

1 ENGROSSED HOUSE
2 BILL NO. 1750

By: McCall of the House

3 and

4 Thompson and Standridge of
5 the Senate

6
7 [public health and safety - enacting the Oklahoma
8 Local Hospital and Health Care District Act of
9 2019 - effective date]
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13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 5027.1 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 This act shall be known and may be cited as the "Oklahoma Local
18 Hospital and Health Care District Act of 2019".

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 5027.2 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 As used in this act:
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1 1. "Ad valorem tax" means any tax imposed by a county or
2 municipality or other political subdivision pursuant to provisions
3 of the Oklahoma Constitution;

4 2. "County" means one or more of the political subdivisions
5 organized pursuant to the provisions of Article XVII of the Oklahoma
6 Constitution or pursuant to provisions of Title 19 of the Oklahoma
7 Statutes;

8 3. "Contiguous" means with respect to a county boundary that
9 any one point along any line or curve comprising the boundary of one
10 county is immediately adjacent to any one point along a line or
11 curve comprising the boundary of any other county;

12 4. "FMAP" means Federal Medical Assistance Percentages as used
13 in the administration of the federal Medicaid program;

14 5. "Governing board" means the board of county commissioners of
15 a county which, together with at least one other county, becomes a
16 Local Hospital and Health Care District or the governing board of a
17 municipality which is located in a county that qualifies the
18 municipality as a Local Hospital and Health Care District pursuant
19 to the provisions of this act;

20 6. "Local Hospital and Health Care District" means either two
21 or more counties or a municipality located within a county which is
22 part of a Local Hospital and Health Care District or which is
23 contiguous to at least one county which, along with at least one
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1 other county, has formed a Local Hospital and Health Care District
2 pursuant to the provisions of this act;

3 7. "Municipality" means a local government entity formed
4 pursuant to the applicable provisions of Title 11 of the Oklahoma
5 Statutes;

6 8. "OHCA" means the Oklahoma Health Care Authority;

7 9. "Provider" means a hospital or a local health department
8 which is a member of a Local Hospital and Health Care District; and

9 10. "Sales tax" means, with respect to counties, a tax
10 authorized to be imposed pursuant to the applicable provisions of
11 Title 68 of the Oklahoma Statutes and, with respect to
12 municipalities, means a tax authorized to be imposed pursuant to the
13 provisions of Section 2701 et seq. of Title 68 of the Oklahoma
14 Statutes.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 5027.3 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Any two contiguous counties of the state, or if three or
19 more counties are contiguous to each other, may form a Local
20 Hospital and Health Care District as authorized by this act. The
21 board of county commissioners of each county may approve a
22 resolution identifying the counties which are to be included in the
23 Local Hospital and Health Care District and, upon approval of the
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1 resolution by each such board, the county shall be considered part
2 of the designated Local Hospital and Health Care District.

3 B. A municipality which is located within a county that is
4 contiguous to at least one county which has formed a Local Hospital
5 and Health Care District may become a Local Hospital and Health Care
6 District. The governing board of the municipality may approve a
7 resolution or ordinance designating the Local Hospital and Health
8 Care District so created.

9 C. After formation of a Local Hospital and Health Care
10 District, the governing board of the district shall consist of the
11 county commissioners of each county comprising a county-level Local
12 Hospital and Health Care District.

13 D. The governing board of a single municipality which has
14 formed a Local Hospital and Health Care District shall consist of
15 the governing board of such municipality and shall be governed by
16 the applicable provisions of Title 11 of the Oklahoma Statutes based
17 upon the form of the municipal government for purposes of taking
18 actions either authorized or required pursuant to the provisions of
19 this act.

20 E. A municipality that forms a Local Hospital and Health Care
21 District shall provide for representation on the governing board of
22 one or more county commissioners of the county to which the county
23 in which the municipality is located is contiguous. Decisions of a
24 municipally created Local Hospital and Health Care District shall be

1 made based upon a majority vote of the total membership of the
2 governing board as modified by the inclusion of the additional
3 positions described by this subsection.

4 SECTION 4. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 5027.4 of Title 63, unless there
6 is created a duplication in numbering, reads as follows:

7 A. A Local Hospital and Health Care District may use any
8 existing revenue source, including ad valorem taxes, or sales and
9 use taxes in order to provide matching funds for purposes of the
10 Federal Medicaid Assistance Program (FMAP) as administered by the
11 Centers for Medicare and Medicaid Services.

12 B. No Local Hospital and Health Care District may use any
13 source of revenue for matching purposes which is not authorized by
14 the provisions of applicable federal law.

15 SECTION 5. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 5027.5 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Each Local Hospital and Health Care District shall create a
19 local provider participation fund.

20 B. The local provider participation fund shall consist of all
21 revenue from the authorized revenue sources described by Section 4
22 of this act, including any penalty or interest amounts.

23 C. The Local Hospital and Health Care District shall use the
24 local provider participation fund as a repository of monies in

1 connection with the application by the Local Hospital and Health
2 Care District to obtain federal matching money through the Oklahoma
3 Health Care Authority.

4 D. Any funds not otherwise committed or encumbered may be
5 invested by the Local Hospital and Health Care District in the same
6 manner as funds are invested by county treasurers with respect to a
7 county general fund or in the same manner as funds are invested by a
8 municipal treasurer with respect to a municipal general fund.

9 E. Monies deposited into the local provider participation fund
10 may be used to:

11 1. Fund intergovernmental transfers from the Local Hospital and
12 Health Care District in order to provide the nonfederal share of a
13 Medicaid supplemental payment program authorized under the state
14 Medicaid plan successor waiver program authorizing similar Medicaid
15 supplemental payment programs;

16 2. Make payments to Medicaid managed care organizations that
17 are dedicated for payment to hospitals;

18 3. Subsidize indigent programs;

19 4. Pay administrative costs of the district;

20 5. Refund a portion of mandatory payment collected in error
21 from a paying county or municipality;

22 6. Refund to paying hospitals the proportionate share of money
23 received by the Local Hospital and Health Care District from the
24 Oklahoma Health Care Authority that is not used to fund the

1 nonfederal share of Medicaid supplemental payment program payments;
2 or

3 7. Refund a paying county or municipality the proportionate
4 share of money that the district determines cannot be used to fund
5 the nonfederal share of Medicaid supplemental payment program
6 payments.

7 F. Money in a local provider participation fund shall not be
8 commingled with any other funds of a county or a municipality that
9 has formed a Local Hospital and Health Care District pursuant to the
10 provisions of this act.

11 SECTION 6. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 5027.6 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. A Local Hospital and Health Care District may make
15 application for a waiver pursuant to Section 1115 of the Social
16 Security Act.

17 B. The Oklahoma Health Care Authority shall take such steps as
18 are required to submit the waiver request to the Centers for
19 Medicare and Medicaid Services but shall not modify the request or
20 in any way delay the submission of the request on behalf of the
21 Local Hospital and Health Care District.

22 C. The Oklahoma Health Care Authority may impose a fee for its
23 administrative costs with respect to the processing of the Local
24 Hospital and Health Care District waiver request but such fee shall

1 not exceed one and one-half percent (1.5%) of the total nonfederal
2 matching amount provided by the district.

3 D. The Oklahoma Health Care Authority shall not impose a fee in
4 excess of one and one-half percent (1.5%) with respect to any
5 matching funds provided by the federal government.

6 SECTION 7. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5027.7 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 A. An intergovernmental transfer of funds described by Section
10 5 of this act and any funds received by the district as a result of
11 an intergovernmental transfer described by Section 5 of this act may
12 not be used by the district, the county and/or city in which the
13 district is located, or any other entity, to expand Medicaid
14 eligibility under the Patient Protection and Affordable Care Act
15 (Pub. L. No. 111-148), as amended by the Health Care and Education
16 Reconciliation Act of 2010 (Pub. L. No. 111-152).

17 B. The provisions of this act may allow the allocation for an
18 application to expand Medicaid eligibility under the Patient
19 Protection and Affordable Care Act (Pub. L. No. 111-148), as amended
20 by the Health Care and Education Reconciliation Act of 2010 (Pub. L.
21 No. 111-152), if and only if a county and, if applicable, a
22 municipal election is held that covers the geographic area of the
23 Local Hospital and Health Care District for a new sales tax, ad
24 valorem or a combination of such taxes, or other taxes authorized

1 pursuant to the applicable provisions of federal law, expressly for
2 the purpose to expand Medicaid eligibility under the Patient
3 Protection and Affordable Care Act (Pub. L. No. 111-148), as amended
4 by the Health Care and Education Reconciliation Act of 2010 (Pub. L.
5 No. 111-152).

6 SECTION 8. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5027.8 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 Not later than the fifteenth day after the date the district
10 receives an intergovernmental transfer from the Oklahoma Health Care
11 Authority reflecting the federal participation payment of the
12 district, the district shall transfer to each paying hospital an
13 amount equal to the proportionate share of those funds to which the
14 hospital is entitled.

15 SECTION 9. This act shall become effective November 1, 2019.

16 Passed the House of Representatives the 13th day of March, 2019.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ____ day of _____, 2019.

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Presiding Officer of the Senate

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