

3 Senate Bill No. 1743
4 As Amended

5 SENATE BILL NO. 1743 - By: MORGAN of the Senate and BENGE of the
6 House.

7 [poor persons - Oklahoma State University Graduate Medical
8 Education Indigent Care Public Trust - codification -
9 emergency]

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

11 SECTION 1. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 3201 of Title 56, unless there
13 is created a duplication in numbering, reads as follows:

14 This act shall be known and may be cited as the "Oklahoma State
15 University Graduate Medical Education Indigent Care Act".

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3202 of Title 56, unless there
18 is created a duplication in numbering, reads as follows:

19 As used in the Oklahoma State University Graduate Medical
20 Education Indigent Care Act:

21 1. "Oklahoma State University Graduate Medical Education
22 Indigent Care Public Trust Authority", "OSU Graduate Medical
23 Education Indigent Care Public Trust Authority", or OSU Graduate
24 Medical Education Indigent Care Authority" or "Authority" means the
25 graduate medical education public trust authority created by the

1 provisions of Section 3 of the Oklahoma State University Graduate
2 Medical Education Indigent Care Act;

3 2. "Indigent Patient(s)" means individuals residing within the
4 state of Oklahoma who have little or no means of payment for the
5 receipt of needed medical attention, meet the prescribed guidelines
6 for indigent status as defined by the OSU Graduate Medical Education
7 Indigent Care Public Trust Authority and present themselves for
8 treatment at a hospital or a clinic affiliated with a hospital
9 located within a Graduate Medical Education Indigent Care Hospital
10 District as defined within the Oklahoma State University Graduate
11 Medical Education Indigent Care Act;

12 3. "Graduate Medical Education" or "GME" means educational
13 programs meeting the guidelines of the American Osteopathic
14 Association offered as an extension of the Oklahoma State University
15 Center for Health Sciences, College of Osteopathic Medicine in
16 cooperation with a hospital;

17 4. "Hospital" means a hospital as defined by Section 1-701 of
18 Title 63 of the Oklahoma Statutes and facilities defined in Section
19 2657 of Title 63 of the Oklahoma Statutes;

20 5. "Graduate Medical Education Indigent Care Hospital District"
21 or "GME Hospital District" or "Indigent Care Hospital District", or
22 "Hospital District" means a designated geographical area established
23 by the OSU Graduate Medical Education Indigent Care Public Trust

1 Authority for the establishment, improvement, implementation and/or
2 support of graduate medical education and indigent care as defined
3 by the Oklahoma State University Graduate Medical Education Indigent
4 Care Act;

5 6. "Management Agreement" means a transaction between the
6 Oklahoma State University Graduate Medical Education Indigent Care
7 Authority and a hospital within a Graduate Medical Education
8 Indigent Care Hospital District to provide day-to-day operations and
9 management of facilities and personnel for the establishment,
10 improvement, implementation and/or support of graduate medical
11 education as defined by the Oklahoma State University Graduate
12 Medical Education Indigent Care Act;

13 7. "Joint Operating Agreement" or "JOA" means a written
14 agreement between a Graduate Medical Education Indigent Care
15 Authority, the Oklahoma State University Center for Health Sciences
16 and a hospital within a Graduate Medical Education Indigent Care
17 Hospital District describing and providing for governance,
18 cooperative initiatives and decision making powers on matters
19 related to the operation of the hospital; and

20 8. "Teaching Subsidy" means funding received for the
21 establishment, improvement, implementation and/or support of
22 graduate medical education at the Oklahoma State University Center
23 for Health Sciences, College of Osteopathic Medicine offered in

1 cooperation with a hospital located within a Graduate Medical
2 Education Indigent Care Hospital District.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3203 of Title 56, unless there
5 is created a duplication in numbering, reads as follows:

6 A. 1. The Oklahoma Legislature finds that the delivery of
7 graduate medical education programs at the Oklahoma State University
8 Center for Health Sciences, the preparation of osteopathic
9 physicians for service within the state and the quality of health
10 care delivered to indigent patients will be enhanced through the
11 establishment of a Graduate Medical Education Indigent Care Public
12 Trust Authority and the creation of Graduate Medical Education (GME)
13 Indigent Care Hospital Districts pursuant to the Oklahoma State
14 University Graduate Medical Education Indigent Care Act.

15 2. The purpose of the Oklahoma State University Graduate
16 Medical Education Indigent Care Act is to provide maximum
17 utilization and efficient administration in delivering quality
18 health care to indigent patients through graduate medical education
19 programs offered by the Oklahoma State University Center for Health
20 Sciences in cooperation with hospitals located within a Graduate
21 Medical Education Indigent Care Hospital District.

22 B. There is hereby created the Oklahoma State University
23 Graduate Medical Education Indigent Care Public Trust Authority, an

1 agency of the State of Oklahoma, a body corporate and politic, with
2 powers of government and with the authority to exercise the rights,
3 privileges and functions as specified in the Oklahoma State
4 University Graduate Medical Education Indigent Care Act. The
5 Oklahoma State University Graduate Medical Education Indigent Care
6 Public Trust Authority is an agency of the State of Oklahoma covered
7 by the Governmental Tort Claims Act and is granted herein the
8 general powers and authorities granted to agencies and public trusts
9 of the State of Oklahoma. The Oklahoma State University Graduate
10 Medical Education Indigent Care Public Trust Authority as an agency
11 of the State of Oklahoma is exempt from state and local sales tax.

12 C. The Authority shall consist of six (6) members as follows:

13 1. One member shall be appointed by the Governor, with the
14 advice and consent of the Senate;

15 2. One member shall be appointed by the President Pro Tempore
16 of the Senate;

17 3. One member shall be appointed by the Speaker of the House of
18 Representatives;

19 4. One member shall be the Director of the Oklahoma Health Care
20 Authority or the director of the successor organization responsible
21 for Medicaid, or his or her designee;

22 5. One member shall be the President of the Oklahoma State
23 University Center for Health Sciences; and

1 6. The Chief Executive Officer of the Oklahoma State University
2 Graduate Medical Education Indigent Care Public Trust Authority who
3 shall be an ex officio, nonvoting member.

4 D. All members shall be appointed by June 1, 2006. Of the
5 members of the Authority initially appointed, the member appointed
6 by the President Pro Tempore of the Senate shall serve a term of one
7 (1) year; the member appointed by the Speaker of the House of
8 Representatives shall serve a term of two (2) years; and the member
9 appointed by the Governor shall serve a term of three (3) years.
10 Successors shall be appointed for terms of three (3) years.

11 E. Each member of the Authority, prior to appointment, shall be
12 a resident of the state and a qualified elector.

13 F. Members shall be removable only for cause by the appointing
14 authority. Any vacancy occurring on the Authority shall be filled
15 by the original appointing authority.

16 G. The members of the Authority shall serve without
17 compensation but may be reimbursed for travel expenses incurred in
18 the performance of their duties in accordance with the provisions of
19 the State Travel Reimbursement Act, Section 500.1 et seq. of Title
20 74 of the Oklahoma Statutes.

21 H. A quorum of the Authority shall be three (3) voting members.
22 Members shall elect a chair and vice chair for the Authority from

1 among its members. The chair must be an appointed member of the
2 Authority.

3 I. The Authority shall be subject to the Open Meeting Act,
4 Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the
5 Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma
6 Statutes, except as otherwise provided by this act. Any information
7 submitted to or compiled by the Authority except for budgetary
8 information related to appropriations or the appropriations process
9 with respect to the marketing plans, financial statements, trade
10 secrets, research concepts, methods or products, or any other
11 proprietary information of the Authority, persons, firms,
12 associations, partnerships, agencies, corporations, institutions of
13 higher education, nonprofit research institutions or other entities
14 shall be confidential, except to the extent that the person or
15 entity which provided such information or which is the subject of
16 such information consents to disclosure. Executive sessions may be
17 held to discuss such materials if deemed necessary by the Authority.

18 J. On and after July 1, 2006, the Authority shall have the
19 power and duty to:

20 1. Adopt bylaws and promulgate rules for the regulation of its
21 affairs and the conduct of its business;

22 2. Adopt an official seal;

1 3. Maintain an office at the Oklahoma State University Center
2 for Health Sciences;

3 4. Sue and be sued, subject to the provisions of the
4 Governmental Tort Claims Act;

5 5. Enter into cooperative agreements with the Board of Regents
6 for the Oklahoma Agricultural and Mechanical Colleges for
7 educational programs, professional staffing, administrative
8 services, benefit plans, research and other medical activities;

9 6. Make and enter into all contracts necessary or incidental to
10 the performance of its duties and the execution of its powers
11 pursuant to the Oklahoma State University Graduate Medical Education
12 Indigent Care Act, including, but not limited to, purchase
13 agreements, operating lease of facilities, hospital management
14 agreements, joint operating agreements and other agreements
15 necessary or incidental for the establishment, improvement,
16 implementation and/or support of graduate medical education as
17 defined by the Oklahoma State University Graduate Medical Education
18 Indigent Care Act;

19 7. Employ medical and other professional staff as necessary for
20 the establishment, improvement, implementation and/or support of
21 graduate medical education as defined by the Oklahoma State
22 University Graduate Medical Education Indigent Care Act;

1 8. Create Graduate Medical Indigent Care Hospital Districts as
2 defined in and pursuant to the Oklahoma State University Graduate
3 Medical Education Indigent Care Act to provide for and enhance
4 student, intern and residency programs of the Oklahoma State
5 University Center for Health Sciences;

6 9. Purchase or lease equipment, furniture, materials and
7 supplies, and incur such other expenses as may be necessary to
8 discharge its duties and responsibilities or to make any of its
9 powers effective;

10 10. Acquire for use by the Authority or a hospital within a
11 Graduate Medical Education Indigent Care Hospital District by
12 purchase, lease, gift, or by any other manner, and to maintain, use
13 and operate or to contract for the maintenance, use and operation of
14 or lease of any and all property of any kind, real, personal, or
15 mixed or any interest therein unless otherwise provided by the
16 Oklahoma State University Graduate Medical Education Indigent Care
17 Act;

18 11. Appoint such officers, agents and employees, including, but
19 not limited to, attorneys, as it deems necessary to operate and
20 maintain the Authority and to prescribe their duties and to fix
21 their compensation. The Authority shall employ and fix the duties
22 and compensation of an administrator of the Authority;

1 12. Receive appropriations of the state for the establishment,
2 improvement, implementation and/or support of graduate medical
3 education or indigent care as defined by the Oklahoma State
4 University Graduate Medical Education Indigent Care Act and expend
5 those funds in support of graduate medical education programs of
6 Oklahoma State University and indigent care as prescribed by the
7 Authority;

8 13. Receive appropriations of the state for the purposes of a
9 teaching subsidy for the support of graduate medical education
10 programs of Oklahoma State University and the enhancement of care
11 for indigent patients in both hospital and ambulatory care settings;

12 14. Accept grants from the United States of America, or from
13 any corporation or agency created or designed by the United States
14 of America, and, in connection with any such grant, to enter into
15 such agreements as the United States of America or such corporation
16 or agency may require;

17 15. Accept gifts, grants, contracts and/or endowments from a
18 private entity for the establishment, improvement, implementation
19 and/or support of graduate medical education or indigent care as
20 defined by the Oklahoma State University Graduate Medical Education
21 Indigent Care Act and expend those funds in accordance with any
22 written agreement executed with the contributor of those funds may
23 require;

1 16. Make and issue bonds and to pledge revenues of the
2 Authority subject to the Oklahoma Bond Oversight and Reform Act.
3 Nothing in the Oklahoma State University Graduate Medical Education
4 Indigent Care Act shall authorize the issuance of any bonds of the
5 Authority payable other than from revenues of the Oklahoma State
6 University Graduate Medical Education Indigent Care Public Trust
7 Authority. Authority revenue bonds issued under the provisions of
8 this act shall not at any time be deemed to constitute a debt of the
9 state or of any political subdivision thereof or a pledge of the
10 faith and credit of the state or of any political subdivision, but
11 such bonds shall be payable solely from the funds herein provided.
12 Such revenue bonds shall contain on the face thereof a statement to
13 the effect that neither the state nor the Authority shall be
14 obligated to pay the same or the interest thereon except from the
15 revenues of the project or projects for which they are issued and
16 that neither the faith and credit nor the taxing power of the state
17 or any political subdivision thereof is pledged, or may hereafter be
18 pledged, to the payment of the principal of or the interest on such
19 bonds. The maximum amount of outstanding bonds at any time shall
20 not exceed Two Hundred Fifty Million Dollars (\$250,000,000.00)
21 unless a greater amount is expressly approved by the Legislature by
22 a concurrent resolution adopted prior to commencing any action in
23 anticipation of issuance of revenue bonds of the Oklahoma State

1 University Graduate Medical Education Indigent Care Public Trust
2 Authority for the greater amount;

3 17. Become a member of other cooperatives, joint ventures,
4 partnerships, corporations or other legal entities or to own stock
5 therein for the establishment, improvement, implementation and/or
6 support of graduate medical education as defined by the Oklahoma
7 State University Graduate Medical Education Indigent Care Act;

8 18. Conduct its business and exercise its powers within or
9 without this state for the establishment, improvement,
10 implementation and/or support of graduate medical education or
11 indigent care as defined by the Oklahoma State University Graduate
12 Medical Education Indigent Care Act;

13 19. Receive fees, assessments, or charges from any hospital
14 located within the geographical boundaries of its hospital district
15 and to remit such monies to the Oklahoma Health Care Authority or
16 any other state entity for purposes of meeting the state's share for
17 the supplemental Medicaid programs to the extent and manner
18 authorized by federal law;

19 20. Provide for complete financial audits on all accounts of
20 the Oklahoma State University Graduate Medical Education Indigent
21 Care Public Trust Authority and to authorize periodic audits by an
22 independent external auditing agency. Such audits to be performed
23 annually in a format approved by the State Auditor and Inspector and

1 all such audits shall be submitted to the State Auditor and
2 Inspector for review. Such audits shall be made in accordance with
3 generally accepted auditing standards and government auditing
4 standards. Financial statements shall be prepared in accordance
5 with generally accepted accounting principals. In addition to said
6 audits, the State Auditor and Inspector, whenever the Auditor deems
7 it appropriate, and at least once each five (5) years, or upon
8 receipt of a request to do so from the Governor, the Attorney
9 General, the President Pro Tempore of the Senate, the Speaker of the
10 House of Representatives or the Authority shall conduct a special
11 audit of the Authority;

12 21. Engage in long-term planning for the operation and
13 management of the Oklahoma State University Graduate Medical
14 Education Indigent Care Public Trust Authority;

15 22. Establish petty cash funds and provide for appropriate
16 accounting procedures and controls;

17 23. Contract with national manufacturers and distributors of
18 drugs and medical supplies when appropriate to carry out the
19 purposes of this act;

20 24. Do all other things necessary and proper to implement the
21 provisions of the Oklahoma State University Graduate Medical
22 Education Indigent Care Act;

1 25. Waive, by such means as the Authority deems appropriate,
2 the exemption from federal income taxation of interest on the
3 Authority's bonds provided by the Internal Revenue Code of 1986, as
4 amended, or any other federal statute providing a similar exemption;
5 and

6 26. Arrange for guaranties or insurance of its bonds by the
7 federal government or by any private insurer, and to pay any
8 premiums therefore.

9 SECTION 4. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 3204 of Title 56, unless there
11 is created a duplication in numbering, reads as follows:

12 Hospitals located within a Graduate Medical Education Indigent
13 Care Hospital District:

14 1. Shall be licensed by the State Department of Health and
15 shall meet the standards, requirements and essentials of the Joint
16 Commission of Accreditation of Health Care Organizations or the
17 American Osteopathic Association or meet Medicare certification by
18 the Center for Medicare and Medicaid Services. Provided, the State
19 Commissioner of Health may waive any such standards, requirements
20 and essentials as the Commissioner deems necessary;

21 2. May provide services and receive payments therefore pursuant
22 to Titles XVIII and XIX of the federal Social Security Act, and may
23 participate in other federal medical programs; and

1 3. May enter into joint operating agreements, lease of facility
2 agreements, facility management agreements and other necessary or
3 incidental contracts with the Oklahoma State University Graduate
4 Medical Education Indigent Care Public Trust Authority for the
5 establishment, improvement, implementation and/or support of
6 graduate medical education or indigent care as defined by the
7 Oklahoma State University Graduate Medical Education Indigent Care
8 Act or for any other purpose described in the Oklahoma State
9 University Graduate Medical Education Indigent Care Act.

10 SECTION 5. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3205 of Title 56, unless there
12 is created a duplication in numbering, reads as follows:

13 A. 1. There is hereby created in the State Treasury a
14 revolving fund to be designated the "OSU Graduate Medical Education
15 Indigent Care Trust Authority Fund".

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

18 a. all monies received by the Oklahoma State University
19 Graduate Medical Education Indigent Care Public Trust
20 Authority pursuant to the Oklahoma State University
21 Graduate Medical Education Indigent Care Act and
22 otherwise specified or authorized by law, including,
23 but not limited to, monies received by the Authority

1 from appropriations for graduate medical education
2 teaching subsidies, matching funds for Supplemental
3 Medicaid Programs or funds appropriated to support
4 indigent care within a Graduate Medical Education
5 hospital district,

6 b. receipts of state appropriations for the support of
7 hospital or clinical based internships and residency
8 programs in hospitals located within Graduate Medical
9 Education Indigent Care Hospital Districts as defined
10 in the Oklahoma State University Graduate Medical
11 Education Indigent Care Act,

12 c. revenues derived from the execution and implementation
13 of joint operating agreements, facility lease
14 agreements and/or facility management agreements of
15 hospitals located within a Graduate Medical Education
16 Indigent Care Hospital District,

17 d. revenues received from the conduct of business affairs
18 pursuant to the powers, authorities, functions and
19 purposes of the Oklahoma State University Graduate
20 Medical Education Indigent Care Public Trust
21 Authority,

22 e. receipts of grants or appropriations from units of
23 local, state or federal government for the support of

1 Graduate Medical Education or Indigent Care as defined
2 within the Oklahoma State University Graduate Medical
3 Education Indigent Care Act,

- 4 f. receipts of grants from private entities for the
5 support of Graduate Medical Education or Indigent Care
6 as defined within the Oklahoma State University
7 Graduate Medical Education Indigent Care Act, and
- 8 g. interest attributable to investment of money in the
9 fund.

10 3. All monies accruing to the credit of the fund are hereby
11 appropriated and shall be expended by the Authority for the support
12 of Graduate Medical Education or Indigent Care at the Oklahoma State
13 University Center for Health Sciences pursuant to the Oklahoma State
14 University Graduate Medical Education Indigent Care Act.

15 B. To the extent permissible under rules promulgated by the
16 Oklahoma Health Care Authority and other federal guidelines, state
17 appropriated funds made available to the Oklahoma State University
18 Graduate Medical Education Indigent Care Public Trust Authority may
19 serve as matching funds for supplemental Medicaid programs.
20 Appropriated funds available to serve as state matching funds shall
21 be submitted to the Oklahoma Health Care Authority or other
22 designated state agency for deposit into the matching fund.

1 C. The Oklahoma Health Care Authority shall transfer to the
2 Oklahoma State University Graduate Medical Education Indigent Care
3 Public Trust Authority any payment received by the Oklahoma Health
4 Care Authority pursuant to the rules promulgated by the Oklahoma
5 Health Care Authority for disbursement of federal matching funds.

6 SECTION 6. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3206 of Title 56, unless there
8 is created a duplication in numbering, reads as follows:

9 The Oklahoma Health Care Authority Board shall submit an
10 application for any waiver necessary to authorize Medicaid
11 supplements to hospitals located within Graduate Medical Education
12 Indigent Care Hospital districts to the extent permitted by federal
13 law and pursuant to the Oklahoma State University Graduate Medical
14 Education Indigent Care Act.

15 SECTION 7. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-15-06 - DO
20 PASS, As Amended and Coauthored.