

An Act

ENROLLED HOUSE
BILL NO. 2784

By: Caldwell (Trey), Kane, and Stewart of the House

and

Hall and Haste of the Senate

An Act relating to public health; amending 63 O.S. 2021, Section 3274, which relates to Oklahoma State University Medical Authority; relating to Medicaid supplemental payments; authorizing venture cooperative for certain training; requiring annual certification; amending 63 O.S. 2021, Section 3278, which relates to Oklahoma State University Medical Authority; providing for certain agreements and contract; allowing for certain benefits; providing for certain persons to serve in specific positions; providing for the use of certain services or goods; amending Section 17, Chapter 395, O.S.L. 2022 (56 O.S. Supp. 2024, Section 4002.12b), which relates to Medicaid state plan amendments; allowing for participation in certain waivers by specific entities; creating the Emergency Medicine Revolving Fund; establishing revolving fund characteristics; declaring funds to be appropriated; providing for codification; and providing an effective date.

SUBJECT: Public health

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 3274, is amended to read as follows:

Section 3274. A. Any hospital or hospitals purchased, leased or constructed by the Oklahoma State University Medical Authority shall be operated as general hospitals and shall be licensed by the

State Commissioner of Health, and shall, as far as possible, meet the standards, requirements and essentials of the Joint Commission on Accreditation of Health Care Organizations and the American Osteopathic Association or, alternatively, meet Medicare certification by the Center for Medicare and Medicaid Services. Provided, the State Commissioner of Health may waive any such standards, requirements and essentials as the Commissioner deems necessary.

B. Any such hospitals may provide services and receive payments under Titles XVIII and XIX of the federal Social Security Act, and may participate in other federal medical programs.

C. Any such hospitals shall be available as teaching and training hospitals for the colleges of the Oklahoma State University Center for Health Sciences, for other health and educational facilities and shall provide indigent patient care.

D. For the purpose of Medicaid supplemental payments, the Oklahoma State University Medical Trust shall be authorized to enter into a cooperative venture for the purpose of training students within an American College of Surgeons Level I Trauma Center or centers operated by the Oklahoma State University Medical Trust or an affiliated entity approved by the Trust. The Oklahoma State University Medical Authority shall annually certify to the Oklahoma Health Care Authority that the Level I trauma center meets such standards and requirements with respect to any Medicaid supplemental payments to be received from the Oklahoma Health Care Authority for the Level I Trauma Center.

SECTION 2. AMENDATORY 63 O.S. 2021, Section 3278, is amended to read as follows:

Section 3278. A. The Oklahoma State University Medical Authority shall have the authority to:

1. Enter into agreements and cooperative ventures with other health care providers to share services or to provide a benefit to the hospitals;

2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers pursuant to the Oklahoma State University Medical Authority Act;

3. Join or sponsor organizations or associations intended to benefit the hospitals;

4. Have members of its governing body or its officers or administrators serve without pay as directors or officers of any organization, association, or cooperative ventures authorized pursuant to the Oklahoma State University Medical Authority Act; and

5. Offer, directly or indirectly, products and services of the hospitals, any cooperative venture, or organization to the general public.

B. All agreements and obligations undertaken, as permitted under this section, by the Oklahoma State University Medical Authority shall be for a public purpose. In addition to any other limitations, conditions or restrictions provided by law, the following conditions shall apply to contractual agreements entered into pursuant to this section:

1. Private and public funds shall be accounted for separately; and

2. The state shall not assume any liability for private entities.

SECTION 3. AMENDATORY Section 17, Chapter 395, O.S.L. 2022 (56 O.S. Supp. 2024, Section 4002.12b), is amended to read as follows:

Section 4002.12b. A. The Oklahoma Health Care Authority shall ensure the sustainability of the transformed Medicaid delivery system.

B. The Authority shall ensure that existing revenue sources designated for the state share of Medicaid expenses are designed to maximize federal matching funds for the benefit of providers and the state.

C. The Authority shall develop a plan, utilizing waivers or Medicaid state plan amendments as necessary, to preserve or increase supplemental payments available to providers with existing revenue sources as provided in the Oklahoma Statutes including, but not limited to:

1. Hospitals that participate in the supplemental hospital offset payment program as provided by Section 3241.3 of Title 63 of the Oklahoma Statutes;

2. Hospitals in this state that have Level I trauma centers, as defined by the American College of Surgeons, that provide inpatient and outpatient services, along with comprehensive pediatric services, and are owned or, operated by, or in partnership with the University Hospitals Trust or the Oklahoma State University Medical Trust, or affiliates or locations of those hospitals designated by the University Hospitals Trust or the Oklahoma State University Medical Trust as part of the hospital trauma system. The qualified entities in the Oklahoma City metropolitan area shall be a hospital owned, operated, or in partnership with the University Hospitals Authority or University Hospitals Trust. The qualified entities in the Tulsa metropolitan area shall be a hospital owned, operated, or in partnership with the Oklahoma State University Medical Authority, or Oklahoma State University Medical Trust; and

3. Providers employed by or contracted with, or otherwise a member of the faculty practice plan of:

- a. a public, accredited Oklahoma medical school, or
- b. a hospital or health care entity directly or indirectly owned or operated by the University Hospitals Trust or the Oklahoma State University Medical Trust.

D. Subject to approval by the Centers for Medicare and Medicaid Services, the Authority shall preserve and, to the maximum extent permissible under federal law, improve existing levels of funding through directed payments or other mechanisms outside the capitated rate to contracted entities, including, where applicable, the use of a directed payment program with an average commercial rate methodology under the Supplemental Hospital Payment Program Act.

E. On or before January 31, 2023, the Authority shall submit a report to the Oklahoma Health Care Authority Board, the Chair of the Appropriations Committee of the Oklahoma State Senate, and the Chair of the Appropriations and Budget Committee of the Oklahoma House of Representatives that includes the Authority's plans to continue supplemental payment programs and implement a managed care directed payment program for hospital services that complies with the reforms required by this act. If Medicaid-specific funding cannot be

maintained as currently implemented and authorized by state law, the Authority shall propose to the Legislature any modifications necessary to preserve supplemental payments and managed care directed payments to prevent budgetary disruptions to providers.

F. The Authority shall submit a report to the Governor, the President Pro Tempore of the Oklahoma State Senate and the Speaker of the Oklahoma House of Representatives that includes at a minimum:

1. A description of the selection process of the contracted entities;
2. Plans for enrollment of Medicaid members in health plans of contracted entities;
3. Medicaid member network access standards;
4. Performance and quality metrics;
5. Maintenance of existing funding mechanisms described in this section;
6. A description of the requirements and other provisions included in capitated contracts; and
7. A full and complete copy of each executed capitated contract.

G. 1. Each contracted entity shall report to the Authority in time intervals determined by the Authority and through a process determined by the Authority all claims data, expenditures, and such other financial reporting information as may be required by the Authority.

2. The Authority shall compile and analyze the information described in paragraph 1 of this subsection and annually submit a report summarizing such information, devoid of any personally identifying information, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Oklahoma Health Care Authority Board.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3294 of Title 63, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Medical Trust to be designated the "Emergency Medicine Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma State University Medical Trust from appropriations. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Medical Trust for the purpose of training students within an American College of Surgeons Level I Trauma Center or centers operated by the Oklahoma State University Medical Trust or an affiliated entity approved by the Trust. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 5. This act shall become effective September 1, 2025.

Passed the House of Representatives the 20th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 22nd day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____. M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____. M.
By: _____