

1 ENGROSSED SENATE
2 BILL NO. 499

By: Standridge of the Senate

3 and

4 McCall and McEntire of the
5 House

6 [public health - hospital trusts - taxation - board
7 of directors - Oklahoma Open Meeting Act and Oklahoma
8 Open Records Act - codification - effective date]
9

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 7303 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section:

15 1. "Hospital" means a hospital as such term is defined by
16 Section 1-701 of Title 63 of the Oklahoma Statutes and shall also
17 include a medical facility owned or operated by a city or county
18 that provides medical diagnosis or treatment to area citizens
19 through a medical care clinic, laboratory radiology services or
20 nursing home services;

21 2. "Hospital trust" means a trust established pursuant to the
22 provisions of this section; and

23 3. "Hospital district" means a designated geographical area
24 established by a hospital trust.

1 B. 1. A hospital or two or more hospitals located within a
2 county or adjacent counties, or located within a county or adjacent
3 counties and a municipality may jointly create a public trust and
4 subsidiary districts for the purposes of submitting to voters of
5 each such county the question of whether to impose a tax not
6 previously imposed, the revenues of which shall be used for the
7 financial support of hospitals within each district.

8 2. The boundaries of a hospital trust should be coextensive
9 with the boundaries of a county or a group of member counties.

10 3. The county or counties, or the county or counties and
11 municipality in which a hospital trust is established must approve
12 and shall be the beneficiary of the public trust pursuant to the
13 provisions of Sections 176 and 177 of Title 60 of the Oklahoma
14 Statutes.

15 C. The instrument creating the hospital trust shall provide at
16 a minimum:

17 1. The reasons for organizing and constituting a hospital
18 trust, including a statement that the hospital trust will comply
19 with all applicable provisions of Sections 176 through 180.4 of
20 Title 60 of the Oklahoma Statutes and the Oklahoma Community
21 Hospital District Act;

22 2. A statement that the public trust shall be separate and
23 independent from the affairs of the beneficiary in all matters or
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1 activities authorized by the written instrument creating the public
2 trust;

3 3. The names and corporate headquarters of each hospital
4 located in the proposed hospital district;

5 4. A concise description of the geographic boundaries to be
6 embraced within the proposed hospital district;

7 5. A statement that the proposed hospital district is embracing
8 only those lands within the proposed boundaries specified by this
9 subsection which can reasonably and economically be served in the
10 foreseeable future;

11 6. Assurance that all hospitals located within the hospital
12 district which meet the eligibility criteria can participate in the
13 public trust; and

14 7. For the appointment, succession, powers, duties, terms and
15 manner of removal of trustees.

16 D. Each trust created pursuant to this section shall be
17 governed by a board of directors. Each board shall contain at least
18 seven (7) members and shall contain, at a minimum:

19 a. the county commissioner or his or her designee of each
20 district within a participating county,

21 b. the elected chief executive or his or her designee of
22 each participating municipality,

1 c. one layperson from each district represented by a
2 county commissioner and appointed by the board of
3 commissioners, and

4 d. one layperson from each participating municipality and
5 appointed by the elected chief executive of the
6 municipality.

7 E. Members of each board of directors shall elect a chair to
8 preside over meetings of the board. Vacancies shall be filled in
9 the same manner as the original appointment. The meetings of the
10 board shall comply with the Oklahoma Open Meeting Act and Oklahoma
11 Open Records Act.

12 F. As a condition precedent, each trust created pursuant to
13 this section must receive approval from the Attorney General that
14 the public trust is in the proper form.

15 G. A certified copy of the public trust agreement must be filed
16 with the Secretary of State and with the court clerk of each
17 beneficiary county and municipality.

18 H. Each hospital trust and its subsidiary districts shall
19 comply with:

20 1. The annual budget provisions of the state requiring a
21 balanced budget. A copy of the budget shall be submitted annually
22 to the President Pro Tempore of the Senate, the Speaker of the House
23 of Representatives, the Governor and to each beneficiary of the
24 community hospital public trust authority;

1 2. The Public Competitive Bidding Act of 1974;

2 3. The Oklahoma Open Records Act;

3 4. The Oklahoma Open Meeting Act; and

4 5. The provisions of Sections 176 through 180.4 of Title 60 of
5 the Oklahoma Statutes.

6 I. Each hospital trust shall provide for complete financial
7 audits on all accounts of the trust and authorize periodic audits by
8 an independent external auditing agency. Such audits shall be
9 performed annually in a format approved by the State Auditor and
10 Inspector. The audits shall be made in accordance with generally
11 accepted auditing standards and government auditing standards.
12 Financial statements shall be prepared in accordance with generally
13 accepted accounting principles. Such audits shall be submitted to
14 the State Auditor and Inspector and to the beneficiary of the
15 district for review.

16 J. Each hospital trust is hereby authorized to apply for one or
17 more waivers through the Oklahoma Health Care Authority to execute
18 the district's own demonstration project pursuant to Section 1115 of
19 the Social Security Act for the purposes of implementing an upper
20 payment limit (UPL) funding structure.

21 SECTION 2. This act shall become effective November 1, 2019.
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1 Passed the Senate the 6th day of March, 2019.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2019.

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8 _____
9 Presiding Officer of the House
10 of Representatives