

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1807

By: Coleman

AS INTRODUCED

An Act relating to the state Medicaid program; amending 56 O.S. 2021, Section 2002, as amended by Section 1, Chapter 214, O.S.L. 2025 (56 O.S. Supp. 2025, Section 2002), which relates to the Nursing Facilities Quality of Care Fee; conforming language; clarifying certain definition; eliminating certain reduced assessment rate; requiring certain uniform assessment rate; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 56 O.S. 2021, Section 2002, as amended by Section 1, Chapter 214, O.S.L. 2025 (56 O.S. Supp. 2025, Section 2002), is amended to read as follows:

Section 2002. A. For the purpose of providing quality care enhancements, the Oklahoma Health Care Authority is authorized to and shall assess a Nursing Facilities Quality of Care Fee pursuant to this section upon each nursing facility licensed in this state. Facilities operated by the Oklahoma Department of Veterans Affairs shall be exempt from this fee. Quality of care enhancements

1 include, but are not limited to, the purposes specified in this
2 section.

3 B. As a basis for determining the Nursing Facilities Quality of
4 Care Fee assessed upon each licensed nursing facility, the Authority
5 shall calculate a uniform per-patient day rate. The rate shall be
6 calculated by dividing six percent (6%) of the total annual patient
7 gross receipts of all licensed nursing facilities in this state by
8 the total number of patient days for all licensed nursing facilities
9 in this state. The result shall be the per-patient day rate.
10 Beginning July 15, 2004, the Nursing Facilities Quality of Care Fee
11 shall not be increased unless specifically authorized by the
12 Legislature.

13 C. Pursuant to any approved Medicaid waiver ~~and pursuant to~~
14 ~~subsection N of this section~~, the Nursing Facilities Quality of Care
15 Fee shall not exceed the amount or rate allowed by federal law for
16 nursing home licensed bed days.

17 D. The Nursing Facilities Quality of Care Fee owed by a
18 licensed nursing facility shall be calculated by the Authority by
19 adding the daily patient census of a licensed nursing facility, as
20 reported by the facility for each day of the month, and by
21 multiplying the ensuing figure by the per-patient day rate
22 determined pursuant to the provisions of subsection B of this
23 section.

1 E. Each licensed nursing facility which is assessed the Nursing
2 Facilities Quality of Care Fee shall be required to file a report on
3 a monthly basis with the Authority detailing the daily patient
4 census and patient gross receipts at such time and in such manner as
5 required by the Authority.

6 F. 1. The Nursing Facilities Quality of Care Fee for a
7 licensed nursing facility for the period beginning October 1, 2000,
8 shall be determined using the daily patient census and annual
9 patient gross receipts figures reported to the Authority for the
10 calendar year 1999 upon forms supplied by the Authority.

11 2. Annually the Nursing Facilities Quality of Care Fee shall be
12 determined by:

- 13 a. using the daily patient census and patient gross
14 receipts reports received by the Authority for the
15 most recent available twelve (12) months, and
16 b. annualizing those figures.

17 Each year thereafter, the annualization of the Nursing
18 Facilities Quality of Care Fee specified in this paragraph shall be
19 subject to the limitation in subsection B of this section unless the
20 provision of subsection C of this section is met.

21 G. The payment of the Nursing Facilities Quality of Care Fee by
22 licensed nursing facilities shall be an allowable cost for Medicaid
23 reimbursement purposes.
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1 H. 1. There is hereby created in the State Treasury a
2 revolving fund to be designated the "Nursing Facility Quality of
3 Care Fund".

4 2. The fund shall be a continuing fund, not subject to fiscal
5 year limitations, and shall consist of:

- 6 a. all monies received by the Authority pursuant to this
7 section and otherwise specified or authorized by law,
- 8 b. monies received by the Authority due to federal
9 financial participation pursuant to Title XIX of the
10 Social Security Act, and
- 11 c. interest attributable to investment of money in the
12 fund.

13 3. All monies accruing to the credit of the fund are hereby
14 appropriated and shall be budgeted and expended by the Authority
15 for:

- 16 a. reimbursement of the additional costs paid to
17 Medicaid-certified nursing facilities for purposes
18 specified by Sections 1-1925.2 and 5022.2 of Title 63
19 of the Oklahoma Statutes,
- 20 b. reimbursement of the Medicaid rate increases for
21 intermediate care facilities for individuals with
22 intellectual disabilities (ICFs/IID),
- 23 c. nonemergency transportation services for Medicaid-
24 eligible nursing home clients,

- 1 d. eyeglass and denture services for Medicaid-eligible
2 nursing home clients,
- 3 e. fifteen ombudsmen employed by the Office of the
4 Attorney General,
- 5 f. ten additional nursing facility inspectors employed by
6 the State Department of Health,
- 7 g. pharmacy and other Medicaid services to qualified
8 Medicare beneficiaries whose incomes are at or below
9 one hundred percent (100%) of the federal poverty
10 level; provided however, pharmacy benefits authorized
11 for such qualified Medicare beneficiaries shall be
12 suspended if the federal government subsequently
13 extends pharmacy benefits to this population,
- 14 h. costs incurred by the Authority in the administration
15 of the provisions of this section and any programs
16 created pursuant to this section,
- 17 i. durable medical equipment and supplies services for
18 Medicaid-eligible elderly adults, and
- 19 j. personal needs allowance increases for residents of
20 nursing homes and ~~Intermediate Care Facilities for~~
21 ~~Individuals with Intellectual Disabilities~~
22 intermediate care facilities for individuals with
23 intellectual disabilities (ICFs/IID) from Thirty
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1 Dollars (\$30.00) to Fifty Dollars (\$50.00) per month
2 per resident.

3 4. Expenditures from the fund shall be made upon warrants
4 issued by the State Treasurer against claims filed as prescribed by
5 law with the Director of the Office of Management and Enterprise
6 Services for approval and payment.

7 5. The fund and the programs specified in this section funded
8 by revenues collected from the Nursing Facilities Quality of Care
9 Fee pursuant to this section are exempt from budgetary cuts,
10 reductions, or eliminations.

11 6. The Medicaid rate increases for intermediate care facilities
12 for individuals with intellectual disabilities (ICFs/IID) shall not
13 exceed the net Medicaid rate increase for nursing facilities
14 including, but not limited to, the Medicaid rate increase for which
15 Medicaid-certified nursing facilities are eligible due to the
16 Nursing Facilities Quality of Care Fee less the portion of that
17 increase attributable to treating the Nursing Facilities Quality of
18 Care Fee as an allowable cost.

19 7. The reimbursement rate for nursing facilities shall be made
20 in accordance with Oklahoma's Medicaid reimbursement rate
21 methodology and the provisions of this section.

22 8. No nursing facility shall be guaranteed, expressly or
23 otherwise, that any additional costs reimbursed to the facility will
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1 equal or exceed the amount of the Nursing Facilities Quality of Care
2 Fee paid by the nursing facility.

3 I. 1. In the event that federal financial participation
4 pursuant to Title XIX of the Social Security Act is not available to
5 the ~~Oklahoma~~ state Medicaid program, for purposes of matching
6 expenditures from the Nursing Facility Quality of Care Fund at the
7 approved federal medical assistance percentage for the applicable
8 fiscal year, the Nursing Facilities Quality of Care Fee shall be
9 null and void as of the date of the nonavailability of such federal
10 funding, through and during any period of nonavailability.

11 2. In the event of an invalidation of this section by any court
12 of last resort under circumstances not covered in subsection J of
13 this section, the Nursing Facilities Quality of Care Fee shall be
14 null and void as of the effective date of that invalidation.

15 3. In the event that the Nursing Facilities Quality of Care Fee
16 is determined to be null and void for any of the reasons enumerated
17 in this subsection, any Nursing Facilities Quality of Care Fee
18 assessed and collected for any periods after such invalidation shall
19 be returned in full within sixty (60) days by the Authority to the
20 nursing facility from which it was collected.

21 J. 1. If any provision of this section or the application
22 thereof shall be adjudged to be invalid by any court of last resort,
23 such judgment shall not affect, impair, or invalidate the provisions
24 of the section, but shall be confined in its operation to the

1 provision thereof directly involved in the controversy in which such
2 judgment was rendered. The applicability of such provision to other
3 persons or circumstances shall not be affected thereby.

4 2. This subsection shall not apply to any judgment that affects
5 the rate of the Nursing Facilities Quality of Care Fee, its
6 applicability to all licensed nursing homes in the state, the usage
7 of the fee for the purposes prescribed in this section, or the
8 ability of the Authority to obtain full federal participation to
9 match its expenditures of the proceeds of the fee.

10 K. The Authority shall promulgate rules for the implementation
11 and enforcement of the Nursing Facilities Quality of Care Fee
12 established by this section.

13 L. The Authority shall provide for administrative penalties in
14 the event nursing facilities fail to:

- 15 1. Submit the Nursing Facilities Quality of Care Fee;
- 16 2. Submit the fee in a timely manner;
- 17 3. Submit reports as required by this section; or
- 18 4. Submit reports timely.

19 M. As used in this section:

20 1. "Nursing facility" means any home, establishment or
21 institution, or any portion thereof, licensed by the State
22 Department of Health as defined in Section 1-1902 of Title 63 of the
23 Oklahoma Statutes and includes the nursing care component of a
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1 continuum of care facility as defined in Section 1-890.2 of Title 63
2 of the Oklahoma Statutes;

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

6 3. "Patient gross ~~revenues~~ receipts" means gross revenues
7 received in compensation for services provided to residents of
8 nursing facilities including, but not limited to, client
9 participation. The term ~~"patient patient gross revenues"~~ receipts
10 shall not include amounts received by nursing facilities as
11 charitable contributions; and

12 4. "Additional costs paid to Medicaid-certified nursing
13 facilities under Oklahoma's Medicaid reimbursement methodology"
14 means both state and federal Medicaid expenditures including, but
15 not limited to, funds in excess of the aggregate amounts that would
16 otherwise have been paid to Medicaid-certified nursing facilities
17 under the Medicaid reimbursement methodology which have been updated
18 for inflationary, economic, and regulatory trends and which are in
19 effect immediately prior to the inception of the Nursing Facilities
20 Quality of Care Fee.

21 N. ~~1. As per any approved federal Medicaid waiver~~ Until the
22 effective date of this act, the assessment rate subject to the
23 provision of subsection C of this section is to remain the same as
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1 those rates that were in effect prior to January 1, 2012, for all
2 ~~state-licensed~~ continuum of care facilities.

3 ~~2. Any facilities that made application to the State Department~~
4 ~~of Health to become a licensed continuum of care facility no later~~
5 ~~than January 1, 2012, shall be assessed at the same rate as those~~
6 ~~facilities assessed pursuant to paragraph 1 of this subsection;~~
7 ~~provided, that any facility making the application shall receive the~~
8 ~~license on or before September 1, 2012. Any facility that fails to~~
9 ~~receive such license from the State Department of Health by~~
10 ~~September 1, 2012, shall be assessed at the rate established by~~
11 ~~subsection C of this section subsequent to September 1, 2012 that~~
12 were licensed by this state on or before September 1, 2012. Upon
13 the effective date of this act, the assessment rate for those
14 continuum of care facilities shall be increased to equal the
15 assessment rate for all other facilities and thereafter the
16 assessment rate for all facilities shall be uniform.

17 O. If any provision of this section, or the application
18 thereof, is determined by any controlling federal agency, or any
19 court of last resort to prevent the state from obtaining federal
20 financial participation in the ~~state's~~ state Medicaid program, such
21 provision shall be deemed null and void as of the date of the
22 nonavailability of such federal funding and through and during any
23 period of nonavailability. All other provisions of the bill shall
24 remain valid and enforceable.

SECTION 2. This act shall become effective November 1, 2026.

60-2-2454 DC 1/14/2026 9:26:10 PM