



First Session of the 54th
Oklahoma State Legislature
July 2013

State Legislative Report



President's Message

The bright side for Oklahoma health care this past legislative session was the extension of the Supplemental Hospital Offset Payment Program (SHOPP), our provider fee that was enacted in 2011 with a sunset provision of Dec. 31, 2014. The three-year extension (through Dec. 31, 2017) approved this year will continue the much needed stability in Medicaid payments for the current program. Additionally, the state's FY 2014 budget included funding for the anticipated cost of people currently eligible but not enrolled in SoonerCare, provided for ongoing costs for the state's Medicaid programs, and included \$17 million in new funding for mental health services.

The continued unpopularity in Oklahoma of President Obama and the Affordable Care Act made meaningful discussion of health care policy a challenge not only at the state Capitol but throughout many communities. It appears that public opinion on the ACA is being formed largely by basic ideology rather than how actual provisions of the measure truly impact the health and well-being of Oklahomans. The ACA is the law of the land. Let's work with it and work to improve it. Oklahoma's leaders will continue to say no to accepting federal funds for the ACA unless they, and we in the health care community, collectively roll up our sleeves and move forward to improve the health of our citizens. This will not occur until, and unless, we change the conversations within our hospitals, communities, and with our elected leaders

Hospital, trustee and clinical leaders must recognize and act on their responsibility to ensure their local community, business and legislative leaders are equipped with accurate information on what impacts their organization's ability to meet the health care needs of their communities, while strengthening overall health. Whether it is accepting federal funds in a manner that helps provider health insurance for those who cannot afford it; whether it is allowing employers to establish more health-oriented work places; whether it is investing state funds to ensure an adequate

supply of practicing physicians and allied health professionals; whether it is public policy related to tobacco use; whether it is sustaining an infrastructure of first responders in times of disaster, our elected leaders must continually be afforded accurate and locally oriented information that equips them to make sound decisions for the health and welfare of all Oklahomans.



Where do you and your organization's leaders stand in this effort? How can your efforts be improved? How can the OHA be of greater support to you in your efforts? The transitioning environment in which we must operate demands a renewal of our advocacy efforts if we are to realize the outcomes for which our communities are depending upon us. Let us be about this work, together.

Craig W. Jones, FACHE
President

On the cover:

Left: Jim Berry (right), CEO, Purcell Municipal Hospital; and Norma Howard (center), CEO, Lindsay Municipal Hospital; speak with Rep. Lisa Billy (R), Lindsay, at the state Capitol.

Right: Jay Johnson (right), president and CEO, Duncan Regional Hospital, discusses health care issues with Sen. Don Barrington (R), Lawton, outside the Senate Chamber.

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This report provides info about bills of interest that were enacted unless otherwise noted. The Carryover Tracking List, located at www.okoha.com/carryoverlist, includes bills and resolutions tracked by the OHA that were not enacted or vetoed in the 2013 session and may be considered in the 2014 legislative session. Bills on this list are in numerical order beginning with House bills and resolutions, followed by Senate bills and resolutions that are not necessarily covered in this report. Even though the status is shown as “Dormant” on the tracking list, these bills are active for the 2014 session. Dormant is the status for the First Session only.

If you would like a 2013 copy of the actual legislation listed in this report or on the Carryover Tracking List, please contact Melanie Morriss at morrissme@okoha.com and she will provide you with a copy of the legislation listed in this report or on the Carryover Tracking List. ■

The First Session of Oklahoma's 54th Legislature convened on Feb. 4 and adjourned on May 24. In the first session, or 2013 session of the Legislature:

- 2,450 bills and joint resolutions were introduced.
- 431 were signed by Governor Fallin into law.
- 17 were vetoed by Governor Fallin.
- 1,974 bills and resolutions are considered dormant and may be considered in the 2014 session.

Bills and resolutions that were not heard in committee or on the floor of either house of the Legislature may be considered in the Second Session beginning in February 2014.



Corey Lively (right), CEO, Elkview General Hospital, Hobart, meets at the Capitol with Rep. Todd Russ (R), Cordell.

SHOPP Extended through 2017

HB 1031, Cox/David, Supplemental Hospital Offset Payment Program (SHOPP), is OHA initiated legislation that extends the sunset date from Dec. 31, 2014 to Dec. 31, 2017 and updates provisions to ensure payments to hospitals are made in a timely manner. Effective date: Nov. 1, 2013

Enacted in 2011, SHOPP allows hospitals to provide additional money for the state to draw down federal matching funds to approximately the federal upper payment limit. Federal upper payment limit is equivalent to what Medicare would pay for the same patient service. Prior to the passage of the act, Oklahoma hospitals were paid by Medicaid an average of 67 percent of Medicare rates for the same service to patients.

SHOPP assesses hospitals 2.5 percent of annual net patient revenue up to 4 percent to initially generate approximately \$152 million annually for the state's share to garner \$269 million in federal funding for a total of \$421 million. Of the \$421 million, \$338 million is paid to hospitals as supplemental payments for care provided to cover the unreimbursed cost of Medicaid (SoonerCare) patients and \$83 million is used to maintain current SoonerCare payment rates for physicians and other providers to ensure access to care for Oklahoma patients.

Seventy-seven hospitals participate in the assessment, while 71 hospitals are excluded, including critical access hospitals, 14 long-term care hospitals, 14 specialty hospitals, OU Medical Center, one Medicare certified children's hospital, and a hospital which provides the majority of its care under state agency contract.

Affordable Care Act and Insure Oklahoma

Several bills and resolutions were introduced to address the Affordable Care Act (ACA) and are covered in this report under Carryover Bills. Medicaid expansion was not addressed by state leaders and a short term solution to extend Insure Oklahoma was unsuccessful. For more information about the provisions of the ACA go to www.okoha.com/aca.

In the last week of the session (May 20 -24), OHA initiated a call to action for OHA members and the Oklahoma Partners in Health Coalition to call Speaker of the House T.W. Shannon and state representatives to ask them to save Insure Oklahoma. While the effort was unsuccessful, our efforts were successful in bringing attention to the popular Insure Oklahoma program, and the reality that nearly 9,000 individuals, currently insured, will lose coverage on Dec. 31, 2013.

The call to action was prompted by comments made by Speaker



Rep. Doug Cox (R), Grove, is greeted by Craig W. Jones (right), president, OHA, at the association's Advocacy Day at the Capitol.

Shannon in the Oklahoman, where he stated: "I don't believe providing health insurance is a proper or efficient function of government." Additionally, many members of the current Legislature are unfamiliar with Insure Oklahoma because they were elected after its implementation.

Several attempts were made to save Insure Oklahoma using only state tobacco tax funds. **SB 700**, *David/Mulready*, was offered by the Senate leadership but received no traction when the speaker of the House said it would not be heard in the House. After the volume of phone calls directed to the speaker and state representatives, Rep. Glen Mulready offered **HCR 1023** directing the Oklahoma Health Care Authority to run Insure Oklahoma as a state funded program. The speaker supported this approach but the Senate adjourned without hearing the resolution. The Senate made it clear that they offered legislation, **SB 700**, which could have been enacted prior to adjournment and actually would have the force and effect of law, unlike a concurrent resolution.

HCR 1023 only expresses "legislative intent," and because the House leadership refused to consider **SB 700**, Insure Oklahoma terminates. Certainly, the Legislature could have a special session, but that is unlikely.

OHA supports using state tobacco tax funds, in the short term, for Insure Oklahoma so 9,000 insured do not lose coverage. OHA also believes Insure Oklahoma can be used as a model for future health care reform considerations, such as accepting federal funds to address the growing number of uninsured Oklahomans, and does not want to see that option eliminated. A preliminary report issued by Leavitt Partners on May 9, 2013, reaches a similar conclusion. All agree the program would need changes, but the basic structure is in place. Leavitt Partners released the final report to the Oklahoma Health Care Authority Board in June.

Insure Oklahoma operates under a federal waiver administered by the Oklahoma Health Care Authority. No action by the Legislature in this session effectively dismantles this program.

Insure Oklahoma Facts

- Currently, 29,986 individuals receive health insurance and 4,732 small businesses offer subsidized health plans through Insure Oklahoma.
- Of these individuals, 21,584 with household incomes above 100 percent of the federal poverty level will be eligible to purchase insurance in the federal health insurance exchange with premium tax credits effective Jan. 1, 2014.
- Those individuals with incomes below 100 percent of the federal poverty level (8,402) will lose coverage from Insure Oklahoma. For a household of four, 100 percent of the federal poverty level is \$23,550 in annual income.

Campaign to Accept Federal Funds

On April 22, 2013, Oklahomans for a Healthy Economy launched radio ads promoting the need for our state to accept \$8.6 billion in federal funds set aside for health care in Oklahoma under the Affordable Care Act. The message directed listeners to a public website, www.APlanForOklahoma.com. The website is intended to educate the public on why accepting federal funds for the uninsured in Oklahoma is important. The radio ads ran for five weeks and were reinforced by newspaper ads running four weeks in newspapers statewide. This was Phase I of a public campaign, supported largely by the OHA, to change the conversation about accepting federal funds.

OHA's advocacy efforts, in addition to building support among lawmakers, included conducting webinars and preparing a complete toolkit for OHA members to use in their community grassroots efforts. The toolkit is available at www.okoha.com/federalfundingsToolkit and includes: a rural op-ed template, brief community speech outline, complete PowerPoint presentation with notes that can be customized and used specific to a particular community, a Chamber of Commerce or City Council resolution, several sample employee letters to the editor, and a clergy letter to legislators.

During the legislative interim, June through February, OHA is launching Phase II of the public campaign during which it will continue to work with OHA members in their communities to educate community leaders and the public about the importance of accepting federal funds. Additionally, OHA will continue to reach out to organizations to join the effort to build support among lawmakers about the importance of accepting federal funds for Oklahoma's health care needs and reduce our uncompensated care.

Bills Supported by OHA Signed by the Governor

HB 2301, Martin/Jolley, OSU Graduate Medical Education, appropriates \$13 million to the OSU Medical Authority to support graduate medical education programs affiliated with the OSU Medical Center and the OSU Center for Health Sciences. The funds will be appropriated once OSU Medical Authority has clear title to the assets, property and all necessary functional authorities of OSU Medical Center. OSU officials asked for \$18.25 million in state appropriations for the hospital this year, saying that without it a number of possible negative outcomes, including potentially closing the facility, would come into play. By leveraging a portion of that funding against available federal health funding, the facility will end up with the \$18.25 million needed.

OHA supported this legislation and is hopeful some of these funds will be allocated to the *Oklahoma Hospital Residency Training Program Act*, **HB 3058**, enacted in 2012. **HB 3058** established new primary care residency training programs in eligible hospitals, focused on meeting the health care needs of medically underserved areas. Effective date: July 1, 2013.

HB 2191, *Schwartz/Stanislawski*, **Employee Wellness**, is OHA initiated legislation that amends the Small Employer's Health Insurance Reform Act to permit offering wellness programs to employees including smoking cessation. This provision is also included in **HB 1512** and **SB 911**. Effective date: Nov. 1, 2013.

HB 1672, *Blackwell/Holt*, **60-Day Notice on Rx Deletions**, requires that any health benefit plan that provides prescription drug coverage or contracts with a third-party for prescription drug services, shall notify enrollees presently taking a prescription drug at least 60 days prior to any deletions, other than generic substitutions, in the health benefit plan's prescription drug formulary. Effective date: Nov. 1, 2013.

HB 2188, *Schwartz/David*, **Medical Records Copy Costs**, modifies the fees for paper and electronic copies of medical records as follows:

- Paper records requested by doctors, hospitals and personal representatives remain at a charge of 50 cents per page;
- Paper records requested from attorneys and insurance companies would be produced at a base charge of \$10 and the existing 50 cents per page;
- Electronic records charges would move from the existing 12 cents per page rate to a rate of 30 cents per page, and the total charges would be capped at \$200 if the entire request can be reproduced from an electronic health record in the specified format requested and may be delivered electronically;
- Establishes a flat fee of \$5 for each x-ray, photograph, im-



Jim Berry (right), CEO, Purcell Municipal Hospital; and Norma Howard (center), CEO, Lindsay Municipal Hospital; speak with Rep Lisa Billy (R), Lindsay, at the state Capitol.

age, or pathology slide by deleting the actual cost of reproduction requirement;

- Adds business associates of health care providers that handle requests for records; and,
- Prohibits health care providers and business associates from charging a person who requests their own record for searching, retrieving, reviewing and preparing the record.

Effective date: Nov. 1, 2013.

HCR 1019, *Schwartz/Marlatt*, **Telemedicine**, requests the Corporation Commission continue to permit funding from the Oklahoma Universal Service Fund for not-for-profit mental health and substance abuse facilities. Effective date is not required as the HCR expressed legislative intent.

SB 250, *Bingman/Derby*, **Workers' Compensation MRI Fix**, defines reimbursement for MRI stating that no reimbursement will be applied unless the MRI is provided by an entity that meets the Medicare requirement for payment or is accredited by certain organizations. This legislation was necessary to correct a provision in the 2011 workers' compensation reform bill that restricted the payment for open MRI procedures. The provisions are included in **SB 1062**. Effective date: April 12, 2013.

SB 369, *Ivester/Sherrer*, **Mental Health Evaluations**, requires a copy of powers of attorney and advance health care directives accompany an individual to a pre-commitment mental health evaluation related to involuntary commitment. Records of proceedings will be open to inspection by the person's treatment advocate. If the individual is unable to understand the written materials pertaining to the order requiring the examination or the written explanation of the examination, copies will be provided to the person's treatment advocate. Effective date: Nov. 1, 2013.

SB 765, *Treat/Derby*, **Oral Cancer Medication**, requires any health benefit plan that provides coverage and benefits for cancer treatment provide coverage of prescribed orally administered anticancer medications on a basis no less favorable than intravenously administered or injected cancer medications. Effective date: Nov. 1, 2013.

Carryover Bills Supported by OHA

HB 1488, *Ritze/Holt*, **Smokers as Protected Class**, is OHA initiated legislation that exempts hospitals from the provision that prohibits Oklahoma employers from discharging smokers or setting employment conditions about tobacco use in nonworking hours. Status: Did not receive a hearing in House committee.

SB 36, *Simpson/Cox*, **Restore Local Rights**, repeals Oklahoma's tobacco preemption law which does not allow cities to regulate smoking. Status: Voted down in Senate committee 5-2.

Gov. Fallin announced plans to explore an initiative petition to address the issues of tobacco use and second hand smoke. Gov. Fallin supported SB 36 and worked to achieve its passage.

SB 327, *Holt/Ritze*, **Smokers as Protected Class**, is OHA initiated legislation that repeals the section in Oklahoma labor law that makes smokers a protected class. Status: Passed Senate committee and did not receive a Senate floor hearing.

SB 640, *Crain/Cox*, **Insure Oklahoma**, amends language of the

Oklahoma Medicaid Program Reform Act of 2003 to address premium assistance. The authors intended to use SB 640 as a vehicle to address accepting federal funds to expand Insure Oklahoma. Status: In Joint Conference Committee.

SB 634, *Schulz/Ownby*, **CRNA**, is OHA initiated legislation allowing CRNAs practicing in a hospital setting to order anesthesia upon the request of a physician and without physician supervision. Status: Did not receive a hearing in Senate committee. Two related bills held in committee that remove the physician supervision requirement in any setting are **HB 1676** and **SB 990**.

SB 777, *Burrage*, **Medicaid Expansion**, requires the state to expand the Medicaid program as provided in the Affordable Care Act. Status: Did not receive a hearing in Senate committee.

Carryover Bills Opposed by OHA

HB 1021, *Ritze/Dahm*, **ACA**, declares the Affordable Care Act invalid in Oklahoma. Status: Passed the House and did not receive a Senate committee hearing. **HB 2073**, *Fisher*, **SB 93**, *Anderson*, **SB 203**, *Dahm*, are similar legislation.

HB 1549, *McCullough/Brecheen*, **Federal Overreach Act**, specifies that any rule of the OHCA or Department of Human Services must be approved by the Legislature. Status: Passed House committee and did not receive a House floor hearing.

HB 1892, *Cockroft*, **Immunization Exemption**, provides that a health care facility permit a religious exemption for flu immunizations. Status: Did not receive a hearing in House committee.

HB 1918, *Shannon*, **ACA - Taxes**, amends the Oklahoma tax code to subtract from Oklahoma income any fine to a federal agency imposed pursuant to the ACA, for a business that does not offer contraceptives, sterilization and abortifacients in the health plan. Status: Did not receive a hearing in House committee.

HB 1930, *Jackson*, **Emergency Rule Approval**, restricts the governor's ability to approve emergency rules of a state agency in

certain areas. Emergency rules may be necessary when the Legislature is not in session. Status: Passed House committee and did not receive a House floor hearing.

HB 2074, Fisher, Insurance

Network Transparency, requires a hospital to notify each patient prior to treatment about treating physicians who are out of network of the hospital. Status: Passed House committee and did not receive a House floor hearing.

SB 219, Dahm, Repeals OHIET, restricts funding to the Oklahoma Health Information Exchange Trust as of 2014. The result is the same as repealing the trust. Status: OHA defeated this bill in Senate committee 4-4. A tie vote defeats legislation.

SB 691, Aldridge/Nelson, Compulsory Insurance Law is amended so that if an insured motorist is at fault in a car accident with an uninsured motorist who is in need of medical care due to the accident, the uninsured motorist is not entitled to medical coverage under the insured motorist's policy unless the insured motorist is driving under the influence of drugs and/or alcohol or involved in the commission of a crime. Status: Passed the Senate and House committee and did not receive a House floor hearing.

Hospital Administrator 2013 Checklist

The OHA recommends an internal discussion with key groups within the hospital to alert them to changes that will be impacting hospital operations on these issues:

Health Information

Medical records charges for digital copies will increase from 12 cents to 30 cents per page. See summary of HB 2188 for other provisions.

Clinical

Make sure copies of powers of attorney and advanced health directives accompany an individual to a pre-commitment mental health evaluation related to involuntary commitment. See summary of SB 369.

All newborns will be required to have a pulse oximetry screen prior to discharge per HB 1347. The Oklahoma State Health Department will be writing rules to include this new requirement in the hospital standards.

Alert staff who provide end of life care regarding the new provisions of the Nondiscrimination in Treatment Act, HB 1403.

Pharmacy and emergency services should be made aware of several new provisions:

· HB 2226 requires a prescription for the purchase of the morning after pill for anyone under the age of 17. However, recently the FDA has recommended that over-the-counter access should not be restricted by age. This puts state law in conflict with a federal recommendation.

· No refills of hydrocodone containing products will be allowed per HB 1783. HB 1419 allows for OBND to notify a health care provider if a patient is possibly unlawfully obtaining prescription drugs. This bill also allows for an interface with the state prescription monitoring program (PMP) and electronic health records interface. Expect to receive instructions from the Board of Pharmacy and/or the OBND on both of these bills.

· SB 765 requires orally administered cancer drugs on a basis not less favorable than IV or injected cancer medications. Insurance billing personnel as well as staff treating cancer patients should be aware of this new provision.

· The Suicide Prevention Council will be adding two members. SB 181 allows for the governor to appoint either medical providers or hospital administrators to these two positions. If you are interested in serving, please contact Patti Davis at davis@okoha.com.

Notifications/Postings

While HB 3075 passed in the 2010 session requiring posting of a legal notice in each waiting room or consultation room that it is illegal to perform an abortion against the patient's will, notification requirements continued this session requiring notification and consent for abortion to the parent of an emancipated minor in HB 1361. HB 1588 requires 48 hours to pass after a request of written informed consent of a pending abortion has been delivered to a parent or guardian, before an abortion is performed on an un-emancipated minor. HB 2015 amends existing abortion reporting forms to indicate where the abortionist has hospital privileges.

SB 27 requires providers to post signs in areas that provide services to Medicaid recipients with information on how to report providers suspected of **Medicaid fraud**. The information that will be required in this notice will be developed by the Oklahoma Health Care Authority.

If an employer chooses to opt out of **traditional workers' compensation** coverage, employer must provide written notification to employees and insurance commissioners per SB 1062.

If your hospital does not allow for **open carry of guns** on your property, SB 173 requires notification of public by posting signs prohibiting guns on premises.

PS: Don't forget

We continue to get calls regarding inmate care of county prisoners. The Medical Expense Liability Revolving Fund, administered by OSEEGIB (now EGID), was created several years ago by legislation. Expenses in excess of \$8,000 per ailment or injury may be considered against the fund. Sections of applicable law are found at Title 19, Chapter 16, Sections 746 and 746.1 and Title 20, Chapter 18, Sections 1313.7.

For more information on any of these bills, go to www.okoha.com/2013legreport.



Sen. Kim David (R), Porter, discusses health care issues with Bruce Lawrence (left), president and CEO, INTEGRIS Health, Oklahoma City; and Jimmy Leopard (right), CEO, Wagoner Community Hospital.

Legislation of Health Care Interest

Hospitals & Other Health Facilities

HB 1081, *Sanders/Marlatt*, amends the **Public Competitive Bidding Act** and the change orders to public construction contracts providing that when the unit price change of a construction contract does not exceed \$20,000, the unit price change order computation may be based on an acceptable unit price basis in lieu of cost itemization. The bill states when the unit price change exceeds \$20,000, any unit price for a new item established at or below the average 18-month price history may be used in lieu of cost itemization as required. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1347, *Kirby/David*, **Pulse Oximetry Screening**, initiated by the American Heart Association, directs the State Department of Health to require each birthing facility to perform a pulse oximetry screening on every newborn and allows the board of health to promulgate rules necessary to carry out the purpose of the law. Effective date: April 18, 2013. Signed by the governor.

HB 1403, *Johnson/Sykes*, **Non-discrimination in Treatment Act**, requires that the same life-saving treatment be provided to elderly and disabled patients as would be provided to a person without a disability or who is younger. Further, it provides that a cause of action for injunctive relief

may be maintained against any health care provider who could be reasonably believed to have violated or about to violate the act. Currently, all hospitals with Medicare contracts comply with the Federal Civil Rights Act, which does not permit discrimination. The OHA opposed this legislation as unnecessary and confusing. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1745, *Wright/Ivester*, **Assisted Living**, requires a resident of an assisted living facility to disclose any third party provider of medical services or supplies prior to delivery. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1911, *Shannon/Newberry*, **Unemployment Benefits**, requires an individual filing an unemployment claim to sign an affidavit, created by the Oklahoma Employment Security Commission (OESC), describing in plain language the criteria that would disqualify a claimant from benefits. In the case of misconduct or a positive drug or alcohol test, the bill provides the claimant with the burden of proof and establishes circumstances where the employee may be terminated for misconduct. An immediate cessation of benefits would ensue if an employer delivers evidence that an offer

of suitable work was offered to the claimant, provided the OESC has the final determination regarding benefits. Effective date: Nov. 1, 2013. Signed by the governor.

SB 5, Stanislawski/Watson, Temporary Employees, provides that temporary employees of a temporary help firm who leave their last job voluntarily without good cause may be denied unemployment benefits if they do not contact the help firm for reassignment and follow other procedures. Effective date: April 22, 2013. Signed by the governor.

SB 37, Anderson/Ritze, Burial Transit, amends language related to the transportation of human remains. The bill makes the chief medical examiner, rather than the local registrar in the district in which the death occurred or the body was found, responsible for signing a burial transit permit. Effective date: Nov. 1, 2013. Signed by the governor.

SB 237, Simpson/Hardin, Nursing Facilities Quality of Care Fee, states that facilities operated by the Oklahoma Department of Veterans Affairs will be exempt from the fee. Effective date: April 29, 2013. Signed by the governor.

SB 347, Ballenger/Sanders, Fire Extinguisher Regulation is transferred from the State Department of Health to the Office of the State Fire Marshal. Effective date: Nov. 1, 2013. Signed by the governor.

SB 372, Paddock/Thomsen, Not for Profit, removes the requirement that a copy of Form 990 be filed by a charitable organization for the most recently completed fiscal year. Effective date: Nov. 1, 2013. Signed by the governor.

SB 461, Holt/Brumbaugh, Public Competitive Bidding Act of 1974, clarifies language related to the Act by requiring a public agency, in-

cluding political subdivisions, to not let or award a public construction contract exceeding \$50,000 to any contractor affiliated with a purchasing cooperative unless the purchasing cooperative and the contractor have complied with all of the provisions of the Act, including, but not limited to, open competitive bidding after solicitation for sealed bids; and to not let or award a public construction contract exceeding \$5,000 up to \$50,000 to any contractor affiliated with a purchasing cooperative unless the purchasing cooperative and the contractor have complied with all of the provisions of the Act. Effective date: Nov. 1, 2013. Signed by the governor.

SB 592, Holt/Schwartz, Dispute Resolution, permits an assisted living center upon a written request to the State Department of Health, to participate in an informal dispute resolution panel to be offered by the State Department of Health as an alternative to the informal dispute resolution process outlined in statute. Effective date: Nov. 1, 2013. Signed by the governor.

SB 630, Jolley/Murphey, Bids, requires any bid submissions



Left to right are Randy Segler, CEO, Comanche County Memorial Hospital, Lawton; Sen. Randy Bass (D), Lawton; and Sharon Dudley, COO, Comanche County Memorial Hospital.

made by a state agency or any political subdivision that substitute an item with one that is alike in quality and design not be prohibited. The bill also provides that no sole source bid proposal can be limited so that materials must be supplied from a vendor within any specific geographical area. Effective date: May 7, 2013. Signed by the governor.

SB 917, David/Nelson, Child Care Licensing, updates exemptions for certain child care facilities including tribal land programs, military facility programs and programs where children are not enrolled by their parents. It also provides that specialized service professionals who provide services to a child in a child care facility are not subject to a criminal history records search if the professional is not employed by the child care program and a release is signed by the parent or guardian of the child. Specialized service professional is defined in the act as an individual from an academic discipline or field of expertise who provides individualized services to a child such as behavioral or physical therapists. Effective date: Nov. 1, 2013. Signed by the governor.

Insurance and State & Education Employees Insurance (OMES-EGID)

The Office of Management & Enterprise Services (formerly the Office of State Finance) and the Employee Group Insurance Division (formerly State & Education Employees Insurance Board, OSEEGIB) are now known as OMES-EGID under the new government consolidation.

HB 1107, Mulready/Brecheen, State Employee Insurance, is an OMES-EGID request bill that allows for tax warrant intercept against individual income tax refunds claims for medical services



Rep. Larry Glenn (D), Miami, gets a visit from Joel Hart, president, INTEGRIS Baptist Regional Health Center, Miami.

rendered, induced, or otherwise obtained as a result of fraud, breach of contract, error, ineligibility or any illegal or unauthorized means. It permits an active state employee to opt out of the health and dental basic plan options only and retain the life and disability plan benefits. State employees must have other health insurance to opt out. **HB 1107** is a companion bill to **SB 945**. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1343, Kirby/Brown, Native American Owned Insurance Company, clarifies that such entities are not considered a foreign insurance company and may apply for a license to conduct insurance business in Oklahoma. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1512, Mulready/Brown, OID Omnibus Bill, is a request bill by the Oklahoma Insurance Department. The bill amends the regulatory laws of several industries overseen by the Insur-

Workers' Compensation

ance Commission including education requirements for insurance adjusters, prepaid funeral, and brokers. It also contains language at OHA's request of **HB 2191**, relating to wellness programs. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1792, *Christian/Brooks*, **Oklahoma Temporary Motorist Liability Plan**, is new law to provide minimum vehicle liability insurance coverage when a citation is issued and the vehicle license plate has been seized. Effective date: Nov. 1, 2013. Signed by the governor.

HB 2226, *Schwartz/Griffin*, **Morning-After Pill Restriction**, requires a health benefit plan to utilize prior authorization forms for obtaining prior authorization for prescription drug benefits for any state regulated health plan. The bill also requires a prescription for the purchase of Plan B One-Step "morning-after" emergency contraceptive by any person under the age of 17. Effective date: July 1, 2013. Signed by the governor.

SB 975, *Johnson/Kirby*, **Dental Claim Appeals**, directs health benefits plans or dental plans to establish and maintain appeal procedures for the denial of a claim based on a lack of medical necessity. A denial must be based upon a determination by a dentist with a non-restricted license in the U.S. A dentist or subscriber may file the appeal. Effective date: Nov. 1, 2013. Signed by the governor.

SB 945, *Bingman/Martin*, **Intercept**, current law excludes a state agency from filing a claim to collect debt owed to the agency for health care or medical services via a deduction from a taxpayer's state income tax refund. **SB 945** removes this exclusion. It is a companion bill to **HB 1107**. Effective date: Nov. 1, 2013. Signed by the governor.

SJR 8, *Bingman/Shannon*, **ACA**, requests the president, vice president and Congress work to eliminate or reform the Affordable Care Act's health insurance tax and other Affordable Care Act taxes. Effective date: April 16, 2013. Signed by the governor.

HB 2201, *Grau/Bingman*, **CompSource Mutual Insurance Company Act**, privatizes CompSource. Effective date: Jan. 1, 2015. Signed by the governor.

SB 1062, *Bingman/Shannon*, **Administrative Workers' Compensation Act**, repealing the existing Workers' Compensation statute (Title 85) and creates a new Title 85A establishing an administrative workers' compensation system. The bill allows employers to opt out of the state's workers' compensation system but employers must create their own defined benefits plans. For a detailed summary of the provisions, go to www.owcc.state.ok.us/PDF/SB1062_Summary_FINAL.pdf.

Section 50 includes the provisions of the medical fee schedule including, but not limited to:

- Two year review by the Commission (currently the Court Administrator conducts the review and recommends changes). The most current Fee Schedule established by the Administrator of the Workers' Compensation Court prior to the effective date of this section shall remain in effect, unless or until the Legislature approves the Commission's proposed Fee Schedule.
- Radiology – **SB 1062** includes the provisions in **SB 250**, the MRI bill, and further, for all other radiology procedures, the reimbursement rate shall be the lesser of the reimbursement rate allowed by the 2010 Oklahoma Fee Schedule and 207 percent of the Medicare Fee Schedule. (Fee schedule is same as passed in 2011.)
- For reimbursement of medical services for Evaluation and Management of injured employees as defined in the Fee Schedule adopted by the Commission, the reimbursement rate shall not be less than 150 percent of the Medicare Fee Schedule. (Same as passed in 2011.)
- Any entity providing durable medical equipment, prosthetics, orthotics or supplies shall be accredited by a CMS-approved accreditation organization. If a physician provides durable medical equipment, prosthetics, orthotics, prescription drugs, or supplies to a patient ancillary to

the patient's visit, reimbursement shall be no more than 10 percent above cost. (Same as passed in 2011.)

- The Commission shall develop a reasonable stop-loss provision of the Fee Schedule to provide for adequate reimbursement for treatment for major burns, severe head and neurological injuries, multiple system injuries, and other catastrophic injuries requiring extended periods of intensive care. The fee schedule in 2011 established a \$70,000 threshold for outliers.
- Implantables are paid in addition to procedural reimbursement paid for medical or surgical services. (Same as passed in 2011.)

Other notable provisions include:

- Mental injury or illness is not compensable unless caused by a physical injury.
- Heart attacks, strokes, respiratory arrest are removed as a compensable injury unless the treatment is related to other factors contributing to physical harm in the course and scope of employment.
- Hernias are not compensable unless a preponderance of evidence can be met that it is a work related injury.
- Injured employees must give oral or written notice within 30 days of injury.
- Clean claims are to be paid within 30 days.

Effective date: Jan. 1, 2014. Signed by the governor.

Medicaid

HB 1399, *Johnson/Sykes*, **Sales Tax**, authorizes certain individuals purchasing medicine, medical equipment and prosthetic devices, which are reimbursed by Medicare or Medicaid, to directly remit sales tax to the Oklahoma Tax Commission (OTC) and allows these individuals to file a report and remit sales tax quarterly if the sales tax owed averages less than \$500 each month. Currently, only vendors purchasing more than \$800,000 annually in taxable items for use in Oklahoma enterprises qualify for the direct payment permit. Effective date: April 24, 2013. Signed by the governor.

SB 27, *Brecheen/Hulbert*, **Fraud Reporting**, directs the Oklahoma Health Care Authority to require providers to display information about how to report providers suspected of fraudulent activity relating to the Oklahoma Medicaid program. Effective date: Nov. 1, 2013. Signed by the governor.

SB 272, *David/Cox*, **Dual-Eligible Study**, requires the Oklahoma Health Care Authority to conduct a feasibility study of current and potential care coordination models that could be implemented for dually-eligible persons by Dec. 31, 2013. The bill defines dual-eligible persons as low-income seniors and younger persons with disabilities who are enrolled in both the Medicare and Medicaid programs. Effective date: April 22, 2013. Signed by the governor.

SB 292, *Crain/Sanders*, **OHCA Liens**, states that the county treasurers will provide the Oklahoma Health Care Authority (OHCA) with a list of properties in each county that will be sold at tax resales and the OHCA will produce a list of each county property with OHCA liens which will be made available to potential buyers. The measure does not allow the filing of the lien release to extinguish debt owed to OHCA. Effective date: Nov. 1, 2013. Signed by the governor.

Public Health, Human Services, Mental Health & Substance Abuse Services

HB 1069, *Denny/Brecheen*, **Substance Abuse**, states that successful completion of a Department of Corrections-approved substance abuse treatment program shall satisfy the recommendation for a 10-hour or 24-hour alcohol and drug substance abuse course or treatment program. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1113, *Rousselot/Garrison*, **County Wellness Programs**, authorizes county commissioners to provide incentive awards to employees for participating in voluntary wellness programs

which result in improved health. Effective date: Nov. 1, 2013.
Signed by the governor.

HB 1109, *Coody/David, Assessment*, changes from “convicted” to “accused” that a mental health and/or substance abuse assessment may occur. Clarifies the definition of a recovery support specialist and where they may operate. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1419, *Morrisette/Standridge, Unlawful Prescriptions*, directs the director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control to notify a health care provider if a patient is possibly unlawfully obtaining prescription drugs. The Bureau is authorized to enter into agreements and contracts with vendors as necessary to facilitate the electronic transmission of data contained within the central repository to registrants and other persons. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1781, *Russ/Griffin, Anti-Drug Diversion Act Repository*, amends language relating to central repository information. To facilitate the study of the illegal use of hydrocodone, the bill allows the Department of Mental Health and Substance Abuse Services and the State Board of Health to have access to information collected at the central repository. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1783, *Russ/Griffin, Hydrocodone Products*, prohibits refills on hydrocodone-containing products (i.e., Lortab, Vicodin). Such products remain a Schedule III controlled substance. Effective date: Nov. 1, 2013. Signed by the governor.

HB 2101, *Fourkiller/Jolley, Epinephrine Injectors*, directs school districts’ amended policies regarding epinephrine injectors to require parent notification, a waiver of liability to be on file, and the designation of an employee responsible for obtaining the injectors. A school employee must call 911 as soon as possible if

a student is believed to be having an anaphylactic reaction. The State Board of Education must develop a model policy. Effective date: Nov. 1, 2013. Signed by the governor.

HB 2165, *Echols/Standridge, Lifeline Program*, provides authorization to the Corporation Commission for the establishment and receipt of fine revenue for violations involving the Lifeline program. The measure authorizes fines of up to \$10,000 per violation per day, although most fines would likely be less. Effective date: May 16, 2013. Signed by the governor.

HB 2217, *Derby/Brooks, Uniform Controlled Dangerous Substances Act*, amends the act to require alphabetizing the definitions used in the act. The measure adds numerous chemical compounds to the list of Scheduled drugs and provides that if certain compounds are dispensed in a pharmacy, an attestation by the person receiving the compound that the person is not subject to



Jimmy Leopard (right), CEO, Wagoner Community Hospital, discusses issues with Rep. Wade Rousselot (D), Wagoner.

the Methamphetamine Offender Registry must be included. The bill requires OBNDD to promulgate rules regarding the requirement that notice be given to persons subject to the methamphetamine offender registry. Effective date: Nov. 1, 2013. Signed by the governor.

SB 101, *Anderson/Enns*, **Task Force on State Services for Adults with Asperger's Syndrome and Autism**, created until Dec. 31, 2013, to study the needs of this population in Oklahoma, the services currently available for assisting these individuals in Oklahoma, and make specific recommendations to the Legislature regarding services that need to be provided to this population. Status: Vetoed by the governor.

SB 181, *David/Ortega*, **Oklahoma Suicide Prevention Council**, extends from Jan. 1, 2015, to Jan. 1, 2020, and increases its membership from 21 to 27. Two licensed medical providers or hospital administrators, appointed by the governor are among the new members. Effective date: Nov. 1, 2013. Signed by the governor.

SB 295, *Ivester/Murphey*, **Recovery Support Services**, are added to the list of services for which facilities and organizations shall be certified by the Department of Mental Health and Substance Abuse Services. The bill adds certified community addiction recovery centers to the definition of community-based crisis center. Provides an exemption for faith-based organizations. Effective date: Nov. 1, 2013. Signed by the governor.

SB 460, *Griffin/Nelson*, **Child Abuse Reporting Penalties**, requires the Department of Human Services to record all incoming calls to the child abuse and neglect hotline and keep on file for a period of 90 days. Any person with "prolonged knowledge," meaning at least six months, of ongoing child abuse or neglect who knowingly and willfully fails to promptly report to authorities could be found guilty of a felony. Effective date: Nov. 1, 2013. Signed by the governor.

SB 501, *Simpson/Ownby*, **Tobacco Use**, allows counties and municipalities to enact laws restricting smoking on property owned by the entity. Effective date: Nov. 1, 2013. Signed by the governor.

SB 581, *Ivester/Sherrer*, **Petition for Treatment**, removes hospital administrators and executive directors of facilities from those able to file petitions to determine whether an individual is in need of treatment at a mental health facility. Mental health professionals, treatment advocates, and family, among others, may file a petition to determine need of treatment. The bill requires notice of the petition to be provided to the treatment advocate, a person having a valid power of attorney with health care decision-



Left to right are: Richard Boone, president, St. John Medical Center Foundation, Tulsa; Kevin Gross, president, Hillcrest HealthCare System, Tulsa; Nic Gould, community relations coordinator, Hillcrest Medical Center, Tulsa; and Tyra Palmer, VP/community and government relations, Hillcrest Health-Care System, Tulsa.

making authority; a person having valid guardianship with health care decision-making authority; a person having an advance health care directive; or a person having an attorney-in-fact as designated in a valid mental health advance directive, unless specifically indicated otherwise by the instrument or court order. Effective date: Nov. 1, 2013. Signed by the governor.

SB 587, Justice/Wright, Electronic Monitoring – Nursing Homes,

allows for the voluntary authorized electronic monitoring of a resident's room. Effective date: Nov. 1, 2013. Signed by the governor.

SB 629, Simpson/Hardin, Nursing Homes – Veterans, makes nursing facilities operated by the Oklahoma Department of Veterans Affairs once again subject to the requirements of the Nursing Home Act. Effective date: May 29, 2013. Signed by the governor.

SB 725, David/Derby, LADC/MH, authorizes licensed drug and alcohol and mental health counselors to serve as mental health professionals. Effective date: Nov. 1, 2013. Signed by the governor.

SB 755, Ivester/Sherrer, Treatment Advocate, provides a person holding a power of attorney, advance health care directive or guardianship of a patient be deemed as the treatment advocate for the patient. Effective date: Nov. 1, 2013. Signed by the governor.

SB 853, Treat/Moore, Tumor Registry Reporting, exempts ambulatory service centers from Health Department reporting



Left to right: Rep. Glen Mulready (R), Tulsa; Kevin Gross, president, Hillcrest HealthCare System, Tulsa; Nic Gould, community relations coordinator, Hillcrest Medical Center, Tulsa; and Tyra Palmer, VP/community and government relations, Hillcrest HealthCare System.

requirements of cancerous or precancerous conditions upon submission of a signed affidavit that the ambulatory service center utilizes a sole source pathology laboratory to report any or all data and information necessary for the purposes of this act. Effective date: Nov. 1, 2013. Signed by the governor.

SB 900, Standridge/Grau, Family Planning & Counseling Services, creates a prioritization list in regards to funds allocated to family planning and counseling services. It states that subject to any applicable requirements of federal statutes, rules, regulations or guidelines, any expenditures or grants of public funds for family planning or counseling services by the State of Oklahoma, by and through the Department, shall be made in the following order of priority: to public entities; to nonpublic hospitals, federally qualified health centers, and rural health clinics; and to nonpublic health providers that have as their primary purpose the provision of primary health care services. Effective date: Nov. 1, 2013. Signed by the governor.

EMS & Preparedness

HB 1083, *Ownby/Simpson*, **Oklahoma Emergency Response Systems Development Act** is modified and updates several definitions and requires the Commissioner of Health to maintain a registry of critical care paramedics. Furthermore, only paramedic training programs accredited or under review by the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions may enroll new paramedic students. Additionally, licensed specialty care ambulance providers can only be used for inter-hospital transport if the patient requires specialized enroute medical monitoring and advanced life support that exceeds the capabilities of paramedic life support. Finally, the measure repeals the Commissioner's ability to issue a temporary emergency medical technician license without an examination. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1641, *Jordan/David*, **Risk Exposure**, requires the State Board of Health to promulgate rules to implement a system of notification of emergency medical technicians, paramedics, fire fighters, health care workers, funeral directors, and peace officers, and any person who in good faith renders aid in accordance with the Good Samaritan Act relating to risk exposures during health care activities, emergency response activities or funeral preparations. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1782, *Russ/Griffin*, **EMS - Opiate Antagonists**, is new law that allows first responders to administer opiate antagonists without prescription when encountering signs of an opiate overdose and will be covered under the Good Samaritan Act. Additionally, the bill states, upon request of an individual, that a provider may



Darin Farrell (left), CEO, Arbuckle Memorial Hospital, visits with Sen. Frank Simpson (R), Ardmore at the state Capitol.

prescribe an opiate antagonist to a family member of that individual when the family member is exhibiting signs of an opiate overdose. Effective date: Nov. 1, 2013. Signed by the governor.

HB 2231, *Dorman/Anderson*, **Disaster Preparedness**, requires the Office of Management and Enterprise Services to create and maintain a mobile application for the purpose of assisting counties in applying for emergency assistance. The measure creates the Oklahoma Disaster Relief Price Stabilization Act which prohibits retailers and wholesalers from increasing or decreasing prices during disasters. Effective date: Nov. 1, 2013. Signed by the governor.

SB 257, *Bingman/Shannon*, **Oklahoma School Security Institute** is created in the Oklahoma Office of Homeland Security. Effective date: April 16, 2013. Signed by the governor.

SB 258, *Bingman/Shannon*, **Emergency Plans**, requires natural and man-made disasters and emergency plans to be updated annually by each school, administration building and institution of higher learning, and placed on file at each school district and each

local emergency response organization no later than Nov. 1 of each year. Effective date: April 16, 2013. Signed by the governor.

Medical Licensure and Supervision. Effective date: Nov. 1, 2013. Signed by the governor.

Abortion

HB 1361, *Grau/Treat*, **Parental Notification**, requires a parent be provided notice and consent for an abortion by an un-emancipated minor, among other provisions including that a parent provide the physician a copy of a government-issued proof of identification, and written documentation that establishes that he or she is the lawful parent of the pregnant female. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1588, *Hamilton/Griffin*, **Parental Notification**, requires 48 hours to pass after a request of written informed consent of a pending abortion has been delivered to a parent or guardian, before an abortion is performed on an un-emancipated minor. In a medical emergency, the parent or guardian must be verbally informed and sent a written notice within 24 hours after the abortion is performed. A notice is not required if the parent has stated in a notarized writing that they have been informed, or if the pregnant female declares she is a victim of sexual or physical abuse by a parent. Effective date: Nov. 1, 2013. Signed by the governor.

HB 2015, *Roberts/Loveless*, **Individual Abortion Form**, modifies the form to include among other provisions the number of abortions performed for each hospital at which the health care provider had hospital privileges at the time of the abortion. Effective date: Nov. 1, 2013. Signed by the governor.

Professions

HB 1032, *Cox/Brinkley*, **Respiratory Therapists**, changes the accrediting authority for respiratory therapist programs from the Commission on Accreditation of Allied Health Education Programs (CAAHEP) to the Commission on Accreditation for Respiratory Care (CoARC) or an equivalent national respiratory care educational accreditation agency as identified by the Respiratory Care Advisory Committee and approved by the State Board of

HB 1235, *Derby/Crain*, **D.O. - Temporary Licenses**, adds that upon application, the State Board of Osteopathic Examiners may also issue special licenses, including a Temporary License, a Resident Training License, a Telemedicine License or a Military Spouse License. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1461, *Ownby/Jolley*, **Nurse Practice Act**, requires persons seeking a license as an Advanced Practice Registered Nurse (APRN) to submit a criminal background check. The measure also permits the board to issue prescriptive authority to APRN-CNP, APRN-CNS, or APRN-CNM of another state if they meet Oklahoma's requirements. An applicant for prescriptive authority recognition by endorsement must provide a written statement from an Oklahoma licensed physician supervising prescriptive authority. Effective date: Nov. 1, 2013. Signed by the governor.

SB 302, *Jolley/Grau*, **Board of Podiatric Medical Examiners**, authorizes the board to use certain examinations for licensing exams. Effective date: Nov. 1, 2013. Signed by the governor.

SB 684, *Jolley/Derby*, **Board of Dentistry**, contains amendatory language related to the State Board of Dentistry related to licensing requirements, fees and board employees. Any increased cost of regulation required by the measure is designed to be offset by applicable fee revenue. Effective date: July 1, 2013. Signed by the governor.

Firearms

SB 173, *Griffin/Newell*, **Property Owner Immunity**, provides that a person, corporation, place of worship or any other business entity that does or does not prohibit the carrying of a weapon on property is immune from any liability. The property owner shall post a sign on or about the property stating such prohibition. Effective date: Nov. 1, 2013. Signed by the governor.

Government Consolidation & Oversight

HB 1467, *Murphey/Griffin, Oklahoma Public Health Advisory Council Modernization Act*, consolidates numerous boards and committees. OHA worked with the bill's authors to describe the responsibilities of the Hospital Advisory Council and it was not consolidated with other committees. Other committees of interest consolidated include:

- **Trauma and Emergency Response Advisory Council**, under the Board of Health, is now the entity that assumes the duties of the Oklahoma Emergency Response systems Development Advisory Committee, the Medical Audit Committee and the Trauma systems Improvement and Development Advisory Committee; and,
- A new **Board of Behavioral Health Licensure** is now the entity that assumes the duties of the Licensed Behavioral Practitioners Advisory Board, the Licensed Marital and Family Therapists Advisory Board and the Licensed Professional Counselor's Advisory Board. The State Board of Health transfers all responsibility to the new board.

For a complete listing of the changes go to the OHA website at <http://bit.ly/10geexL>. Effective date: Nov. 1, 2013. Signed by the governor.

HB 1917, *Shannon/Bingman, Federal Funds*, requires each state agency to develop a contingency plan and corresponding budget to be prepared for a reduction in federal funds of up to 25 percent. Governor Fallin **vetoed** the measure stating that statute already provides for adequate review of all funds.

HB 2055, *Jackson/Treat, Agency Rule Approval*, allows the Legislature to affirmatively approve all rules promulgated by state agencies with the adoption of an omnibus joint resolution. Any rule to be disapproved by the Legislature will be specified in the bill. Prior to HB 2055 most agency rules only had to be disapproved by the Legislature. Effective date: Nov. 1, 2013. Signed by the governor.

SB 1008, *Treat/McDaniel, Oklahoma Privatization Act*, authorizes the Office of Management and Enterprise Services to establish a repository of the best privatization practices and have the ability to oversee the contracting for privatization opportunities. Effective date: Aug. 22, 2013. Signed by the governor.



Left to right: Sen. John Sparks (D), Norman; Cynthia Hilterbrand, network coordinator, SMRTNET/OKC Metro HIE; and Tressa Lyon, RHIT, supervisor, Norman Regional Health System.

Liability & Lawsuit Reform

SB 404, *Jolley/Jordan*, **Personal Injury Trust Fund Transparency Act**, is new law which sets requirements for any filed action for a personal injury or other tort for the required disclosures for the plaintiff, discovery and use of materials, the scheduling of the trial and stays of action, the defendant's identification of additional or alternative personal injury trusts, valuation of personal injury trust claims and judicial notice, credit, and the failure to provide information and sanctions. Effective date: Nov. 1, 2013. Signed by the governor.

SB 1080, *Johnson/Trebilcock*, **Post Judgment Interest**, requires such interest be calculated at the contractual rate. Effective date: Nov. 1, 2013. Signed by the governor.

SB 1083, *Johnson/Jordan*, **Liability Protection**, offers certain protections for any officer, director or shareholder of a corporation or any members and managers of a limited liability company (LLC) that has claims filed against them for any debt or liability incurred by the corporation or LLC in which they are associated. Effective date: May 13, 2013. Signed by the governor.

2009 Lawsuit Reform overturned: On June 4, 2013, the **Oklahoma Supreme Court overturned the 2009 Comprehensive Lawsuit Reform Act** finding the statutes violate the Oklahoma Constitution. The court based its ruling on two issues: (1) the statute requiring an affidavit of merit in professional negligence actions was a "special law" which only applies to a certain class of persons; and, (2) the law violated the "single subject" rule of the Oklahoma Constitution by "logrolling" unrelated statutes into one bill. **HB 1603**, Sullivan/Coffee, created the **Comprehensive Lawsuit Reform Act of 2009**.

Two provisions that are superseded by 2011 legislation and are not overturned are the **Elimination of Joint & Several Liability (SB 862)**, which makes a defendant responsible for the portion of damages that the defendant actually caused, and the **Cap on Non-Economic Damages (HB 2128)**, which lowers the cap recoverable in a civil action for bodily injury from \$400,000 to \$350,000.

Fiscal Year 2014 - State Budget Highlights

Oklahoma's economy continued to improve in state fiscal year (FY) 2013. The fiscal year begins on July 1 and ends on June 30 of each year. There were moderate increases in revenues for state leaders to consider while working out the FY 2014 budget. An additional \$285 million, a 4.1 percent increase over last year, was appropriated in the budget going largely to education, health and mental health, human services and maintenance and repair of state buildings. In addition, \$45 million was withdrawn from the Rainy Day Fund for tornado relief. The following information is provided by The Oklahoma Policy Institute. For more information go to OKPolicy.org.

Most agency budgets have not kept up with inflation:

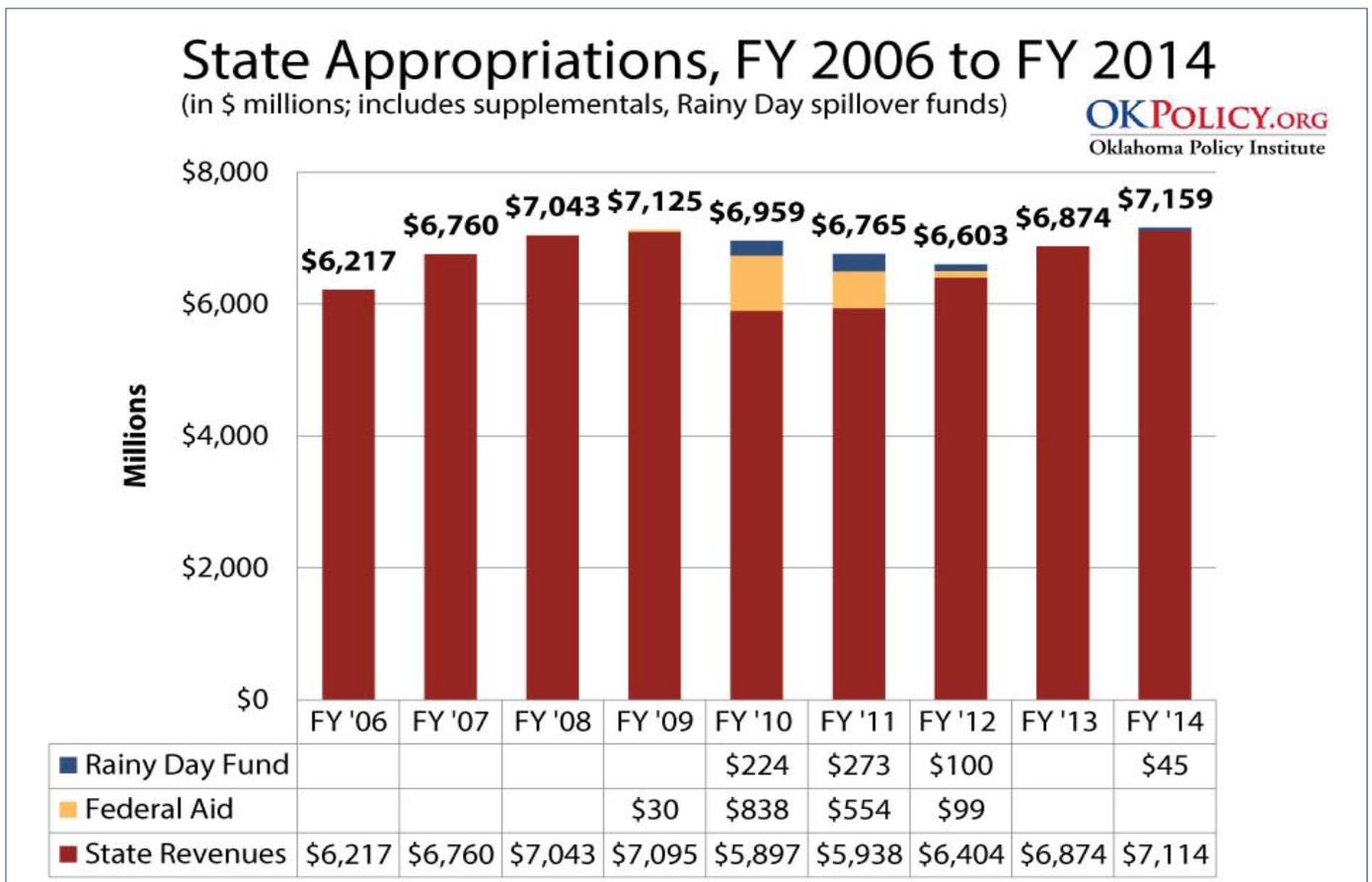
- In 2013 dollars, the FY 2014 budget is \$572 million below FY 2009.

- In 2013 dollars, 40 out of 73 appropriated state agencies remain 20 percent or more below FY 2009 funding levels. This year, 39 agencies received funding cuts or flat funding.

Some health and human services agencies received funding increases.

- Oklahoma Health Care Authority: \$39.7 million for maintenance and annualization of the program, as well as provide funding for six months for 44,000 children and 17,000 adults who are eligible today but not enrolled in SoonerCare.
- Department of Mental Health and Substances Services: \$17.4 million to support initiatives including suicide prevention, prescription drug abuse and treatment, and counseling for children with mental illness.

While the State Regents received \$33 million, most of it goes to debt restructuring cost. The Department of Education received \$74 million to partially fund education reforms and boost the school funding formula. Elementary and secondary schools will receive the lowest share of the budget since at least FY 2000.



Tax Cut Outcome

HB 2032, Shannon/Bingman,

reflects the compromise that was reached by the governor, the House and the Senate to delay tax cuts until 2015. The measure reduces the top individual income tax rate from 5.25 percent to 5.0 percent for tax year 2015, with further reduction in the top individual rate from 5 percent to 4.85 percent beginning Jan. 1, 2016, provided the Board of Equalization determines that the amount of General Revenue Fund growth exceeding the anticipated amount of collections to the fund would decline as a result of reducing the rate

0.15 percentage point. Additionally, the bill creates the Oklahoma State Capitol Building Repair and Restoration Fund and apportions \$60 million each in 2014 and 2015.

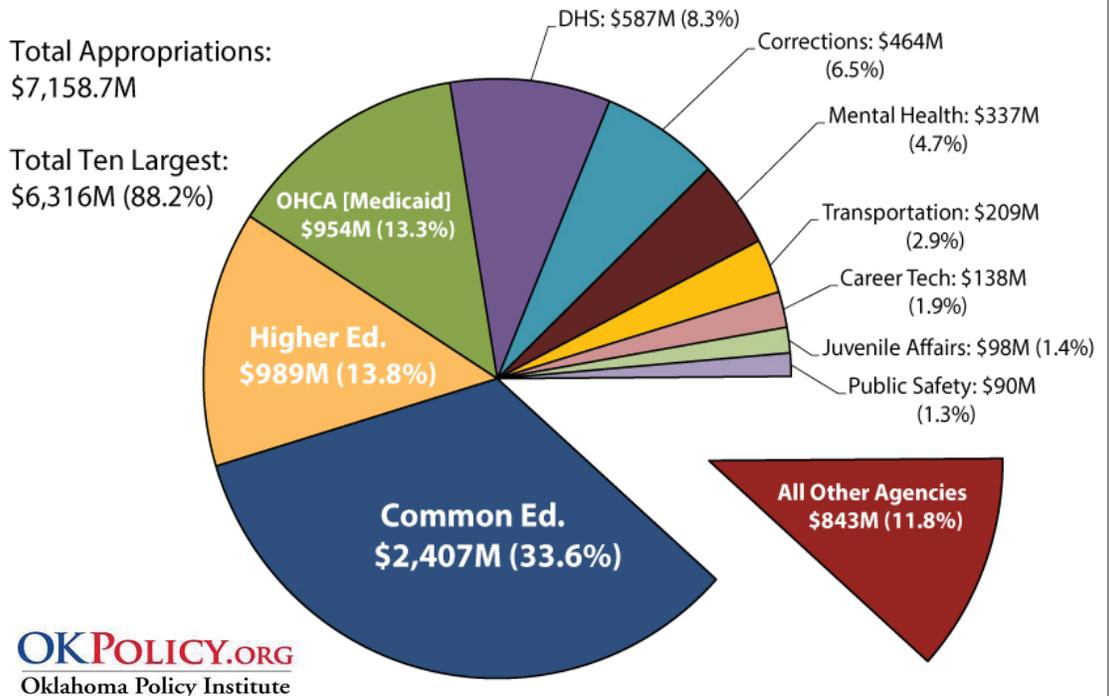
According to the Oklahoma Policy Institute, the cost of the proposed tax cut from 2011 to 2022 would trim \$1,478,000 from the state budget. Conversely, the cost of expanding Medicaid for the same time frame would be \$689,000.

Legal Challenge Filed: On June 6, 2013, a legal challenge was filed in the Oklahoma Supreme Court against **HB 2032** by Oklahoma City attorney Jerry Fent. Fent claims the legislation violates the “single-subject” rule in the Oklahoma Constitution, failed to receive the three-fourths “super majority” vote required of revenue raising measures and creates a special appropriation by diverting revenue that would otherwise go to the General Revenue Fund to the special fund set up to repair the Capitol. Oral arguments are scheduled in the Supreme Court for July 9.

FY 2014 Appropriations to Ten Largest Agencies (total includes \$45M from Rainy Day Fund for tornado relief)

Total Appropriations:
\$7,158.7M

Total Ten Largest:
\$6,316M (88.2%)



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