

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 761

By: Bass

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5  
6 AS INTRODUCED

7 An Act relating to hospitals; providing definitions;  
8 requiring hospitals to offer certain health care  
9 services as a condition of certain tax status;  
10 providing standards for delivery of certain health  
11 care services; requiring nonprofit hospitals to file  
12 certain report; providing standards for report;  
13 directing State Board of Health to promulgate and  
14 adopt rules; providing for codification; and  
15 providing an effective date.

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

17 SECTION 1. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 1-750 of Title 63, unless there  
19 is created a duplication in numbering, reads as follows:

20 As used in this act:

21 1. "Charity care" means care for which a facility never expects  
22 to be reimbursed;

23 2. "Community benefits" means the unreimbursed costs borne by a  
24 hospital or hospital system for the provision of charity care,  
government-sponsored indigent health care, donations, education,  
government-sponsored services, research, and subsidized health  
services;

1           3. "Government-sponsored indigent health care" means the  
2 unreimbursed cost to a hospital of providing health care services to  
3 Medicaid recipients and other federal, state, or local indigent  
4 health care programs; and

5           4. "Nonprofit hospital" means a nongovernmental facility owned,  
6 administered, managed, or otherwise operated by a nonprofit  
7 corporation that provides health care services for the general  
8 public and is exempt from applicable state and federal taxation.

9           SECTION 2.           NEW LAW           A new section of law to be codified  
10 in the Oklahoma Statutes as Section 1-751 of Title 63, unless there  
11 is created a duplication in numbering, reads as follows:

12           A. A nonprofit hospital shall, as a condition of its tax-exempt  
13 status, offer charity care and government-sponsored indigent health  
14 care in one of the methods provided in subsection B of this section.

15           B. A hospital may elect to provide charity care and government-  
16 sponsored indigent care according to any of the following standards:

17           1. Charity care and government-sponsored indigent health care  
18 are provided at a level which is reasonable in relation to the  
19 community needs, as determined through a community needs assessment  
20 prescribed by the State Department of Health. In determining  
21 community needs, the Department shall consider the available  
22 resources of the hospital or hospital system, the tax-exempt  
23 benefits received by the hospital or hospital system, or other  
24 factors as deemed appropriate by the Department;

1           2. Charity care and government-sponsored indigent health care  
2 are provided in an amount equal to at least one hundred percent  
3 (100%) of the hospital's or hospital system's tax-exempt benefits,  
4 excluding federal income tax; or

5           3. Charity care and government-sponsored indigent health care  
6 are provided in a combined amount equal to at least five percent  
7 (5%) of the hospital's or hospital system's net patient revenue,  
8 provided that charity care and government-sponsored indigent care  
9 are provided in an amount equal to at least four percent (4%) of net  
10 patient revenue.

11           C. A hospital designated as a disproportionate share hospital  
12 under the state Medicaid system shall be considered to have provided  
13 a reasonable amount of charity care and government-sponsored  
14 indigent health care and shall be deemed in compliance with the  
15 provisions of this section.

16           D. All nonprofit hospitals in this state shall file a report  
17 with the State Department of Health stating which of the conditions  
18 of subsection B of this section have been satisfied by the hospital.  
19 Facilities within a hospital system may elect to satisfy the  
20 conditions of this section on a consolidated basis. Reports  
21 submitted to the Department shall include, at a minimum:

22           1. The hospital's mission statement;  
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1        2. A disclosure of the health care needs of the community that  
2 were considered in developing the hospital's community benefits  
3 plan; and

4        3. A disclosure of the amount and types of community benefits,  
5 including charity care, actually provided by the hospital; provided,  
6 that charity care be reported as a separate item from other  
7 community benefits.

8        D. The State Board of Health shall promulgate and adopt rules  
9 to enforce the provisions of this section.

10       SECTION 3. This act shall become effective November 1, 2015.

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