

President's Message

Each year, while reflecting upon the activities and actions undertaken by Oklahoma's Legislature, I am always amazed by the unique characteristics that differentiate one year from another. Some can be big in nature, others more remote. No doubt, this year was "BIG."

Prior to session, headlines shouted "State budget shortfall anticipated to be \$500 million." Without another source of funding, how *big* would the cuts be to hospital rates? OHA had to marshal an all-in strategy to weather this *big* emerging storm. HB 1381, the Supplemental Hospital Offset Payment Program (SHOPP) had to pass in a *big* way.

The 2011 session began with the *largest* Republican legislative majority in the history of the state. Many of our new lawmakers ran on the promise to reduce the size of government, including a prohibition against raising revenue of any kind and a "don't take federal funds" position that runs counter to the realities of the budget faced by leaders.

Often, we saw the pragmatic approach to governing colliding with staunch ideologies. Thus a strategy for the passage of SHOPP was necessary that would meet the challenge of gaining the "supermajority" to avoid the "tax vs. fee" court challenge and the necessity of matching federal funds. Passage of SHOPP could only be attained by a *big* grassroots advocacy campaign.

To overcome these challenges lawmakers had to believe that their YES vote was a vote supported by their community – a *safe vote*. OHA members' efforts included individualized legislative education campaigns and reaching out to local business leaders and other influential community leaders and organizations. This eventually led to the creation of the Coalition Against Cost Shifting.

The Coalition Against Cost Shifting acted as an independent voice for support of SHOPP, making the argument, "At the end of the day, this bill eases the pressure put on hospitals to engage in cost shifting. As such, it helps every Oklahoman who pays for their own health care." Clearly this was an argument designed to offset the fear by legislators of enacting revenue increases as well as addressing the arguments of anti-tax groups. OHA is extremely grateful for the support of the members of the Coalition including The State Chamber of Oklahoma, Tulsa Metro Chamber, Greater Oklahoma City Chamber, Oklahoma Farm Bureau, Perkins Energy - Duncan, Oklahoma Public Employees Association, local chambers of commerce across the state, and CMA Strategies, Inc. for coordinating the Coalition's efforts.

Certainly, the most important component of successful legislation is a team of really good authors. Rep. Doug Cox, MD, (R) Grove, has been a champion of this proposal for many years. In his role as chair of the appropriations subcommittee on public health, he works with the Medicaid budget and understood the implications if SHOPP did not pass. As an emergency room physician he brought the perspective to the public debate of what SHOPP is really about – access to care for patients. Sen. David Myers, (R) Ponca City, senate chair of the appropriations & budget committee, certainly understood the importance of SHOPP to the budget. Sen. Myers skillfully navigated the proposal through difficult internal politics moving the bill to final passage in the Senate.

Overall, this was an extremely successful legislative year for health care. Our effective grassroots strategy paid off in a *big* way in a difficult environment. OHA also wants to thank a very competent team of seasoned lobbyists representing hospitals and our other partners who worked with OHA's lobby team to organize and track the *many* state Capitol "roll calls."

The *big* House and Senate votes could not have happened without legislators making this choice, so a *big* "thank you" is in order from our members to them, as well as to Gov. Fallin whose prompt signature enacted SHOPP into law. Of course, a really *big* thanks goes to House Speaker Kris Steele and Senate President Pro Tem Brian Bingman. They worked closely with OHA through every phase to the final passage of SHOPP.



With tremendous support from our members, we accomplished a *huge* legislative success, despite many twists and turns. While the SHOPP vote totals were *big*, there was nothing easy about this effort, I can assure you. I am particularly proud of the efforts put forth by staff members Patti Davis, Lynne White, Rick Snyder, Susie Wallace and Marie Hailey. They, along with you and your staff's effective legislative contacts, helped ensure the needed support for OHA's SHOPP bill.

Please accept my heartfelt thanks for being a part of something *REALLY BIG* and meaningful for Oklahoma's hospitals in their effort to better serve their communities!

Craig W. Jones, FACHE
President

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The First Session of Oklahoma's 53rd Legislature convened on Feb. 7 and adjourned on May 27. In the first session, or 2011 session, of the Legislature:

- 969 Senate bills and 44 Joint Resolutions were introduced.
- 1,168 House bills and 41 Joint Resolutions were introduced.
- Governor Fallin signed 385 bills into law.

Bills and resolutions that were not heard in committee or on the floor or voted "do not pass" may be considered in the Second Session beginning in February 2012.

Legislative Terms - The *Status* of each bill or resolution included in this report is listed after the measure's description. Following is an explanation of legislative terms:

- **Dormant** - Unless a bill or resolution was voted "do not pass" in committee or in a floor vote, the measure may be considered in the Second Session of the Legislature in February 2012. Dormant means that the measure is "not active for the remainder of the First Session." Not all dormant bills with hospital implications are covered in this report.
- **General Order** - an order of legislative business in which the Senate or House considers bills and joint resolutions which have been reported out of committee and may be scheduled for a hearing on the House or Senate floor. Under general order, measures are subject to debate and amendment.
- **Joint Conference Committee** - a committee representing both Houses that prepares a Conference Committee Report (CCR) that is the final version of legislation. CCRs are considered by both houses and cannot be amended on the floor of either house. A bill that is submitted to a Joint Conference Committee has already passed both houses but there are still issues to be resolved.
- **Third Reading** - if a bill passes committee it is placed on general order and then brought up for a third reading for the full body of the chamber. The bill may be amended.
- **Fourth Reading** - if a bill is amended in the opposite house and passes in that chamber, it is returned to the House of Introduction. The author moves to accept amendments and if approved the bill is moved to fourth reading and final passage. If the bill passes it is transmitted to the governor.

SHOPP Passed by Supermajority, Signed by Governor

HB 1381, Cox/Myers, Supplemental Hospital Offset Payment Program, SHOPP, was signed into law on May 13 by Governor Mary Fallin. SHOPP will not become law until 90 days after sine die adjournment, which was Friday, May 27. Additionally, the SHOPP fee cannot be assessed until the arrangement is approved at the federal level.

OHA achieves “Supermajority”: Even though OHA has never considered the hospital provider fee to be a tax under the provisions of SQ 640, it was our goal to achieve the “supermajority” in both houses of the Legislature. By achieving the “supermajority,” HB 1381 will avoid a potential challenge in court testing the tax vs. fee issue. A “supermajority” is 76 votes in the House and 36 votes in the Senate. SHOPP votes were:

- 3/10/11: Third Reading in the House: 76 Aye, 22 Nay, 3 Excused
- 4/25/11: Third Reading in the Senate: 39 Aye, 9 Nay
- 5/11/11: Fourth Reading in the House: 80 Aye, 15 Nay, 6 Excused

Following are key provisions of SHOPP:

1. The SHOPP Proposal:

- \$152 million generated by assessed hospitals;
- Federal match will generate \$269 million;
- Total funds - \$421 million - of this:
 - \$338 million would be paid to hospitals as supplemental payments; and,
 - \$83 million would be used to maintain current SoonerCare payment rates for providers, including all hospitals.
- 77 hospitals are assessed 2.5 percent of annual net patient revenue based upon 2009 Medicare cost reports.
- 71 hospitals are exempt from the assessment:
 - 34 critical access hospitals – 25 beds or less with average length of stay of less than four days - entitled to 101 percent of cost (same rate paid by Medicare). SHOPP would bring hospitals below this rate to cost.
 - 14 long-term care hospitals.
 - 14 specialty hospitals, defined as hospitals for which a

majority of inpatient days are for cardiac, brain injury, cancer, surgical or obstetrical services.

- Seven state-owned hospitals including OU Medical Center.
- One Medicare-certified children’s hospital (The Children’s Center in Bethany).
- One hospital that provides a majority of care under a state agency contract.

2. \$30 million in additional funds: This additional funding helps to stabilize current payment rates to assure access to care. Hospitals are approximately 30 percent of OHCA/Medicaid expenditures and are the safety net provider when optional programs are cut and physicians no longer contract with Medicaid. Further, many hospitals now employ physicians. Including the federal match, \$83 million are available for rates.

3. Passing on to the patient is prohibited: This is not allowed under HB 1381. Again, the purpose of SHOPP is to “cover the cost of care” and the federal match makes that happen.

4. Cost shift: SHOPP will **diminish** the need for cost shifting. According to the State Coverage Initiative report, July 14, 2009, all Oklahomans are impacted by a \$954 million hidden health care tax. This hidden health care tax manifests itself through “cost shifting” to other payers. That is, patients and businesses through their insurance carriers pay more than the cost of the care they receive to make up for inadequate Medicaid payments and other uncompensated care.



5. Federal government safeguards: If the state plan amendment is not approved or if federal matching funds become unavailable, all assessments from hospitals will cease.

6. Sunset provision: HB 1381 sunsets in 2014 and will require legislation to be enacted after that date.

Next step, CMS approval: As of June 2011, SHOPP is being prepared for federal regulatory approval following the signature of House Bill 1381 by Gov. Mary Fallin on May 13. Hospitals not exempted from SHOPP will be required to pay an assessment of 2.5 percent of net hospital patient revenue. The Oklahoma Medicaid program will use this money for supplemental payments for Medicaid hospital services and to maintain hospital and other provider payment rates at current levels.

SHOPP must be approved by the federal Centers for Medicare & Medicaid Services (CMS) before the Oklahoma Health Care Authority (OHCA) can collect assessments or make supplemental payments to hospitals. OHCA's filing of a State Plan Amendment will be an important step in the approval process. Any time a state changes Medicaid benefits or reimbursement methods, a State Plan Amendment (SPA) must be submitted by the state and approved by CMS.

OHCA has published a public notice on SHOPP, and has held a Tribal Consultation meeting, both of which are prerequisites to filing the SPA with CMS. On June 8, OHCA's State Plan Amendment Rate Committee held a public hearing on SHOPP. The State Plan Amendment Rate Committee recommended the SHOPP methodology to the OHCA board for approval on June 9 and it was approved.

At the same time, OHCA staff is developing detailed information for the State Plan Amendment with the collaboration of OHA and OHA's consultant, Health Management Associates. CMS must also approve a "waiver of uniformity" for SHOPP. This is required because any provider assessment program that excludes certain providers must meet specific regulatory requirements. OHCA has appointed a Hospital Advisory Committee from recommendations provided by OHA, and the Hospital Advisory Committee has met by teleconference to review OHCA's progress. OHCA intends to submit the SPA and waiver request to CMS before the end of June.



CMS approval of SHOPP may take 90 days and may take longer if CMS has questions about the SPA or waiver request. We anticipate the program will have a retroactive effective date of July 1, 2011. OHCA has 45 days after CMS approval to notify hospitals of their quarterly assessment amount, and hospitals will then have 30 days to review and verify the assessment information. The SHOPP law requires OHCA to distribute supplemental payments to hospitals within 10 days of the assessment due date.

Effective date: Aug. 26, 2011. Status: Signed by the governor.

Other Legislation Initiated by OHA

HB 1032 - Cooksey/Anderson, Affidavit Repeal. The introduced version of this bill was intended to seek repeal of the affidavit requiring hospitals to obtain information from the patient to further determine his/her eligibility for benefits under his/her insurance policy. OHA agreed to change the affidavit to a form the insurance commissioner shall develop, by rule, to be presented to patients by health care providers prior to rendering nonemergency services. The form shall be designed to seek information from the patient to further determine the eligibility of the patient for benefits under the patient's insurance policy. Making false statements on the form shall be regarded as willful misrepresentation. *Providers are not required to utilize the form.* The measure

passed the House Committee on Insurance but did not advance as HB 1032. This language was subsequently included in **SB 778**, the insurance commissioner's omnibus legislation. *Status: SB 778, Signed by the governor.*

- **HB 1055**, enacted in 2009, was OHA's legislation about preauthorization of medical care and the *affidavit* provision was included at the request of the insurance industry.

HB 1409, Cox, Assignment of Benefit, amends the Health Care Freedom of Choice Act for out-of-network services to require PPOs and any statewide provider network:

1. That chooses not to honor the assignment of benefit by the patient to the practitioner, hospital, home care agency or ambulatory surgical center, to make the check payable to the patient and the practitioner, hospital, home care agency or ambulatory surgical center. The check must be endorsed by both parties; and
2. To assign the benefit directly to the practitioner, hospital, home care agency or ambulatory surgical center for emergency services.

OHA withdrew the bill from consideration because the measure was quite controversial and the effort to pass it was impacting the effort to pass SHOPP with a "supermajority." *Status: Dormant; Held in the House Insurance Committee.*

Legislation Supported by OHA

HB 2135, Steele/Myers, Restore Local Rights. The Oklahoma Smoke Free Coalition initiated legislation to repeal the state pre-emption clause in the local tobacco ordinances which will restore the rights of city councils to pass tobacco control ordinances and prevention policies in their communities. Oklahoma is one of two states that, by state law, prohibits cities from passing policies stronger than state law. The measure passed the House Committee on Public Health but was stalled due to House internal politics. The Coalition plans to pursue passage in the 2012 session. *Status: Dormant; on General Order in the House.*

Lawsuit Reform

HB 1209, Kirby/Marlatt, Athletic Malpractice Exemption, exempts from liability for damages any physician acting as a ring official at an event sanctioned by the Oklahoma State Athletic Commission who renders or attempts to render emergency care to an injured participant in need of immediate medical aid. The measure does not include acts of gross negligence or willful or wanton negligence. *Effective date: July 1, 2011. Status: Signed by the governor.*

HB 2023, Sullivan/Sykes, Medical Bills, requires the actual amount paid for medical bills, including pharmacy, incurred in treatment to be the amount admissible at trial in any civil case involving personal injury, not the amounts billed for expenses incurred in treatment. The measure also states:

- If no payment has been made, the Medicare reimbursement rates in effect at the time of the injury are admissible.
- If a medical provider has filed a lien in the case for an amount in excess of the amount paid, then bills in excess of the amount paid but not more than the amount of the lien are admissible.
- In addition to evidence of nonpayment, a signed statement acknowledged by the medical provider or an authorized representative that the provider will accept payment at the Medicare reimbursement rate, less cost of recovery, is also admitted.
- In addition to evidence of payment, a signed statement acknowledged by the medical provider or an authorized representative that the provider, in consideration of the patient's efforts to collect the funds to pay the provider, will accept the amount paid as full payment of the obligation, is also admitted.
- The statement shall be part of the record as an exhibit but need not be shown to the jury.
- The bill makes the language applicable to civil cases involving personal injury filed on or after Nov. 1, 2011, which is the effective date of the act.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 2024, Sullivan/Sykes, Periodic Payments, authorizes a court to order that future damages incurred after the date of judgment

that exceed \$100,000 be paid in whole or in part in periodic payments rather than in a lump sum payment. The periodic payments cannot exceed seven years from the date of entry of judgment. The measure provides requirements for the judgment ordering the payment of future damages and the defendant must provide evidence of financial responsibility. The order for future payments will constitute a release of the health care liability claim filed by the plaintiff. It states that upon the death of a recipient, money damages are to continue to be paid to the estate of the recipient. For purposes of computing attorney fees, the bill directs the court to place a total value on the payments based on the plaintiff's projected life expectancy and reduce the amount to present value. It directs periodic payments to include principal and interest. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 2128, Steele/Sykes, lowers the Cap on Noneconomic Damages recoverable in a civil action for bodily injury from \$400,000 to \$350,000. The measure creates an exception so that there is no limit on noneconomic damages in a civil action arising from bodily injury resulting from negligence if there is clear and convincing evidence that the defendant's acts or failures to act were:

- In reckless disregard for the rights of others;
- Grossly negligent;
- Fraudulent; or
- Intentional or with malice

The bill also removes language regarding lifting the cap upon findings that the plaintiff or injured person suffered permanent or substantial physical abnormality or disfigurement, loss of use of a limb or loss or substantial impairment to a major body organ or system. The measure repeals the language regarding the Health Care Indemnity Fund, (see HB 1995). *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 272, Aldridge/Faught, Damage Limits - Compulsory Insurance Law, limits the amount of recoverable damages in an action arising out of an accident involving the operation of a motor vehicle, or for any claim against the motor vehicle liability insurance coverage of another party, if the plaintiff is not in compliance with the compulsory insur-

ance laws. Damages are limited to the amount of medical costs, property damage, and lost income and must not include any award for pain and suffering, with certain exceptions. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 574, Jolley/Trebilcock, Malpractice Exemptions - Dentists, relates to dentistry licensure. It also provides an exemption from insurance requirements for dentists covered by a group or hospital malpractice insurance policy; practicing in a state facility subject to the Governmental Tort Claims Act; practicing in a federal facility subject to the Federal Tort Claims Act; or providing care as a volunteer under a special volunteer license. *Effective date: July 1, 2011. Status: Signed by the governor.*

SB 704, Johnson/Sullivan, Class Action, allows an action to be maintained as a class action if the complaint in the class action contains factual allegations sufficient to demonstrate a plausible claim for relief. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 862, Sykes/Sullivan, Elimination of Joint & Several Liability, makes a defendant responsible for the portion of damages that the defendant actually caused. The measure removes:

- the requirement that a defendant, in certain civil actions, be jointly and severally liable for all damages if the defendant is found to be more than 50 percent at fault; and,
- the requirement that a joint tortfeasor will be jointly and



Left to right: Rep. Emily Virgin, Rep. Aaron Stiles, and David Whitaker, president & CEO, Norman Regional Health System.

severally liable for all damages if the tortfeasor acted with willful and wanton conduct or reckless disregard for the consequences.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

Major Workers' Compensation Reform Passes

HB 2038, *Sykes/Sullivan*, authorizes the Workers' Compensation Court administrator to compile annual reports relating to characteristics of cases including the amount of surgeries, length of temporary total disability, permanent partial disability, and other medical treatments and therapies. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 878, *Sykes/Sullivan*, is comprehensive legislation that significantly changes the Oklahoma workers' compensation law. The 222-page measure is a result of a proposal brought forward by a working group representing workers' compensation lawyers, the business community, and the medical community. The overall goal of the measure is to reduce the cost of workers'



Jim Porterfeld (left), vice president, INTEGRIS Health; Chris Hammes, president, INTEGRIS Baptist Medical Center, Oklahoma City; and other participants at OHA Advocacy Day.

compensation to businesses while revising processes for injured workers receiving medical treatment.

It was clear during negotiations of this measure that treatment guidelines and medical fees would be the most contentious part for the medical community. SB 878 contains the following key provisions:

Medical Fees

The measure requires the Workers' Compensation Court administrator to develop a new medical fee schedule by Jan. 1, 2012. The **new medical fee schedule** is to reflect an overall 5 percent savings in current medical reimbursement rates. The administrator is charged with using the Medicare fee schedule as a benchmark in this calculation.

Implantables will be paid in addition to procedural reimbursement for medical and surgical care. The manufacturer's invoice less any applicable discounts or rebates must be provided to receive the additional reimbursement by the provider.

The reimbursement for **physician evaluation and management** codes will be no less than 150 percent of the Medicare fee schedule. According to a Preliminary Cost Impact Analysis by the National Council on Compensation Insurance, Inc. (NCCI) dated May 16, 2011, the current fee schedule for these services is approximately 109 percent of Medicare. This change reflects a positive outcome for physicians who perform evaluation and management for these injuries.



Chuck Skillings (left), OHA chair elect, president/CEO, Unity Health Center, Shawnee, discusses key issues with Bruce Lawrence, OHA 2011 chairman, president/CEO, INTEGRIS Health, during the OHA Advocacy Day luncheon.

Radiology reimbursement will be limited to the lesser of the reimbursement rate allowed by the 2010 Oklahoma Fee Schedule or 207 percent of the Medicare fee schedule. NCCI's preliminary report (mentioned above) reflects that the current Oklahoma fee schedules are on average 195 percent of Medicare. As the fee schedule increases to 207 percent of Medicare, physicians could see an increase.

Charges for **prescription drugs** dispensed by a pharmacy will be limited to 90 percent of average wholesale price of the script plus a dispensing fee of \$5. Physicians shall prescribe and pharmacies shall dispense generic drugs when available.

When a physician provides **durable medical equipment, prosthetics, orthotics, prescription drugs, or supplies** ancillary to the patient, reimbursement is limited to no more than 10 percent above cost.

This legislation removes current **stop loss** provision of \$70,000 threshold by directing Court Administrator to develop a new stop loss reimbursement methodology related to catastrophic injuries.

Treatment Guidelines

Currently the Physician Advisory Committee is made up of nine physician members who determine the **Oklahoma Treatment Guidelines (OTG)** for worker's compensation treatment. However, the treatment guidelines on the scope and duration of medical care for all body parts except the spine will be based upon the Official Disability Guidelines (ODG) effective Feb. 1, 2012. ODG will be the primary mandatory guideline for spine cases unless the ODG does not cover or recommend specified treatment, the Oklahoma Treatment Guidelines shall prevail.

The measure provides that the terms of the members serving on the **Physician Advisory Committee** on the effective date of this act shall end on the effective date of this act, Aug. 26, 2011. Thereafter, each position will be filled by the appointing official for a term of three years. Members shall be subject to reappointment, with any new appointee to serve out the remainder of the unexpired term of the Committee member so replaced.

No reimbursement will be allowed for **magnetic resonance imaging (MRI)** unless the MRI unit produces a field strength that

is equal or greater than 1.0 Tesla. Despite a strong argument by OHA that this section should be replaced with American College of Radiology standards and guidelines and not magnet strength, leadership was not willing to change this legislation but vowed to look at this in the next legislative session. In essence, this standard will not allow for payment for open MRI procedures on any workers' compensation injury. OHA believes the court administrator may have the authority to make exceptions to this provision to accommodate patients needing an open MRI.

Disclosure of Ownership

The measure has significant new language regarding disclosure by the physician to the administrator of the Workers' Compensation Court regarding ownership or interest in any health care facility, business or diagnostic center that is not the physician's primary place of business. The disclosure includes leasing arrangements between the physician and any health care facility that is not the physician's primary place of business. Failure to disclose shall be grounds for disqualifying the physician from providing treatment under this act.

Further, disclosure of ownership by the physician to the patient is required if the physician owns more than 5 percent in a publicly traded company that provides implantable devices.

Other Provisions

- Payment for medical care is due with 45 days of a completed claim. Judges of the court may award a penalty up to 25 percent for any amount due under the fee schedule that is unpaid for no good faith reason.
- Employers are required to promptly file a Form 2 and post a notice of right to workers' compensation benefits.
- Employers are required to provide medical care within seven days of knowledge of an injury. The employer selects the treating physician. If the employer fails to do so, an injured employee may select a physician at the expense of the employer.
- Expands the number of Oklahoma Workers' Compensation Court judges from eight to 10.

Effective date: Aug. 26, 2011. Status: Signed by the governor.

A complete summary and a copy of SB 878 can be found on the OHA website at <http://tinyurl.com/3qyuk2c>.

OHA Reaches Compromise Positions on Bills of Concern

HB 1995, Sullivan/Sykes, requires a **hospital operated by a public trust** to maintain health care malpractice liability insurance coverage with available limits of at least \$1 million per claim with an annual aggregate of at least \$3 million. OHA amended the bill so that this provision does not take effect until Jan. 1, 2013.

- **Physician Liability Coverage:** The measure was amended in the Senate to require physicians with hospital privileges to maintain malpractice liability coverage with available limits of at least \$1 million. This provision was originally included in *HB 1603, creating the Comprehensive Lawsuit Reform Act of 2009*, specifically creating the Indemnity Fund and requiring the fund to include professional liability insurance coverage requirements in an amount no less than \$1 million for physicians and maintain availability of \$20 million annually. *This provision was subsequently repealed in the 2011 session in HB 2128 as no funding source was identified for the "Indemnity Fund."* *HB 2128 lowers the cap on non economic damages from \$400,000 to \$350,000.*

Status: Dormant; passed the House on May 18; failed to be voted on in the Senate and may be considered in the 2012 session.

SB 701, Aldridge/Sullivan, Medical Records, sets the maximum fee that may be charged for digital records at 12 cents per digital page. It also prohibits a mailing fee from being charged for



Participants study the issues in preparation for legislative visits during the OHA Advocacy Day briefing on March 9.

copies provided by facsimile. The measure permits patients of record, upon request, to obtain "pathology slides" which are added by amendment to the section of current law dealing with x-rays and other photographic images. The measure also states that disclosure regarding a deceased patient requires either a court order or a written release of an executor, administrator or personal representative appointed by the court, or the spouse or a responsible family member if there is no court-appointed individual. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

Legislation Opposed by OHA

SB 858, Russell/Ritze, Guns - Hospitals, prohibits a health care practitioner from refusing to treat or accepting a referral for treatment of a patient based on the lawful ownership or other legal conduct involving firearms by the patient or a member of the patient's household. *Status: Dormant; Passed the Senate; held in House committee.*

SB 572, Ford, Referrals Home Care, states that licensed health care practitioners and other individuals working in a professional capacity shall only make referrals for home care agencies that are licensed pursuant to the Home Care Act when making a referral for home care services. *Status: Dormant; Held in Senate committee.*

SB 872, Sykes/Johnson, Inmate Medical Care, provides that any person who intentionally injures himself after being taken into custody at a jail or holding facility will pay for the costs associated with any emergency medical care. The bill also provides that the responsibility for payment for emergency medical costs from an intentional injury will be the sole responsibility of the person and will not be the responsibility of the jail, law enforcement agency, jail or prison contractor, sheriff, peace officer, municipality or county. *Status: Dormant; on General Order in the House.*

Legislation of Health Care Interest

HB 1359, Peters/Brinkley, creates the Foster Care System Improvement Task Force until Jan. 1, 2013, which is a 23-member task force charged to compare Oklahoma's foster care system outcomes to the Federal Children and Family Services Review standards. Hospitals are represented on the task force. The task force is to issue a report to the Legislature and governor by March 15, 2012. *Status: Signed by the governor.*

HB 1402, Wesselhoft/Russell, creates the Women's Health Defense Act. Fourteen bills were introduced related to restricting abortion. OHA remains neutral on this topic unless the legislation creates a cause of action against a hospital including the revocation of a hospital license and loss of state funding. HB 1402 includes these provisions. *Status: Dormant; on General Order in the House.*

HB 1442, Faught/Russell, Stem Cell Research, creates the Destructive Human Embryo Research Act, making it unlawful to intentionally or knowingly conduct destructive research on a human embryo; buy, sell, receive or transfer a human embryo with knowledge it will be subjected to destructive research; or buy, sell, receive or transfer gametes with the knowledge that an embryo will be produced from such gametes to be used in destructive research. OHA has concerns with the impact of this legislation on stem cell research. *Status: Dormant; Passed the House; Held in Senate committee.*

SB 136, Russell/Faught, Stem Cell Research, prohibits a person from knowingly conducting scientific research on a human embryo, fetus or fetal part; transferring a human embryo, fetus or fetal part with the knowledge that the embryo, fetus or fetal part will be subjected to scientific research. It creates a felony for violating the act, punishable by at least one year to life in prison and a fine of \$100,000. OHA has concerns with the impact of this legislation on stem cell research. *Status: Dormant; Held in Senate committee.*

SB 190, Aldridge/Murphey, Repeal - Payment Rate Review Task Force. OHA attempted to repeal the Payment Rate Review Task Force because the Task Force never met since it was cre-

ated. Legislators were in agreement that the Task Force should be repealed but the legislation did not advance. Consequently, the Payment Rate Review Task Force on hospital rates has been appointed and is meeting. OHA has a seat on the Task Force. *Status: Dormant; on General Order in the House.*



Left to right: Rep. Lisa Billy; Jim Berry, CEO, Purcell Municipal Hospital; and David Shirley, board member, Purcell Municipal Hospital.

SB 544, Sykes/Blackwell, allows a **certified registered nurse anesthetist**, in collaboration with a medical doctor, osteopathic physician, podiatric physician or dentist, to select, order, obtain and administer legend drugs, Schedule II and V controlled substances, devices and medical gases. SB 544 changes physician "supervision" to "in collaboration with" a physician. **HB 1351, Blackwell,** the same bill, was filed in the House and is dormant. *Status: Dormant; on General Order in the Senate.*

Hospitals as Providers

HB 2017, Cox/Crain, modifies language relating to the Physician Manpower Training Commission's **Oklahoma Medical Loan Repayment Program**, directing that the program is limited to available funding and removing the six-physician per year limit on repayment assistance. The measure also modifies eligibility for the program to include a new primary care residency graduate, with preference given to graduates affiliated with the Oklahoma State University College of Osteopathic Medicine, the University of Oklahoma College of Medicine and the teaching hospitals affiliated with both schools. The measure also states that the commission has the option of using available funding in excess of the amount necessary to fund the Oklahoma Medical Loan Repayment Program to fund:

- New or expanded primary care residency programs in rural and underserved areas of the state through payments to hospitals desiring to establish new primary care residency programs;
- Payments to hospitals with existing primary care residency programs desiring to expand the number of residents participating in these programs; or,
- Payments of stipends to residents of new or existing primary care residency programs in exchange for a commitment to serve in a rural or underserved area of the state.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 2178, Sears/Myers, PMTC, removes language authorizing the Physician Manpower Training Commission to enter into contractual agreements with any qualified hospital that would accommodate a resident physician for six-month elective practices. It states that the commission may enter into agreements with residency training programs at the University of Oklahoma College of Medicine, University of Oklahoma-Tulsa Medical College or the Oklahoma College of Osteopathic Medicine and Surgery in order to enhance available funding for the training of primary care residents. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 175, Anderson/Jackson, 911, directs the chair of the Statewide Nine-One-One Advisory Board within 30 days of the effective date of the act to call a meeting to produce specific

recommendations regarding setting the amount charged for fees that are currently provided in law for the 911 system and any need for additional fees to adequately maintain current systems, and to uniformly provide the highest levels of technology for emergency 911 systems throughout the state. The bill directs the board to submit a report to the Senate President Pro Tempore and House Speaker by Dec. 31, 2011. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 180, Paddock/Cox, Physician Reimbursement - Inmate Care, allows the Department of Corrections to contract with physicians and other providers of inpatient and outpatient health care services as necessary to deliver health care beyond the professional capabilities of the agency. It removes language that prohibited reimbursement for health care services to be less than a fee structure in effect on Jan. 1, 2007, or the current fee schedule, whichever was greater. OHA negotiated a payment rate with DOC several years ago and this brings physicians under the same methodology. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 250, Marlatt/Armes, ME - Release of Records, requires copies of reports provided by the chief medical examiner to be issued to the spouse of the deceased or any person within one degree of consanguinity of the deceased upon request and within five business days of the request once the cause and manner of death have been determined and the death certificate has been issued. The bill states that reports of the medical examiner made prior to Nov. 1, 2011, may be appealed by the spouse of the deceased or any person within one degree of consanguinity and must be filed by Nov. 1, 2012. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 673, Jolley/Cox, Pharmacy Audits, is legislation requested by the Oklahoma Pharmacist Association. According to the OPA "the basis of the measure is to eliminate unnecessarily burdensome pharmacy audit practices that have been implemented by pharmacy benefits managers (PBM). The bill does not eliminate PBM audits and oversight but does attempt to make their actions more reasonable." This act does not apply to any audit, review or investigation that is initiated based on or that involves suspected or alleged fraud, willful misrepresentation or abuse. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

Hospitals as Businesses

HB 1075, *Newell/Jolley*, requires 5 percent of all partial payments made in a public construction project be withheld as **retainage**. The measure reduced the amount withheld as retainage from 10 percent. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1439, *Vaughan/Myers*, amends law on the **use of defensive force** to add an owner, manager or employee of a business to use such force. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1593, *Martin/Aldridge*, **repeals the Oklahoma Municipal Employee Collective Bargaining Act**, a law which required cities with at least 35,000 residents to have collective bargaining if non uniformed employees unionize. Certain public trust hospitals were involved in a lawsuit challenging the act and prevailed due to the court's ruling related to the Oklahoma City Zoo Trust. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 2033, *Sullivan/Anderson*, modifies language related to the **Standards for Workplace Drug and Alcohol Testing Act**.

Provisions related to **employees** include:

- Allows an employee to be tested at any time



Richard Boone (right), president, St. John Medical Center Foundation, Tulsa; and Ron Peterson, lobbyist, St. John Medical Center; discuss issues with Sen. Gary Stanislawski (left) at the state Capitol.

if an employer reasonably believes an employee is under the influence, has contraband on them, appears impaired, has tampered with testing or reports drug or alcohol use, has negative performance patterns or has excessive or unexplained absenteeism;

- Prohibits an employee from receiving workers' compensation if the employee refuses to take a drug or alcohol test required by the employer.

Provisions related to **employers** include:

- Requiring any employer that may request or require an employee to undergo a drug and alcohol test to adopt a written policy setting forth the specifics of its testing program.
- Removing language requiring an employer to give 30 days' notice of changes to testing policy.
- Nothing in the act prohibits an employer from adopting a policy that allows for testing of alcohol or drugs by another method that is reasonably calculated to detect the presence of drugs or alcohol, including a breathalyzer or single-use device.
- Modifies language related to an employer's maintenance of records for alcohol and drug test results.
- Directs an employer's policy to state disciplinary actions if positive test results are found and repeals language requiring programs.

The bill modifies language related to the State Board of Health's rules for regulation of testing facilities. The bill removes criminal charges for those who violate the act. The bill modifies language about the causes for testing. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 96, *Coates/Liebmann*, modifies the **Public Competitive Bidding Act**, by increasing from \$2,500 to \$5,000 the maximum construction contract amount that may be negotiated with a qualified contractor. It allows the construction and properties division of the Department of Central Services to award contracts using best value competitive proposals. It also states a general contractor or subcontractor does not need wrap-around insurance unless the contract for services is more than \$75 million. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 216, *Paddack/Peters*, creates until Feb. 1, 2012, an 11-member task force on the collection, distribution and enforcement of **municipal sales tax** for the purpose of examining the current process by which the Oklahoma Tax Commission assesses, collects and distributes sales and use tax to local jurisdictions which levy the tax. The bill requires the task force to report its findings to the Senate president pro tempore, House speaker and governor by Dec. 31, 2012. *Effective date: Feb. 1, 2012. Status: Signed by the governor.*

SB 674, *Jolley/Peters*, **Child Care Facility - Background Checks**, requires on and after Nov. 1, 2013, a search of the Oklahoma State Courts Network, the Child Care Restricted Registry and a national criminal history records search be conducted for individuals applying to establish or operate a child care facility: prior to the employment of any person in a child care facility; prior to allowing unsupervised access to children by personnel or individuals, including contract personnel and volunteers; prior to the issuance of a permit or license; and prior to the residence of adults who subsequently move into a facility; and children who reside in the facility and turn 18. It also directs owners, directors and other personnel who have review of and access to fingerprint results to have a national criminal history records search prior to the review of and access to fingerprint results. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 750, *Marlatt/Sullivan*, **Sales Tax**, requires the Oklahoma Tax Commission, upon request of a municipality, to enter into a contractual agreement with the municipality whereby the municipality would be authorized to engage in compliance activities, either directly or through contract with private persons or entities, to augment the collection of municipal tax by the Tax Commission. It also directs the Office of State Finance director to form an Implementation Working Group composed of representatives of municipalities and the Tax Commission and adopt a plan to implement the provisions by Sept. 30, 2011. *Effective date: Sept. 1, 2011. Status: Signed by the governor.*

SB 837, *Jolley/Sullivan*, modifies language related to **discriminatory practices in employment**, housing and public accommodations. The bill removes reference to specific federal acts, including the federal Civil Rights Act of 1964 and the federal Age Discrimination in Employment Act of 1967. It instead states that the bill provides exclusive remedies of policies for individuals alleging discrimination in employment on the basis of race, color, national origin, sex, religion, creed, age, disability or genetic information. The bill also modifies the definition of “employer” to refer to entities, organizations or institutions that pay salary or wages to workers. It also adds a definition of “employee.” The bill modifies language related to the description of discriminatory practices by added genetic information to the provision and clarifying language related to disabilities. The bill creates a cause of action for employment-based discrimination and abolishes any common law remedies. The bill provides procedures for pursuing a cause of action for employment-based discrimination, requiring that an aggrieved party within 180 days from the last date of the alleged discrimination file a charge of discrimination with the Oklahoma Human Rights Commission or the Equal Employment Opportunity Commission. It directs the commission upon completion of an investigation to transmit the results to the EEOC or issue the complaining party a notice of a right to sue. It requires a notice of a right to sue to be obtained in order to commence a civil action, and it requires such actions to be filed in the district court in the county where the employment practice is alleged to have been committed. It states that if discrimination took place, the court can enjoin the respondent from engaging in such unlawful practice and order an affirmative action as reinstatement or hiring of employees. The measure entitles an aggrieved party to back pay and liquidated damages, and it allows interim earnings to be used to reduce otherwise allowable back pay. The bill also repeals an existing statute concerning discrimination on the basis of handicap. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

Medicaid - Oklahoma Health Care Authority (OHCA)

HB 1655, *Enns/Johnson*, requires the OHCA to study and recommend **coverage for prosthetic devices and orthotic devices** for Medicaid eligible individuals. The bill requires the study to include the review of payment rates necessary to provide the benefit and the study is to be filed with the House speaker and Senate president pro tempore by Dec. 31, 2011. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1736, *Peterson/Jolley*, **Eligibility Fraud**, authorizes the director of the Department of Human Services to investigate cases of Medicaid recipient eligibility fraud. It states that any person who obtains or attempts to obtain or aids by means of a false statement or representation, false impersonation or by knowing and willful failure to report to DHS or the OHCA material eligibility factors at the time of applying for or while receiving assistance, he/she is guilty of a misdemeanor or felony. The bill also creates a misdemeanor or felony for the sale, barter, possession or use of any medical identification card or device authorizing participation in the Oklahoma Medicaid program for a person not entitled or for attempting to obtain Medicaid or Insure Oklahoma benefits by omitting income, property, household members or other material eligibility factors. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 2169, *Sears/Myers*, **Stimulus Funds Transfer**, increases from \$263,139,950 to \$278,139,950 the amount the Oklahoma Health Care Authority is authorized to transfer from the American Recovery and Reinvestment Act Fund to the CMIA Programs Disbursing Fund. *Effective date: March 25, 2011. Status: Signed by the governor.*

HB 2173, *Sears/Myers*, **Medicaid False Claims Collections**, authorizes the attorney general to collect all fines, penalties, restitution or interest accruing on any amount levied under the Oklahoma Medicaid False Claims Act, or any other charge, cause, action or other settlement that recovers money wrongfully paid by the OHCA on a *claim* submitted to it. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 412, *Brown/Cox*, requires any entity that provides health insurance to accept the Oklahoma Health Care Authority **right**



Rep. Doug Cox (left) and Bruce Lawrence, president/CEO, INTEGRIS Health, OHA 2011 board chairman.

of recovery and the assignment of rights and to not charge the authority or any of its authorized agents any fees for the processing of claims or eligibility requests. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 679, *Jolley/Trebilcock*, **Medication Aides**, adds county or municipal jails to the place at which certified medication aides are eligible to distribute certain medications or treatments. It also allows the Oklahoma Health Care Authority to administer administrative sanctions to Medicaid recipients who abuse the state Medicaid program. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 975, *Myers/Sears*, **OHCA Cash Flow**, directs the Office of State Finance director to transfer monies appropriated from the General Revenue Fund and the 245 Fund of the Oklahoma Health Care Authority to the OHCA disbursing funds in the amounts and ratios requested by the authority, but cumulative amounts transferred cannot exceed the cumulative amount of equal monthly allotments of appropriations from the General Revenue Fund. It states that monies appropriated or collected for fiscal year 2012 may be transferred to the disbursing funds for FY2011 to satisfy encumbrances and obligations of the fiscal year, as long as monies equal in amount are transferred from appropriations or collections for FY2011 to the disbursing funds

for FY2012 to satisfy encumbrances and obligations of that fiscal year. The bill also allows the director of OHCA to request through the OSF director the early transfer by the Oklahoma Tax Commission of tax collections to the General Revenue Fund for early allocation to the agency's disbursing funds to alleviate cash-flow problems. *Effective date: July 1, 2011. Status: Signed by the governor.*

Public Health

HB 1212, Kirby/Marlatt, requires those seeking a license from the **Oklahoma State Athletic Commission to include a certified copy of lab results** for every participant verifying that they are not infected with the human immunodeficiency virus, the hepatitis B virus or the hepatitis C virus. The bill prohibits a license from being issued to anyone with a positive result. *Effective date: Jan 1, 2012. Status: Signed by the governor.*

HB 1397, Cox/Jolley, Board of Health (BOH) Omnibus Bill:

- **Insurance Payments** - permits claims to be filed when BOH practitioners perform health-related services within the practitioner's scope of practice as prescribed by state law, the Board of Health or other standards, and if health services are covered by insurance. It also allows a city-county health department to perform health-related services and submit claims to an insurance provider.
- **Birth Certificates** - directs a certificate of birth to be filed with a state registrar rather than a local district registrar. It states that if the live birth results from a delivering mother who was carrying a child for another woman under a prearranged legal contract, the original birth certificate is to be filed with the personal information of the woman who delivered the child. It directs a new birth certificate to be placed on file once the state registrar receives a court order and completed form that identifies the various parties and documents the personal information of the intended parents. The measure prohibits an heirloom birth certificate from being used as evidence of live birth or for identification. It also requires fetal death certificates to be filed with the state registrar. It makes it a felony to present a false or forged birth, death or stillbirth certificate for filing.

- **Disinterment Permit** - makes it unlawful for any person to create, issue or present a fictitious disinterment permit; apply for such a permit under false pretenses; alter information on a disinterment permit; obtain or display a disinterment permit for fraudulent purposes; making a false statement or knowingly concealing fact or committing fraud to apply for a permit; or reinterring the remains in a location other than that specified on the permit. It makes violations a misdemeanor and establishes penalties.
- **Vital Statistics** - grants the State Board of Health the power and duty to promulgate rules for situations in which the state registrar of vital statistics receives false information regarding the identity of a parent.
- **Adult Day Care** - allows licenses to be issued to adult day care centers and nursing homes for 12 to 24 months for the licensing period following Nov. 1, 2011, to permit equitable distribution of license expiration dates to all months of the year.
- **Venereal Disease** - repeals language making it a felony for anyone infected with a venereal disease to marry or expose another person to the venereal disease before being cured. The bill also changes reference from "venereal disease" to "sexually transmitted infection."

Effective date: Nov. 1, 2011. Status: Signed by the governor.



Randy Segler (left), CEO, Comanche County Memorial Hospital, Lawton, meets with Rep. T.W. Shannon and Rep. Corey Holland (right).



Rep. Phil Richardson (left) gets a visit from Mike Nunamaker, CEO, Grady Memorial Hospital, Chickasha.

HB 1888, Peterson/Jolley, creates the **Pain-Capable Unborn Child Protection Act**, prohibiting an abortion from being performed or induced or attempted unless the physician has first made a determination of the probable post fertilization age of the unborn child. Persons are prohibited from performing, inducing or attempting an abortion on a woman when it is determined by the physician that the probable post fertilization age of the woman's unborn child is 20 or more weeks, unless in reasonable medical judgment it is determined she has a condition which so complicates her condition to necessitate the abortion of her pregnancy to avert her death or serious risk of substantial and irreversible physical impairment of a major bodily function. Physician requirements include failure to make such a determination constitutes unprofessional conduct;

- Reporting requirements and penalties include:
 1. Physicians performing abortions shall report to the Department of Health if the determination of post fertilization age was made, the woman's condition that necessitated the abortion and the method used for the abortion.
 2. Physicians who fail to submit a required report within 30 days are subject to a \$500 late fee for each additional 30-day period. It allows a physician who has

not submitted or filed an incomplete report more than one year after the event to be brought under actions before the Department of Health, be directed by a court to submit a complete report as stated within a court order or be subject to civil contempt.

3. Intentional or reckless falsification of any report required is a misdemeanor. The measure states that anyone who intentionally or recklessly performs or induces or attempts an abortion in violation of the act is guilty of a felony.
- The Department of Health by June 30 of each year is to issue a report providing statistics for the previous calendar year.
 - It prohibits the woman upon whom the abortion was performed or attempted from being penalized. However, it allows the woman upon whom the abortion was performed or the father of the unborn child to bring action against the person who performed or induced the abortion in intentional and reckless violation of the act for actual and punitive damages.
 - It also allows a cause of action for injunctive relief to be brought by the woman upon whom an abortion was performed or attempted; by the spouse, parent, sibling, guardian or former licensed health care provider of the woman; by a district attorney; or by the attorney general.
 - It states that in every civil or criminal proceeding brought under the act, the court must rule on whether the anonymity of any child upon whom an abortion has been performed or attempted will be preserved from public disclosure unless consent is given.
 - The bill also states legislative intent that the interest in protecting unborn children from the stage at which there is medical evidence they are capable of feeling pain is intended to be independent from the state's interest in protecting the unborn from the stage of viability. Neither state interest is intended to replace the other.
 - It also states that nothing in the act repeals current laws on the grounds to abort a viable fetus. It also states that compliance with the act does not signify compliance with any current laws related to abortion of a viable fetus, and that

compliance with current laws related to the abortion of a viable fetus does not signify compliance with the act.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 1970, Grau/Treat, requires any physician giving or prescribing mifepristone or any **abortion-inducing drug** to first examine the woman and document the gestational age and intrauterine location of the pregnancy in the woman's medical chart. It requires the drug be administered in the same room and in the physical presence of the physician who provided the drug to the patient. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 111, Myers/Cox, Comprehensive Tobacco Free Initiative, removes exemptions from the statewide ban on smoking in public places and indoor workplaces for stand-alone bars and taverns. It removes exemptions for public buildings with separate smoking rooms. It requires that no restaurant be allowed to have designated smoking rooms after Sept. 1, 2013. It states that no restaurant may build a separate smoking room after Sept. 1, 2011. The bill retains and clarifies an exemption for cigar bars. OHA position: support. *Status: Held in Senate committee.*

SB 178, Crain, Emergency Response, authorizes the State Board of Health to adopt rules and requirements as necessary to establish adaptive standards of care where an extreme emergency exists, as defined in the Oklahoma Emergency Response Act. *Status: Held in Senate committee.*

SB 854, Halligan/Denney, Inmate Medications, establishes requirements for the person responsible for a jail's administration to administer medications and establishes certain procedures and record-keeping requirements. It states that prescription medications will be provided to the prisoner as directed by a physician or designated medical authority. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 949, Nichols/Enns, Oklahoma Sports Eye Safety Program Act, establishes a provision for donation of money from individual income tax returns to the Oklahoma Sports Eye Safety Program Revolving Fund. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

Mental Health & Substance Abuse

HB 1211, Kirby/Newberry, Social Host, modifies language related to underage drinking, prohibiting anyone from knowingly permitting someone under age 21 who is invited to a person's residence, building, room or other property to possess or consume any alcoholic beverage, low-point beer, controlled dangerous substance or combination, and established fines and penalties. The bill also allows cities and towns to enact and municipal police officers to enforce ordinances. It requires the ordinances to be the same as state law and the penalties to be no more stringent than those under state law. The bill also allows municipal ordinances to prohibit anyone under age 21 from consuming or possessing with the intent to consume low-point beer. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1271, Coody/Barrington, Person Requiring Treatment, modifies the definition of "person requiring treatment" related to the Department of Mental Health and Substance Abuse Services to include those who pose substantial risk of immediate physical harm to himself or herself, as manifested by evidence or serious threats or attempts at suicide or other self-inflicted injury, and those who pose a substantial risk of immediate physical harm to others, as manifested by evidence of violent behavior directed toward another. It also expands the definition to include a person who has placed another person in reasonable fear of violent behavior directed towards the person or persons or serious physical harm to them as manifested by serious and immediate threats. The bill also expands the definition to include those who have a severe deterioration and, without intervention, there exists a substantial risk that severe impairment or injury will result to the person in the near future. It also includes those who pose a risk of immediate serious physical injury or suicide in the near future as manifested by evidence that the person is unable to provide for and is not providing for his or her basic physical needs. The bill allows mental health or substance abuse history of the person to be used as part of the evidence to determine whether he/she requires treatment. The measure also provides language regarding treatment advocates. It also modifies the definition of "dangerous" as a person who requires treatment under the provisions of the bill. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1319, Wright/Sykes, DUI, refers to driving under the influence and outlines the penalties for those convicted. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1377, Holland/Crain, Certified Mental Illness Service Program, directs the Board of Mental Health and Substance Abuse Services (DMHSAS) to promulgate rules and standards to certify a facility or organization as a mental illness service program for three years, subject to renewal. It provides standards with which a certified mental illness service program must comply. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1638, Ortega/Fields, DMHSAS Provider Contracts, allows the Department of Mental Health and Substance Abuse Services to enter into a contract for professional services at any time with a registered nurse or pharmacist or person meeting the definition of "licensed mental health professional." *Effective date: July 1, 2011. Status: Signed by the governor.*

SB 247, David/Peters, Delinquent Children, modifies language regarding the placement of a child who has been adjudicated by the court as a delinquent child and committed to the Office of Juvenile Affairs (OJA). It allows placement in a state training school or secure facility, including a collocated secure facility or other institution or facility maintained, operated or contracted by the state for delinquent children under certain circumstances. It directs OJA to also certify secure facilities collocated with adult facilities or juvenile detention facilities, and it requires the facilities to meet applicable criteria of the federal Juvenile Justice Delinquency Prevention Act for collocation. *Effective date: May 26, 2011. Status: Signed by the governor.*

SB 492, Burrage/Grau, Vulnerable Adults, allows the Department of Human Services to petition the district court for certain orders if a vulnerable adult is suffering from abuse, neglect, self-neglect, financial neglect or exploitation. It allows the department to petition the court for an order directing any law enforcement agency to transport an incapacitated person or vulnerable adult for care, treatment and residential placement. It exempts facilities operated by the Department of Mental Health and Substance Abuse Services or community-based structured crisis centers under contract with the department.



At the OHA Advocacy Day luncheon are (left to right) Rep. Mike Brown; Josh Reasor, director of customer relations, Tahlequah City Hospital; Sen. Jim Wilson; and Brian Woodliff, CEO, Tahlequah City Hospital.

The measure also creates until July 1, 2012, an 11-member **Law Enforcement Behavioral Health Emergency Dispatch Task Force** to study and evaluate the development of a law enforcement behavioral health emergency dispatch system that will assist and encourage law enforcement agencies and hospitals and emergency medical service to provide an organized system of transportation for persons in need of mental health or substance abuse inpatient treatment. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 668, David/Peterson, Co-occurring Disorder, expands the definition of co-occurring disorder in the Licensed Alcohol and Drug Counselors Act to also include a mental health order disorder that is deemed probably to become a substance abuse disorder without intervention. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 919, Sykes/Derby, Narcotics, adds specific substances as Schedule I - V narcotics. The measure authorizes electronic prescribing for Schedule III and IV narcotics. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*



Left to right: Jim Briggs, vice president finance regional facilities, INTEGRIS Health; Rep. Leslie Osborn; and Anne Roberts, director of legislative affairs, INTEGRIS Health.

Long-Term Care

HB 1282, Dank/Treat, clarifies language related to the definition of “**long-term care administrator**,” adding the terms certified nursing facility administrator, assistant living facility administrator, residential care facility administrator and adult day care center administrator to the list of those who qualify as long-term care administrators. The bill modifies language related to the composition of the Oklahoma State Board of Examiners for Long-Term Care Administrators. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1363, Peters/Jolley, creates the **Oklahoma Choices for Long-Term Care Act** to allow older Oklahomans the opportunity to choose where they want to live and receive their services by providing the same presumptive eligibility based on a physician’s order for the ADvantage program as for nursing facilities. It directs the Oklahoma Health Care Authority to create a system of eligibility for home-based and community-based services provided by the ADvantage waiver program that provides for presumptive Medicaid eligibility and certification. *Effective date: Sept. 1, 2011. Status: Signed by the governor.*

HB 1441, Cox/Jolley, Medication Kits, modifies language relating to maintenance of emergency medication kits, removing

reference to long-term care pharmacy and simply allowing a pharmacy to maintain controlled dangerous substances in such a kit used at a nursing home or assisted living center. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1504, Schwartz/Ford, adds the **Accreditation Commission for Health Care** among those entities that accredit home care agencies for licensure by the Department of Health. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1554, Kern/Anderson, creates the **Oklahoma Options Counseling for Long-term Care Program Act**, which establishes the Options Counseling for Long-term Care Program within the Department of Human Services Aging Services Division. The bill requires the program to provide individuals or their representatives with long-term care options consultation by phone or in person. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

Government Consolidation/Agency Rules

HB 1044, Faught/Sykes, requires state entities promulgating rules to cite state or federal authority for the changes. It requires the Legislature to approve all administrative rules related to fees and to occupations, including physicians and nurses. It states that any rule that establishes or increases fees or any rule by an agency, board or commission created by or that receives its authority from Title 59, relating to professions and occupations, of the Oklahoma statutes to require approval by the Legislature by joint resolution. It further states that if the Legislature fails to approve the rule by the last day of the legislative session, the rule shall be deemed disapproved.

- Prior to HB 1044, administrative rules, once submitted to the Legislature, took effect at the end of the legislative session unless “disapproved” by joint resolution that had to pass both Houses.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 1086, Murphey/Jolley, creates the **Transparency, Accountability and Innovation in Oklahoma State Government 2.0 Act of 2011**, that includes a number of

provisions designed to update administrative processes and increase public access to various agency records and expenditures. Certain requirements affect *public trusts* having the State of Oklahoma as a beneficiary, including but not limited to:

- Requirement that the chief information officer (CIO) maintain a website to allow public access to forms produced by state agencies and public access to documents and publications otherwise required by law to be submitted to either the Department of Libraries, the governor, the speaker of the House or the president pro tempore of the Senate.
- The CIO shall develop procedures that public entities shall submit a searchable, electronic version of forms.

Effective date: Aug. 26, 2011. Status: Signed by the governor.

HB 1285, Dank/Mazzei, creates a 10-member **Task Force to Study State Tax Credits and Economic Incentives** until Jan. 1, 2012, to study all state tax credits regardless of the tax type against which such credit may be claimed and any other economic incentives that affect state or local tax liabilities. It requires the task force to submit a report of its findings to the governor, House speaker and Senate president pro tempore by Dec. 31, 2011. *Effective date: July 1, 2011. Status: Signed by the governor.*

HB 1304, Derby/Jolley, creates the **Information Technology Consolidation and Coordination Act**. The measure creates a new government position of chief information officer and gives the CIO authority over the information services division of the Office of State Finance. The CIO serves as the Secretary of Information Technology and Telecommunications, which is a new position in the governor's cabinet. The Oklahoma State System of Higher Education, the State Regents for Higher Education and the telecommunications network known as OneNet are excluded from the act. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

HB 2140, Steele/Bingman, creates the **State Government Administrative Process Consolidation and Reorganization Reform Act of 2011**. It consolidates the Department of Central Services, Office of Personnel Management, Employee Benefits Council and the Oklahoma State and Education Employees

Group Insurance Board into the Office of State Finance. It directs the OSF director to assume all executive-level responsibilities for each agency and possess the powers of the agency director. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 541, Sykes/Murphey, creates the **Oklahoma Innovation, Efficiency and Accountability Act of 2011**. It requires any entity organized within the executive department of state government which is responsible for licensing to utilize a portal system allowing a link to a web-based application and renewal application for any license or permit issued by the agency. It authorizes the acceptance of electronic signatures for applications. It clarifies that the electronic signature provision does not apply to driver license renewal applications. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

Insurance & OSEEGIB

HB 1062, D. Roberts/Brecheen, **State Employee Opt Out - Provider Outcomes:**

- **Opt-out** - allows any participant in an OSEEGIB state health insurance plan to opt out of the plan; however, they must have other coverage.
- **Center of Excellence** - permits contracting with providers for specific services based on levels of outcomes defined by the Board and achieved by the provider. Further, the Health Plan may provide for the application of deductibles and copayment or coinsurance provisions, when equally applied to all covered charges for services and procedures that can be provided by any practitioner for diagnosis and treatment *unless* deductibles, copayments or coinsurance variations are based on contracts with providers for specific services based on levels of outcomes.
- **Pilot** - directs the Board to contract for plan year 2012 with a vendor that offers a web-based health care cost containment program that incorporates doctor-patient mutual accountability incentives for the purpose of conducting a pilot project to test a program's value proposition that offers financial incentives to both the health care provider and the patient.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 1520, Nollan/Brown, Auto Liability Verification, allows rather than requires the court to access information from the online verification system to confirm liability coverage. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 1969, Mulready/Brown, Health Savings Account, allows rather than requires an employee with the State and Education Employees Group Insurance Board who selects the high option plan to establish a health savings account option as defined by the Internal Revenue Code. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

HB 2072, Key/Brown, and SB 778, Aldridge/Sullivan, Insurance Department Omnibus Bill: Both bills are comprehensive request bills of the State Insurance Commissioner and have many overlapping features outlined below.

- **Applications** - makes changes to the provisions requiring the insurance commissioner to review and analyze applications requesting to transact insurance in the state. Further, the measure allows rather than requires the commissioner to place prohibitions or restrictions on insurers or agents from other states operating in Oklahoma when such state is imposing similar restrictions on Oklahoma insurers or agents.
- **Surplus Lines** - creates the Unauthorized Insurers and Surplus Lines Insurance Act with numerous sections in both **HB 2072** and **SB 778** including:
 - a. Authorizing the insurance commissioner to enter into Non-Admitted Insurance Multi-State Agreement or any multi-state agreement.
 - b. Prohibiting persons to engage in certain actions without being a surplus lines licensee or broker with additional guidelines for surplus lines brokers or licensees.
 - c. Authorizing a tax by the insurance commissioner applicable to non-admitted insurance lines under certain surplus lines premiums.
- **Taxation** - provides for taxation of Oklahoma insurers.
- **Renewal of Policies** - requires an insurer to give to the insured of an auto or homeowner's policy a 30-day written notice of renewal. If the insurer fails to provide the notice, the existing policy will remain in force until

notice is given or until the effective date of the replacement coverage obtained by the insured.

- **Anti-Fraud** - creates the revolving Insurance Department Anti-Fraud Revolving Fund.
- **Rate Filings** - requires every health benefit plan by Nov. 1, 2011, to file all initial rates and all rate adjustments for approval with the insurance commissioner. It states that if the commissioner determines that the initial rate or rate adjustment is unreasonable or not justified or the initial rate or adjustment renders the policy form unjust, unfair or inequitable, the commissioner shall make a written determination within 30 days, unless the commissioner extends it for an additional 30 days.
- **External Review** - creates the Uniform Health Carrier External Review Act following model law recommended by the National Association of Insurance Commissioners (NAIC) to follow direction in the federal Accountable Care Act. This is substantial new law requiring for external review procedures to provide uniform standards for review of adverse determinations by health carriers. Specifically, the act requires:
 1. Such carriers to notify the covered person in writing of the right to an external review. It allows a covered person to submit a request for external review to the commissioner if the carrier's internal grievance process has been exhausted.



At the state Capitol are (left to right) Kevin Gross, president, Hillcrest HealthCare System, Tulsa; Rep. David Derby; and Tyra Palmer, vice president, community and government relations, Hillcrest HealthCare System.

2. An expedited review in cases of an adverse determination in which the timeframe for internal review would seriously jeopardize the life or health of the covered person, or their ability to regain maximum function; a final adverse determination where the covered person has a medical condition where the timeframe for completion of a standard external review would seriously jeopardize life, health or the ability to regain maximum function or where the final adverse determination concerns an admission, availability of care, continued stay or health care service for which the covered person received emergency services but has not been discharged from the facility.
3. The commissioner to make a determination of eligibility for review based on the person's coverage. It authorizes the commissioner to assign an independent review organization to the review. It establishes guidelines for the expedited and standard review processes. The bill states that the review process is binding on the health carrier and the covered person except to the extent that either has other remedies available under applicable law.
4. Eligibility requirements for independent review organizations. It requires the cost of the review board to be paid by the health carrier. It requires carriers to include a description of external review processes with the policy or other evidence of coverage. It directs the commissioner to prescribe the format for disclosure.

- **Closed Claims** - deletes closed claims reporting requirements for medical professional liability.
- Repeals the Oklahoma Managed Care External Review Act.
- SB 778 also adds new law expanding the definitions of Company Action Level Events by health maintenance organizations to include an adjusted capital trigger language.

Effective date: Aug. 26, 2011. Status: Signed by the governor.

SB 547, Sykes/D. Johnson, Abortion Coverage, prohibits inclusion of elective abortion coverage in any health insurance policy offered by the state's health exchange, as established by the federal Patient Protection and Affordable Care Act. It prohibits elective abortion coverage in any plan not offered by the exchange but offered within the state, except by supplemental coverage with a separate premium. *Effective date: Nov. 1, 2011. Status: Signed by the governor.*

SB 563, Brown/Mulready, High Risk Pool, includes a temporary high risk pool referred to as the Pre-Existing Condition Insurance Plan program, offered by the Patient Protection and Affordable Care Act under the definition of "creditable coverage" as it relates to Health Insurance High Risk Pool Act. It states that the 18-month creditable coverage period shall not apply to an individual with such coverage. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 623, Aldridge/Mulready, expands the duties of the **Oklahoma Employees Benefits Council** to select and contract with one or more providers to offer a group **Tricare Supplement** product to eligible state employees who are eligible Tricare beneficiaries. The bill states that any membership dues required to participate in a group Tricare Supplement product be paid by the employee. The bill states that for an employee that has opted not to purchase health care coverage and purchases a group Tricare Supplemental product, the amount of the participant's benefit allowance shall be equal to the sum of the monthly premium of the group. It states that an employee who is an eligible Tricare beneficiary may be provided a benefit to purchase a group Tricare supplement but will not be provided any allowance for the supplement for dependents. *Effective date: July 1, 2011. Status: Signed by the governor.*

SB 722, Jolley/Mulready, Compacts/Block Grants, asserts state control in the regulation of health care by creating a compact between certain states and sets forth formulas for determining the right to federal funds for each member state, often commonly known as "block grants." The bill also creates the Interstate Advisory Health Care Commission and establishes membership requirements of the commission as well as duties of the commission, primarily assisting the legislatures of member states in the regulation of health care. It states the formation of

the compact is contingent upon approval from the U.S. Congress. The bill states that each member state, within its state, may suspend by legislation the operation of all federal laws, rules, regulations and orders regarding health care that are inconsistent with the laws and regulations adopted by the member states under the compact. It clarifies language regarding federal funds. It also stipulates that the compact will be in effect upon its adoption by at least two member states and the consent of the U.S. Congress. It allows any state to join the compact after the date on which Congress consents to it. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*

SB 971, Myers/Sears, establishes the **Health Insurance Private Enterprise Network** as a state-beneficiary public trust. SB 971 was one of three bills introduced to address this topic and none advanced. Oklahoma was one of seven states to be awarded a \$54 million Early Innovator Grant from the federal government to help design and implement the information technology infrastructure to operate a health insurance exchange. The governor and legislative leaders held a press conference on April 14 announcing that Oklahoma would not accept the grant.

SB 971 states that the network will be governed by a seven-member board of directors, comprised of:

- one member appointed by the governor representing health insurance carriers granted a certificate of authority by the Oklahoma Insurance Department;
- one member appointed by the House speaker representing consumers who has purchased or is reasonably expected to purchase policies through the network;
- one member appointed by the governor who shall be a health care provider, one member appointed by the governor who shall be a representative of employer groups;
- one member by the Senate president pro tempore who shall be an insurance agent or broker;
- the insurance commissioner; and,
- the secretary of health and human services.

The measure also grants the network the minimum authority under state law that is necessary to avoid the establishment of a federal exchange, requiring:

- funding to come from state and private sources;

- to increase choice and competition in the health insurance market of Oklahoma;
- the network board to establish a system of certification for insurance programs offered in the state to be offered by the network;
- the network board to promulgate rules as necessary to implement the purposes of the act; and
- establishing a system for credentialing licensed insurance producers who intend to market insurance programs certified by the state.

Status: Dormant.

Professions & Licensing

HB 1275, Ownby/Jolley, requested by the Oklahoma Board of Nursing, modifies language related to the **Oklahoma Nursing Practice Act**:

Regarding Advanced Practice Registered Nurses:

- Shifting the authority from “recognition of certification” to “licensure.”
- Title change from Advanced Practice Nurses to Advanced Registered Nurse Practitioners.
- All Advanced Practice Registered Nurses who are currently titled as Advanced Registered Nurse Practitioners will be licensed and titled as Certified Nurse Practitioners. This is a national title change; there is no scope of practice change



Terry Buckner (right), president & CEO, Eastern Oklahoma Medical Center, Poteau, visits with Rep. James Lockhart at the state Capitol.



Left to right: Janet Williams, executive director/payor contracting, Mercy Health System; and Dianne Rasmussen, lobbyist, Mercy Health System; meet with Rep. Todd Russ.

accompanying the title change.

- Effective 2016, the Advanced Practice Registered Nurse curriculum will prepare the graduate to practice in one of the four current roles of certified nurse midwife, clinical nurse specialist, certified registered nurse anesthetist or certified nurse practitioner in at least one of the six population foci: family/individual across the lifespan, adult-gerontology, neonatal, pediatrics, women's health/gender-related or psychiatric mental health. This will standardize the education and national certification across states.
- Removes temporary recognition of the Advanced Practice Registered Nurse.

Regarding licensure:

- Authority given to the board to conduct federal fingerprint criminal background checks for new licensure applicants effective Jan. 1, 2013.
- Addresses paying with insufficient funds, and individuals not responding to board requests to pay funds. Previously, the board has had to go through an administrative process to take licensure action when funds are not paid. The new law will allow the executive director to suspend the license or certificate 10 days following delivery by certified mail of written notice of an insufficient fund payment. The individual may reinstate the license or certificate upon payment

of the fees and any and all costs associated with notice and collection.

- Authority given to the executive director to rescind or withdraw the license (through emergency action) of any individual not entitled to licensure. The individual retains the ability to request a hearing to demonstrate why the license should be reinstated.
- Addresses placing the license in a conditional status for those participants who voluntarily enter the Peer Assistance Program (PAP) (Substance Abuse Program).

Discipline:

- Provides authority to take action on the license of any licensee who defaults from the PAP for any reason.
- Provides authority to impose discipline for failing to maintain professional boundaries, including sexual misconduct with patients.
- Addresses retained jurisdiction for those licensees who allow their license to lapse by not submitting a renewal application. Currently, should a license lapse while a nurse is under investigation, the board has no authority to take licensure action.
- Clarifies disciplined individual is responsible for costs associated with meeting discipline imposed and recovery of investigative cost, as well as the costs incurred by individuals participating in the PAP.
- Addresses automatic suspension regarding incarcerated licensees who are "sentenced." Currently, these persons remain licensed and must be taken through the Administrative Procedures Act to take action on the license. Difficulty exists in obtaining service on these individuals.

Exceptions to the Act:

- Clarifying language regarding registered nurses and licensed practical nurses who are called to our state in attendance temporarily.
- Provision for a licensed nurse who is a military-connected spouse to be exempt from the Act for 120 days allowing the nurse time to meet continuing qualifications for licensure in Oklahoma.

Effective date: Nov. 1, 2011. Status: Signed by the governor.

HB 1826, Trebilcock/Brinkley, requires a **consultant pharmacist** to visit an **ambulatory surgical center** no more than one time per month. It also requires every physician or other person permitted by law to attend upon pregnant females at the time of delivery when the female has had no prenatal care to take or cause to be taken under the order of a licensed physician a sample of blood from the pregnant female and submit the sample to an approved laboratory for a standard serological test for the human immunodeficiency virus. It also defines “approved laboratory.” *Effective date: April 20, 2011. Status: Signed by the governor.*

SB 574, Jolley/Trebilcock, Malpractice Exemptions - Dentists, relates to dentistry licensure. It also provides an exemption from insurance requirements for dentists covered by a group or hospital malpractice insurance policy; practicing in a state facility subject to the Governmental Tort Claims Act; practicing in a federal facility subject to the Federal Tort Claims Act; or providing care as a volunteer under a special volunteer license. *Effective date: July 1, 2011. Status: Signed by the governor.*

SB 772, Jolley/Murphey, creates, until Dec. 1, 2011, a 15-member **Business and Professional License Facilitation Task Force** to study the existing governmental models of Florida, Ohio and other states that have established a central contact point or agency for the facilitation of the majority of business and professional licenses and applications. It requires the task force to report its findings and make recommendations to the Senate president pro tempore, House speaker and governor by Dec. 1, 2011. *Effective date: Aug. 26, 2011. Status: Signed by the governor.*



At the Capitol on Advocacy Day are Rep. David Dank (left) and Jerry Luecke, volunteer, INTEGRIS Baptist Medical Center, Oklahoma City.

State Budget

At the beginning of this legislative session, it was anticipated that the state would experience a \$500 million shortfall in meeting budget demands from the previous year. As session progressed, revenue figures were improving but were still below pre-downturn levels at least through FY '12. Particularly challenging to the health care community was that \$572 million of the current budget of \$1.1 billion for the Oklahoma Health Care Authority were from one-time funding sources. Recognizing that a 1 percent budget cut to the OHCA would result in a reduction of \$9.1 million and hospitals comprise 30 percent of all Medicaid expenditures, further rate cuts were very likely for hospitals. The following are breakdowns achieved by the Legislature and governor to deliver a balanced budget as required by state statute:

With the economy recovering, revenues are rising but are projected to remain well below pre-downturn levels at least through FY '12.

- FY '10 General Revenue collections were 22.7 percent below pre-downturn levels (FY '08);
- FY '11 GR is projected to be 7.8 percent up from FY '10 — but remain 16.7 percent down from FY '08;
- Next year's GR is projected to grow an additional 5.0 percent from this year but to remain 12.2 percent below pre-downturn peaks;

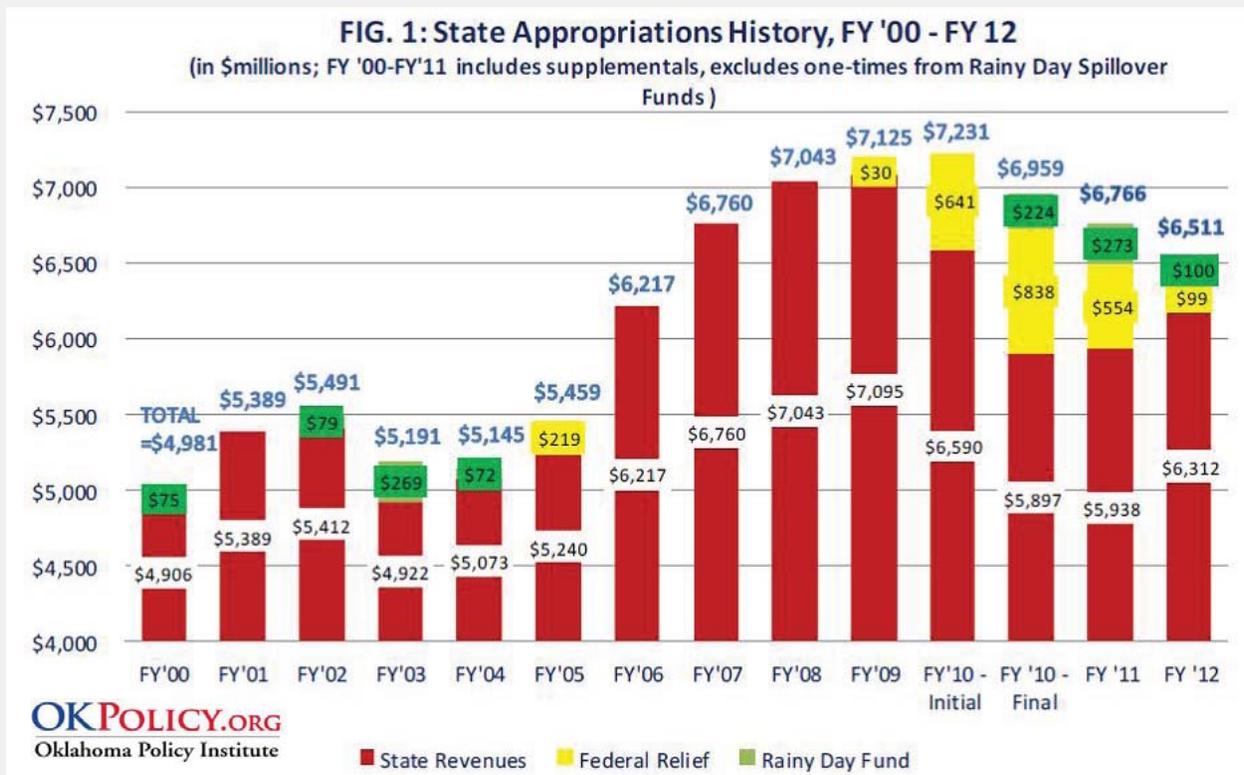
- Revenue growth partly curtailed by cut to the top income tax rate that takes effect January 2012.

Total appropriations for FY '12 are \$6.511 billion.

- Decrease of \$254.8 million, or 3.8 percent, from final FY '11 budget;
- Decrease of \$613.5 million, or 8.6 percent, from FY '09 budget;
- FY '12 state budget will be 3.7 percent less than the budget in FY '07.

To minimize the severity of cuts in the FY '12 budget, the Legislature appropriated some \$440 million of non-recurring revenue, including:

- \$100 million from the Rainy Day Fund (transferred to cash in FY '11);
- \$120 million from the Cash Flow Reserve Fund;
- \$99 million in federal stimulus funds for enhanced Medicaid match;
- \$48 million in assorted transfers from revolving funds and tax compliance measures;
- A \$70 million bond issue for the Department of Transportation.



FY '12 funding decisions prioritized key health, human safety and public safety agencies—but almost all agencies will absorb deeper cuts and none have been funded to cover rising operating and employee benefit costs.

- Only five agencies will receive more appropriations in FY '12 than in FY '09 (Health Care Authority, Commission of Land Office, Election Board, Rehabilitation Services and District Courts);
- Some 40 state agencies—more than half of all appropriated agencies—will have absorbed funding cuts of greater than 20 percent compared to FY '09;
- Agencies have reduced staffing, eliminated or cut back programs, closed offices and facilities, cut rates to private contractors, raised user charges, and adopted other measures to address budget cuts;

- However, in some cases, appropriations cuts have been partly offset by fee increases, use of revolving funds, or other revenues. The Legislature has also approved measures to fund voluntary buy-outs, promote savings and efficiencies, and give agencies and schools greater spending flexibility.

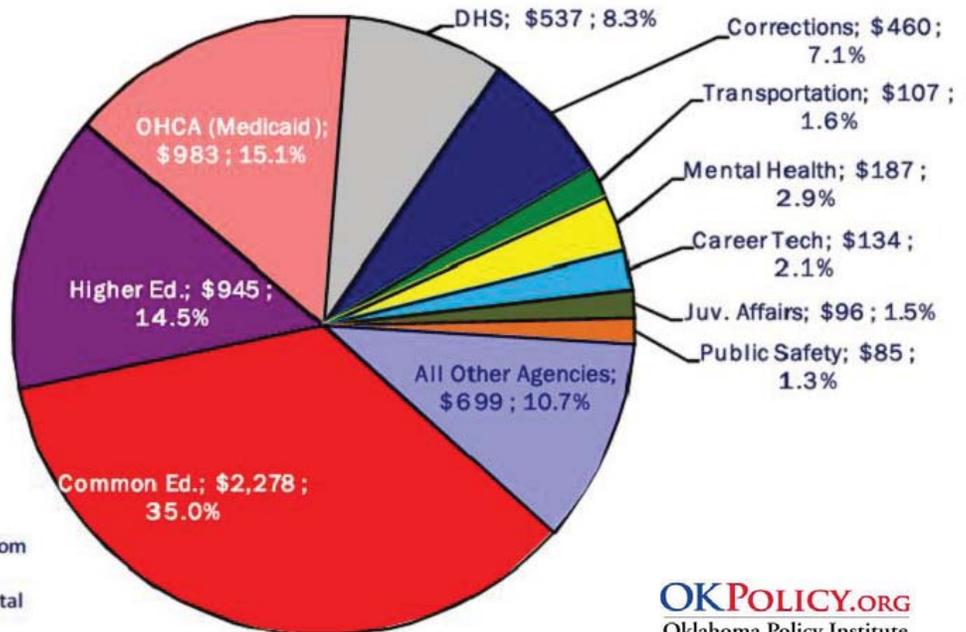
Budget cuts and funding shortfalls will continue to cause harm to Oklahoma students, teachers, families, public employees, non-profit organizations and private sector businesses.

Information provided by OKPolicy.org.

FY '12 Appropriations: Total and 10 Largest Agencies

Total Appropriations: \$6,510.5 million

Total Ten Largest: \$5,811.9; 89.2%



Notes:
 Transportation also received \$70 from bond issue;
 OHCA excludes revenue from hospital provider assessor (SHOPP)

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