ratio of total net to gross revenue, as reported on~~  
17 ~~Worksheet G-3 (Column 1, Line "Net patient revenues") and Worksheet~~  
18 ~~G-2 (Part I, Column 3, Line "Total patient revenues")~~ "Directed  
19 payments" means payment arrangements allowed under 42 C.F.R. Section  
20 438.6(c) that permit states to direct specific payments made by  
21 managed care plans to providers under certain circumstances and can  
22 assist states in furthering the goals and priorities of their  
23 Medicaid programs;

24

1 4. "Hospital" means an institution licensed by the State  
2 Department of Health as a hospital pursuant to Section 1-701 of this  
3 title maintained primarily for the diagnosis, treatment, or care of  
4 patients;

5 5. "Hospital Advisory Committee" means the Committee  
6 established for the purposes of advising the Oklahoma Health Care  
7 Authority and recommending provisions within and approval of any  
8 state plan amendment or waiver affecting hospital reimbursement made  
9 necessary or advisable by the Supplemental Hospital Offset Payment  
10 Program Act. In order to expedite the submission of the state plan  
11 amendment required by Section 3241.6 of this title, the Committee  
12 shall initially be appointed by the Executive Director of the  
13 Authority from recommendations submitted by a statewide association  
14 representing rural and urban hospitals. The permanent Committee  
15 shall be appointed no later than thirty (30) days after November 1,  
16 2011, and shall be composed of five (5) members ~~to serve until~~  
17 ~~December 31, 2025,~~ from lists of names submitted by a statewide  
18 association representing rural and urban hospitals, as follows:

- 19 a. one member, appointed by the Governor, who shall serve  
20 as chairman, and
- 21 b. two members appointed each by the President Pro  
22 Tempore of the ~~Oklahoma State~~ Senate and the Speaker  
23 of the ~~Oklahoma~~ House of Representatives.

24

1 ~~Membership shall be extended until December 31, 2025, for those~~  
2 ~~members who are serving as of December 31, 2019~~ Members shall serve  
3 at the pleasure of the appointing authority;

4 6. "Medicaid" means the medical assistance program established  
5 in Title XIX of the federal Social Security Act and administered in  
6 this state by the Oklahoma Health Care Authority;

7 7. "Medicare Cost Report" means the Hospital Cost Report, Form  
8 CMS-2552-96 or subsequent versions;

9 8. "Net hospital patient revenue" means the gross hospital  
10 revenue as reported on Worksheet G-2 (Columns 1 and 2, Lines "Total  
11 inpatient routine care services", "Ancillary services", and  
12 "Outpatient services") of the Medicare Cost Report, multiplied by  
13 the hospital's ratio of total net to gross revenue, as reported on  
14 Worksheet G-3 (Column 1, Line "Net patient revenues") and Worksheet  
15 G-2 (Part I, Column 3, Line "Total patient revenues");

16 9. "Upper payment limit" means the maximum ceiling imposed by  
17 42 C.F.R., Sections 447.272 and 447.321 on hospital Medicaid  
18 reimbursement for inpatient and outpatient services, other than to  
19 hospitals owned or operated by state government; and

20 ~~9.~~ 10. "Upper payment limit gap" means the difference between  
21 the upper payment limit and Medicaid payments not financed using  
22 hospital assessments made to all hospitals other than hospitals  
23 owned or operated by state government.

24

1 SECTION 2. AMENDATORY 63 O.S. 2011, Section 3241.3, as  
2 last amended by Section 2, Chapter 56, O.S.L. 2019 (63 O.S. Supp.  
3 2020, Section 3241.3), is amended to read as follows:

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

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

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

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

18 3. A hospital for which the majority of its inpatient days are  
19 for any one of the following services, as determined by the  
20 Authority using the Inpatient Discharge Data File published by the  
21 ~~Oklahoma~~ State Department of Health, or in the case of a hospital  
22 not included in the Inpatient Discharge Data File, using  
23 substantially equivalent data provided by the hospital:

24 a. treatment of a neurological injury,

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

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

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

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

1. ~~The assessment rate shall be determined annually based upon the percentage of net hospital patient revenue needed to generate an amount up to the sum of~~ Funds generated by the supplemental hospital offset payment program fee shall be disbursed for the following purposes in the following priority order:



- 1 a. the nonfederal portion of the upper payment limit gap  
2 used to fund supplemental or directed payments or  
3 both, plus
- 4 b. the annual fee to be paid to the Authority under  
5 subparagraph c of paragraph 1 of subsection G of  
6 Section 3241.4 of this title, ~~plus~~ and
- 7 c. the amount to be transferred by the Authority to the  
8 Medical Payments Cash Management Improvement Act  
9 Programs Disbursing Fund under subsection C of Section  
10 3241.4 of this title.

11 2. The assessment rate until December 31, 2012, shall be fixed  
12 at two and one-half percent (2.5%). ~~At no time in~~ For the calendar  
13 year ending December 31, 2022, the assessment rate shall be fixed at  
14 three percent (3%). For the calendar year ending December 31, 2023,  
15 the assessment rate shall be fixed at three and one-half percent  
16 (3.5%). For the calendar year ending December 31, 2024 and for all  
17 subsequent calendar years shall, the assessment rate exceed shall be  
18 fixed at four percent (4%).

19 3. Net hospital patient revenue shall be determined using the  
20 data from each hospital's Medicare Cost Report contained in the  
21 Centers for Medicare and Medicaid Services' Healthcare Cost Report  
22 Information System file.

- 23 a. Through 2013, the base year for assessment shall be  
24 the hospital's fiscal year that ended in 2009, as

1 contained in the Healthcare Cost Report Information  
2 System file dated December 31, 2010.

3 b. For years after 2013, the base year for assessment  
4 shall be determined by rules established by the  
5 Oklahoma Health Care Authority Board and beginning  
6 January 1, 2022, the base year for assessment shall be  
7 determined annually.

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

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

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

19 7. In the event that a hospital does not file a uniform cost  
20 report under 42 U.S.C., Section 1396a(a)(40), the Authority shall  
21 establish a uniform cost report for such facility subject to the  
22 Supplemental Hospital Offset Payment Program provided for in this  
23 section.  
24

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

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

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

15       E. Closure, merger and new hospitals.

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

1 program fee, the hospital shall pay the assessment for the year as  
2 so adjusted, to the extent not previously paid.

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

9 F. 1. In the event that federal financial participation  
10 pursuant to Title XIX of the Social Security Act is not available to  
11 the Oklahoma Medicaid program for purposes of matching expenditures  
12 from the Supplemental Hospital Offset Payment Program Fund at the  
13 approved federal medical assistance percentage for the applicable  
14 year, the portion of the supplemental hospital offset payment  
15 program fee attributable to the provisions of subparagraphs a and b  
16 of paragraph 1 of subsection C of this section shall be null and  
17 void as of the date of the nonavailability of such federal funding  
18 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 Oklahoma Health Care Authority Board, after considering  
6 the input and recommendations of the Hospital Advisory Committee,  
7 shall promulgate rules for the implementation and enforcement of the  
8 supplemental hospital offset payment program fee. Unless otherwise  
9 provided, the rules adopted under this subsection shall not grant  
10 any exceptions to or exemptions from the hospital assessment imposed  
11 under this 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.~~

20 J. The Oklahoma Health Care Authority Board shall have the  
21 power to promulgate emergency rules to enact the provisions of this  
22 act.

23

24

1 SECTION 3. AMENDATORY 63 O.S. 2011, Section 3241.4, as  
2 last amended by Section 3, Chapter 345, O.S.L. 2016 (63 O.S. Supp.  
3 2020, Section 3241.4), is amended to read as follows:

4 Section 3241.4. A. There is hereby created in the State  
5 Treasury a revolving fund to be designated the "Supplemental  
6 Hospital Offset Payment Program Fund".

7 B. The fund shall be a continuing fund, not subject to fiscal  
8 year limitations, be interest bearing and consisting of:

9 1. All monies received by the Oklahoma Health Care Authority  
10 from hospitals pursuant to the Supplemental Hospital Offset Payment  
11 Program Act and otherwise specified or authorized by law;

12 2. Any interest or penalties levied and collected in  
13 conjunction with the administration of this section; and

14 3. All interest attributable to investment of money in the  
15 fund.

16 C. Notwithstanding any other provisions of law, the Oklahoma  
17 Health Care Authority is authorized to transfer ~~Seven Million Five~~  
18 ~~Hundred Thousand Dollars (\$7,500,000.00)~~ each fiscal quarter from  
19 the Supplemental Hospital Offset Payment Program Fund to the  
20 Authority's Medical Payments Cash Management Improvement Act  
21 Programs Disbursing Fund all funds remaining after accounting for  
22 the provisions of subparagraphs a and b of paragraph 1 of subsection  
23 C of Section 3241.3 of this title.

24 D. Notice of Assessment.

1           1. The Authority shall send a notice of assessment to each  
2 hospital informing the hospital of the assessment rate, the  
3 hospital's net patient revenue calculation, and the assessment  
4 amount owed by the hospital for the applicable year.

5           2. Annual notices of assessment shall be sent at least thirty  
6 (30) days before the due date for the first quarterly assessment  
7 payment of each year.

8           3. The first notice of assessment shall be sent within forty-  
9 five (45) days after receipt by the Authority of notification from  
10 the Centers for Medicare and Medicaid Services that the assessments  
11 and payments required under the Supplemental Hospital Offset Payment  
12 Program Act and, if necessary, the waiver granted under 42 C.F.R.,  
13 Section 433.68 have been approved.

14           4. The hospital shall have thirty (30) days from the date of  
15 its receipt of a notice of assessment to review and verify the  
16 assessment rate, the hospital's net patient revenue calculation, and  
17 the assessment amount.

18           5. A hospital subject to an assessment under the Supplemental  
19 Hospital Offset Payment Program Act that has not been previously  
20 licensed as a hospital in Oklahoma and that commences hospital  
21 operations during a year shall pay the required assessment computed  
22 under subsection E of Section 3241.3 of this title and shall be  
23 eligible for hospital access payments under subsection E of this  
24 section on the date specified in rules promulgated by the Oklahoma

1 Health Care Authority Board after consideration of input and  
2 recommendations of the Hospital Advisory Committee.

3 E. Quarterly Notice and Collection.

4 1. The annual assessment imposed under subsection A of Section  
5 3241.3 of this title shall be due and payable on a quarterly basis.  
6 However, the first installment payment of an assessment imposed by  
7 the Supplemental Hospital Offset Payment Program Act shall not be  
8 due and payable until:

- 9 a. the Authority issues written notice stating that the  
10 assessment and payment methodologies required under  
11 the Supplemental Hospital Offset Payment Program Act  
12 have been approved by the Centers for Medicare and  
13 Medicaid Services and the waiver under 42 C.F.R.,  
14 Section 433.68, if necessary, has been granted by the  
15 Centers for Medicare and Medicaid Services,
- 16 b. the thirty-day verification period required by  
17 paragraph 4 of subsection D of this section has  
18 expired, and
- 19 c. the Authority issues a notice giving a due date for  
20 the first payment.

21 2. After the initial installment of an annual assessment has  
22 been paid under this section, each subsequent quarterly installment  
23 payment shall be due and payable by the fifteenth day of the first  
24 month of the applicable quarter.



1           3. If a hospital fails to timely pay the full amount of a  
2 quarterly assessment, the Authority shall add to the assessment:

3           a. a penalty assessment equal to five percent (5%) of the  
4 quarterly amount not paid on or before the due date,  
5 and

6           b. on the last day of each quarter after the due date  
7 until the assessed amount and the penalty imposed  
8 under subparagraph a of this paragraph are paid in  
9 full, an additional five-percent penalty assessment on  
10 any unpaid quarterly and unpaid penalty assessment  
11 amounts.

12           4. The quarterly assessment including applicable penalties and  
13 interest must be paid regardless of any appeals action requested by  
14 the facility. If a provider fails to pay the Authority the  
15 assessment within the time frames noted on the invoice to the  
16 provider, the assessment, applicable penalty, and interest will be  
17 deducted from the facility's payment. Any change in payment amount  
18 resulting from an appeals decision will be adjusted in future  
19 payments.

20           F. Medicaid Hospital Access Payments.

21           1. To preserve the quality and improve access to hospital  
22 services for hospital inpatient and outpatient services rendered on  
23 or after ~~the effective date of this act~~ August 26, 2011, the  
24

1 Authority shall make hospital access payments as set forth in this  
2 section.

3 2. The Authority shall pay all quarterly hospital access  
4 payments within ~~ten (10)~~ fourteen (14) calendar days of the due date  
5 for quarterly assessment payments established in subsection E of  
6 this section.

7 3. The Authority shall calculate the hospital access payment  
8 amount up to but not to exceed the upper payment limit gap for  
9 inpatient and outpatient services.

10 4. All hospitals shall be eligible for inpatient and outpatient  
11 hospital access payments each year as set forth in this subsection  
12 except hospitals described in paragraph 1, 2, 3 or 4 of subsection B  
13 of Section 3241.3 of this title.

14 5. A portion of the hospital access payment amount, not to  
15 exceed the upper payment limit gap for inpatient services, shall be  
16 designated as the inpatient hospital access payment pool.

17 a. In addition to any other funds paid to hospitals for  
18 inpatient hospital services to Medicaid patients, each  
19 eligible hospital shall receive inpatient hospital  
20 access payments each year:

21 i. equal to the hospital's pro rata share  
22 of the inpatient hospital access  
23 payment pool based upon the hospital's  
24 Medicaid payments for inpatient

1 services divided by the total Medicaid  
2 payments for inpatient services of all  
3 eligible, or

4 ii. through directed payments as approved  
5 by the Centers for Medicare and  
6 Medicaid Services.

7 b. Inpatient hospital access payments shall be made on a  
8 quarterly basis.

9 6. A portion of the hospital access payment amount, not to  
10 exceed the upper payment limit gap for outpatient services, shall be  
11 designated as the outpatient hospital access payment pool.

12 a. In addition to any other funds paid to hospitals for  
13 outpatient hospital services to Medicaid patients,  
14 each eligible hospital shall receive outpatient  
15 hospital access payments each year:

16 i. equal to the hospital's pro rata share  
17 of the outpatient hospital access  
18 payment pool based upon the hospital's  
19 Medicaid payments for outpatient  
20 services divided by the total Medicaid  
21 payments for outpatient services of all  
22 eligible, or

1                     ii. through directed payments as approved  
2                                     by the Centers for Medicare and  
3                                     Medicaid Services.

4             b.     Outpatient hospital access payments shall be made on a  
5                     quarterly basis.

6             7.     A portion of the inpatient hospital access payment pool and  
7 of the outpatient hospital access payment pool shall be designated  
8 as the critical access hospital payment pool.

9             a.     In addition to any other funds paid to critical access  
10                    hospitals for inpatient and outpatient hospital  
11                    services to Medicaid patients, each critical access  
12                    hospital shall receive hospital access payments:

13                    i. equal to the amount by which the  
14                                     payment for these services was less  
15                                     than one hundred one percent (101%) of  
16                                     the hospital's cost of providing these  
17                                     services, as determined using the  
18                                     Medicare Cost Report, or

19                    ii. through directed payments as approved  
20                                     by the Centers for Medicare and  
21                                     Medicaid Services.

22             b.     The Authority shall calculate hospital access payments  
23                    for critical access hospitals and deduct these  
24                    payments from the inpatient hospital access payment

1 pool and the outpatient hospital access payment pool  
2 before allocating the remaining balance in each pool  
3 as provided in subparagraph a of paragraph 5 and  
4 subparagraph a of paragraph 6 of this subsection.

5 c. Critical access hospital payments shall be made on a  
6 quarterly basis.

7 8. A hospital access payment shall not be used to offset any  
8 other payment by Medicaid for hospital inpatient or outpatient  
9 services to Medicaid beneficiaries, including without limitation any  
10 fee-for-service, per diem, private hospital inpatient adjustment, or  
11 cost-settlement payment.

12 9. If the Centers for Medicare and Medicaid Services finds that  
13 the Authority has made payments to hospitals that exceed the upper  
14 payment limits determined in accordance with 42 C.F.R. 447.272 and  
15 42 C.F.R. 447.321, hospitals shall refund to the Authority a share  
16 of the recouped federal funds that is proportionate to the  
17 hospitals' positive contribution to the upper payment limit.

18 G. All monies accruing to the credit of the Supplemental  
19 Hospital Offset Payment Program Fund are hereby appropriated and  
20 shall be budgeted and expended by the Authority after consideration  
21 of the input and recommendation of the Hospital Advisory Committee.

22 1. Monies in the Supplemental Hospital Offset Payment Program  
23 Fund shall be used only for:  
24

1 a. transfers to the Medical Payments Cash Management  
2 Improvement Act Programs Disbursing Fund ~~(Fund 340)~~  
3 for the state share of supplemental or directed  
4 payments or both for Medicaid and SCHIP inpatient and  
5 outpatient services to hospitals that participate in  
6 the assessment,

7 b. transfers to the Medical Payments Cash Management  
8 Improvement Act Programs Disbursing Fund ~~(Fund 340)~~  
9 for the state share of supplemental or directed  
10 payments or both for ~~Critical Access Hospitals~~  
11 critical access hospitals,

12 c. transfers to the Administrative Revolving Fund ~~(Fund~~  
13 ~~200)~~ for the state share of payment of administrative  
14 expenses incurred by the Authority or its agents and  
15 employees in performing the activities authorized by  
16 the Supplemental Hospital Offset Payment Program Act  
17 but not more than Two Hundred Thousand Dollars  
18 (\$200,000.00) each year,

19 d. transfers to the Medical Payments Cash Management  
20 Improvement Act Programs Disbursing Fund ~~(Fund 340)~~ ~~in~~  
21 ~~an amount not to exceed Seven Million Five Hundred~~  
22 ~~Thousand Dollars (\$7,500,000.00)~~ each fiscal quarter  
23 all funds remaining after accounting for the  
24

1           provisions of subparagraphs a, b and c of this  
2           paragraph, and

3           e.    the reimbursement of monies collected by the Authority  
4           from hospitals through error or mistake in performing  
5           the activities authorized under the Supplemental  
6           Hospital Offset Payment Program Act.

7           2.    The Authority shall pay from the Supplemental Hospital  
8    Offset Payment Program Fund quarterly installment payments to  
9    hospitals of amounts available for supplemental inpatient and  
10   outpatient payments or directed inpatient and outpatient payments or  
11   both, and supplemental payments for ~~Critical Access Hospitals~~  
12   critical access hospitals or directed payments for critical access  
13   hospitals or both.

14          3.    Except for the transfers described in subsection C of this  
15   section, monies in the Supplemental Hospital Offset Payment Program  
16   Fund shall not be used to replace other general revenues  
17   appropriated and funded by the Legislature or other revenues used to  
18   support Medicaid.

19          4.    The Supplemental Hospital Offset Payment Program Fund and  
20   the program specified in the Supplemental Hospital Offset Payment  
21   Program Act are exempt from budgetary reductions or eliminations  
22   caused by the lack of general revenue funds or other funds  
23   designated for or appropriated to the Authority.

1 5. No hospital shall be guaranteed, expressly or otherwise,  
2 that any additional costs reimbursed to the facility will equal or  
3 exceed the amount of the supplemental hospital offset payment  
4 program fee paid by the hospital.

5 H. After considering input and recommendations from the  
6 Hospital Advisory Committee, the Oklahoma Health Care Authority  
7 Board shall promulgate ~~regulations~~ rules that:

8 1. Allow for an appeal of the annual assessment of the  
9 Supplemental Hospital Offset Payment Program payable under this act;  
10 and

11 2. Allow for an appeal of an assessment of any fees or  
12 penalties determined.

13 SECTION 4. This act shall become effective July 1, 2021.

14 SECTION 5. It being immediately necessary for the preservation  
15 of the public peace, health or safety, an emergency is hereby  
16 declared to exist, by reason whereof this act shall take effect and  
17 be in full force from and after its passage and approval.

18

19 58-1-2179 DC 5/17/2021 7:32:31 PM

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