

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 2784

By: Caldwell (Trey) and Kane of
the House

and

Hall and Haste of the
Senate

COMMITTEE SUBSTITUTE

An Act relating to public health; amending 63 O.S. 2021, Section 3274, which relates to Oklahoma State University Medical Authority; relating to Medicaid supplemental payments; requiring annual certification; amending 63 O.S. 2021, Section 3278, which relates to Oklahoma State University Medical Authority; providing for certain agreements and contract; allowing for certain benefits; providing for certain persons to serve in specific positions; providing for the use of certain services or goods; amending Section 17, Chapter 395, O.S.L. 2022 (56 O.S. Supp. 2024, Section 4002.12b), which relates to Medicaid state plan amendments; allowing for participation in certain waivers by specific entities; creating the Emergency Medicine Revolving Fund; establishing revolving fund characteristics; declaring funds to be appropriated; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 3274, is
amended to read as follows:

1 Section 3274. A. Any hospital or hospitals purchased, leased
2 or constructed by the Oklahoma State University Medical Authority
3 shall be operated as general hospitals and shall be licensed by the
4 State Commissioner of Health, and shall, as far as possible, meet
5 the standards, requirements and essentials of the Joint Commission
6 on Accreditation of Health Care Organizations and the American
7 Osteopathic Association or, alternatively, meet Medicare
8 certification by the Center for Medicare and Medicaid Services.
9 Provided, the State Commissioner of Health may waive any such
10 standards, requirements and essentials as the Commissioner deems
11 necessary.

12 B. Any such hospitals may provide services and receive payments
13 under Titles XVIII and XIX of the federal Social Security Act, and
14 may participate in other federal medical programs.

15 C. Any such hospitals shall be available as teaching and
16 training hospitals for the colleges of the Oklahoma State University
17 Center for Health Sciences, for other health and educational
18 facilities and shall provide indigent patient care.

19 D. For the purpose of Medicaid supplemental payments, the
20 Oklahoma State University Medical Trust shall be authorized to enter
21 into a cooperative venture for the purpose of training students
22 within an American College of Surgeons Level 1 Trauma Center or
23 centers operated by the Oklahoma State University Medical Trust or
24 an affiliated entity approved by the Trust. The Oklahoma State

1 University Medical Authority shall annually certify to the Oklahoma
2 Health Care Authority that the Level 1 trauma center meets such
3 standards and requirements with respect to any Medicaid supplemental
4 payments to be received from the Oklahoma Health Care Authority for
5 the Level 1 Trauma Center.

6 SECTION 2. AMENDATORY 63 O.S. 2021, Section 3278, is
7 amended to read as follows:

8 Section 3278. A. The Oklahoma State University Medical
9 Authority shall have the authority to:

10 1. Enter into agreements and cooperative ventures with other
11 health care providers to share services or to provide a benefit to
12 the hospitals;

13 2. Make and enter into all contracts and agreements necessary
14 or incidental to the performance of its duties and execution of its
15 powers pursuant to the Oklahoma State University Medical Authority
16 Act;

17 3. Join or sponsor organizations or associations intended to
18 benefit the hospitals;

19 4. Have members of its governing body or its officers or
20 administrators serve without pay as directors or officers of any
21 organization, association, or cooperative ventures authorized
22 pursuant to the Oklahoma State University Medical Authority Act; and
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1 5. Offer, directly or indirectly, products and services of the
2 hospitals, any cooperative venture or organization to the general
3 public.

4 B. All agreements and obligations undertaken, as permitted
5 under this section, by the Oklahoma State University Medical
6 Authority shall be for a public purpose. In addition to any other
7 limitations, conditions or restrictions provided by law, the
8 following conditions shall apply to contractual agreements entered
9 into pursuant to this section:

10 1. Private and public funds shall be accounted for separately;
11 and

12 2. The state shall not assume any liability for private
13 entities.

14 SECTION 3. AMENDATORY Section 17, Chapter 395, O.S.L.
15 2022 (56 O.S. Supp. 2024, Section 4002.12b), is amended to read as
16 follows:

17 Section 4002.12b. A. The Oklahoma Health Care Authority shall
18 ensure the sustainability of the transformed Medicaid delivery
19 system.

20 B. The Authority shall ensure that existing revenue sources
21 designated for the state share of Medicaid expenses are designed to
22 maximize federal matching funds for the benefit of providers and the
23 state.

1 C. The Authority shall develop a plan, utilizing waivers or
2 Medicaid state plan amendments as necessary, to preserve or increase
3 supplemental payments available to providers with existing revenue
4 sources as provided in the Oklahoma Statutes including, but not
5 limited to:

6 1. Hospitals that participate in the supplemental hospital
7 offset payment program as provided by Section 3241.3 of Title 63 of
8 the Oklahoma Statutes;

9 2. Hospitals in this state that have Level I trauma centers, as
10 defined by the American College of Surgeons, that provide inpatient
11 and outpatient services, along with comprehensive pediatric
12 services, and are owned ~~or~~, operated ~~by~~, or in partnership with the
13 University Hospitals Trust or the Oklahoma State University Medical
14 Trust, or affiliates or locations of those hospitals designated by
15 the University Hospitals Trust or the Oklahoma State University
16 Medical Trust as part of the hospital trauma system. The qualified
17 entities in the Oklahoma City metropolitan area shall be a hospital
18 owned, operated, or in partnership with the University Hospital
19 Authority or University Hospital Trust. The qualified entities in
20 the Tulsa metropolitan area shall be a hospital owned, operated, or
21 in partnership with the Oklahoma State University Medical Authority,
22 or Oklahoma State University Medical Trust; and

23 3. Providers employed by or contracted with, or otherwise a
24 member of the faculty practice plan of:

- 1 a. a public, accredited Oklahoma medical school, or
- 2 b. a hospital or health care entity directly or
- 3 indirectly owned or operated by the University
- 4 Hospitals Trust or the Oklahoma State University
- 5 Medical Trust.

6 D. Subject to approval by the Centers for Medicare and Medicaid
7 Services, the Authority shall preserve and, to the maximum extent
8 permissible under federal law, improve existing levels of funding
9 through directed payments or other mechanisms outside the capitated
10 rate to contracted entities, including, where applicable, the use of
11 a directed payment program with an average commercial rate
12 methodology under the Supplemental Hospital Payment Program Act.

13 E. On or before January 31, 2023, the Authority shall submit a
14 report to the Oklahoma Health Care Authority Board, the Chair of the
15 Appropriations Committee of the Oklahoma State Senate, and the Chair
16 of the Appropriations and Budget Committee of the Oklahoma House of
17 Representatives that includes the Authority's plans to continue
18 supplemental payment programs and implement a managed care directed
19 payment program for hospital services that complies with the reforms
20 required by this act. If Medicaid-specific funding cannot be
21 maintained as currently implemented and authorized by state law, the
22 Authority shall propose to the Legislature any modifications
23 necessary to preserve supplemental payments and managed care
24 directed payments to prevent budgetary disruptions to providers.

1 F. The Authority shall submit a report to the Governor, the
2 President Pro Tempore of the Oklahoma State Senate and the Speaker
3 of the Oklahoma House of Representatives that includes at a minimum:

4 1. A description of the selection process of the contracted
5 entities;

6 2. Plans for enrollment of Medicaid members in health plans of
7 contracted entities;

8 3. Medicaid member network access standards;

9 4. Performance and quality metrics;

10 5. Maintenance of existing funding mechanisms described in this
11 section;

12 6. A description of the requirements and other provisions
13 included in capitated contracts; and

14 7. A full and complete copy of each executed capitated
15 contract.

16 G. 1. Each contracted entity shall report to the Authority in
17 time intervals determined by the Authority and through a process
18 determined by the Authority all claims data, expenditures, and such
19 other financial reporting information as may be required by the
20 Authority.

21 2. The Authority shall compile and analyze the information
22 described in paragraph 1 of this subsection and annually submit a
23 report summarizing such information, devoid of any personally
24 identifying information, to the President Pro Tempore of the Senate,

1 the Speaker of the House of Representatives, and the Oklahoma Health
2 Care Authority Board.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3294 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the Oklahoma State University Medical Trust to be designated the
8 "Emergency Medicine Revolving Fund". The fund shall be a continuing
9 fund, not subject to fiscal year limitations, and shall consist of
10 all monies received by the Oklahoma State University Medical Trust
11 from appropriations. All monies accruing to the credit of said fund
12 are hereby appropriated and may be budgeted and expended by the
13 Oklahoma State University Medical Trust for the purpose of training
14 students within an American College of Surgeons Level 1 Trauma
15 Center or centers operated by the Oklahoma State University Medical
16 Trust or an affiliated entity approved by the Trust. Expenditures
17 from said fund shall be made upon warrants issued by the State
18 Treasurer against claims filed as prescribed by law with the
19 Director of the Office of Management and Enterprise Services for
20 approval and payment.

21 SECTION 5. This act shall become effective September 1, 2025.

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