

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
FOR
5 HOUSE BILL NO. 1630

By: Sneed of the House

6 and

7 Bullard of the Senate

8

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10 COMMITTEE SUBSTITUTE

11 An Act relating to medical facilities; defining
12 terms; prohibiting operation of certain facility
13 without a license; providing certain interpretation;
14 requiring separate license for each location;
15 prohibiting transfer or assignment of certain
16 license; providing penalty for noncompliance;
17 requiring the establishment of certain
18 classification; providing certain exceptions; setting
19 requirements for certain application; requiring
20 licensing fee; requiring Oklahoma Commissioner of
21 Health to adopt certain rules and set certain fees;
22 authorizing facility inspections; requiring licensing
23 fees to be deposited in certain revolving fund;
24 requiring Oklahoma Commissioner of Health to adopt
 certain rules; requiring consultation; requiring
 facility to provide examination for determination of
 emergency medical condition; requiring facility to
 meet certain standards; requiring agreement;
 prohibiting certain reimbursement; authorizing
 complaints against certain facilities to be filed
 with the State Department of Health; authorizing
 State Department of Health to take certain action for
 certain violations; authorizing emergency order of
 license suspension; providing procedure for hearing;
 authorizing petition for temporary restraining order;
 authorizing district courts to issue injunctions;
 directing the Attorney General to file suit at

1 request of Department; establishing venue;
2 authorizing administrative penalties; limiting amount
3 of penalties; providing basis for calculating amount
4 of penalty; requiring certain written notice;
specifying information to be included in written
notice; providing for judicial review of certain
order; creating revolving fund; providing for
codification; and providing an effective date.
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7 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

8 SECTION 1. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2667 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 As used in this act:

12 1. "Commissioner" means the Oklahoma Commissioner of Health;

13 2. "Department" means the State Department of Health;

14 3. "Emergency care" means health care services provided to
achieve stabilization as needed for conditions that reasonably
15 appear to constitute a life- or limb-threatening emergency based on
the presenting symptoms of the patient;

16 4. "Facility" means a short-term emergency and nonemergency
hybrid medical facility;

17 5. "Maximum emergency stay period" means any patient who is
treated for an emergency situation and is prohibited from being
18 treated or held any longer than twenty-four (24) hours so long as
the necessary treatment required is deemed an emergency. Maximum
19 emergency stay period shall not apply to patients that are

1 stabilized and needing further treatment from being provided
2 nonemergency care;

3 6. "Nonemergency care" means all health care that is not for
4 life-threatening conditions or covered as emergency care under an
5 existing health care policy, including, but not limited to, the
6 following services:

- 7 a. diagnostic testing,
- 8 b. lab testing,
- 9 c. outpatient services,
- 10 d. primary care, and
- 11 e. X-rays, magnetic resonance imaging (MRI), and other
12 types of imaging; and

13 7. "Short-term emergency and nonemergency hybrid medical
14 facility" means a dual-sided facility, structurally separate and
15 distinct from a hospital that is open twenty-four (24) hours per day
16 and seven (7) days a week, with one side of the facility providing
17 emergency care and the other side of the facility providing
18 nonemergency care.

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2668 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. Except as provided by Section 3 of this act, a person shall
23 not establish or operate a short-term emergency and nonemergency

1 hybrid medical facility in this state without a license issued under
2 this act.

3 B. Except as provided by Section 3 of this act, a facility
4 shall not hold itself out to the public as a short-term emergency
5 and nonemergency hybrid medical facility or use any similar term, as
6 defined by State Department of Health rule, that would give the
7 impression that the facility or person is providing emergency care
8 unless the facility or person holds a license issued under this act.

9 C. Nothing in this act shall be interpreted to prohibit a
10 licensed short-term emergency and nonemergency hybrid medical
11 facility from providing other health care services including, but
12 not limited to, imaging, primary care, nonemergency care, and other
13 ancillary services.

14 D. Each separate facility location shall have a separate
15 license.

16 E. A license issued under this act is not transferable or
17 assignable.

18 F. Any person who is convicted of violating a provision of this
19 section shall be guilty of a misdemeanor. Each day of a continuing
20 violation constitutes a separate offense.

21 G. The Oklahoma Commissioner of Health by rule shall establish
22 a classification for a facility that is in continuous operation
23 twenty-four (24) hours per day and seven (7) days per week.

1 H. No license shall be issued to a facility located in a city
2 with an established hospital within twenty (20) miles or twenty (20)
3 minutes (whichever is greater) from a rural hospital and a
4 population of less than thirty thousand (30,000) people unless
5 written permission is obtained from the hospital to operate a short-
6 term emergency and nonemergency hybrid medical facility.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2669 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 The following facilities shall not be required to be licensed
11 under this act:

12 1. An office or clinic owned and operated by a manufacturing
13 facility solely for the purposes of treating its employees and
14 contractors;

15 2. Temporary emergency clinics in disaster areas;

16 3. An office or clinic of a licensed dentist, optometrist, or
17 podiatrist;

18 4. A licensed nursing home;

19 5. A licensed hospital;

20 6. A hospital that is owned and operated by this state;

21 7. A facility located within or connected to a hospital
22 described by paragraph 5 or 6 of this section;

23 8. A facility that is owned or operated by a hospital described
24 by paragraph 5 or 6 of this section and is:

- a. surveyed as a service of the hospital by an organization that has been granted deeming authority as a national accreditation program for hospitals by the federal Centers for Medicare and Medicaid Services, or
- b. granted provider-based status by the Centers for Medicare and Medicaid Services; or

A licensed ambulatory surgical center.

SECTION 4. NEW LAW A new section of law to be codified

10 in the Oklahoma Statutes as Section 2670 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. An applicant for a license under this act shall submit an
13 application to the State Department of Health on a form prescribed
14 by the Department.

15 B. Each application shall be accompanied by a nonrefundable
16 license fee in an amount set by the Oklahoma Commissioner of Health.

17 C. The application shall require that an emergency room is
18 staffed by board-certified emergency room physicians licensed by the
19 State Board of Medical Licensure and Supervision.

20 D. The application shall contain evidence that the facility
21 meets the minimum standards and requirements specified in Section 9
22 of this act.

23 E. The Department shall issue a license if, after inspection
24 and investigation, it finds that the applicant and the facility meet

1 the requirements of this act and the standards adopted under this
2 act.

3 F. The license fee shall be paid annually on renewal of the
4 license.

5 SECTION 5. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2671 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 The Oklahoma Commissioner of Health shall adopt rules necessary
9 to implement this act, including requirements for the issuance,
10 renewal, denial, suspension, and revocation of a license to operate
11 a facility.

12 SECTION 6. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2672 of Title 63, unless there
14 is created a duplication in numbering, reads as follows:

15 The Oklahoma Commissioner of Health shall set fees imposed by
16 this act in amounts reasonable and necessary to defray the cost of
17 administering this act.

18 SECTION 7. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2673 of Title 63, unless there
20 is created a duplication in numbering, reads as follows:

21 The State Department of Health may inspect a facility at
22 reasonable times as necessary to ensure compliance with this act.

1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2674 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 All fees collected under this act shall be deposited in the
5 State Treasury to the credit of the Short-term Emergency and
6 Nonemergency Hybrid Medical Facility Licensing Fund created by
7 Section 17 of this act for the administration and enforcement of
8 this act and for no other purposes.

9 SECTION 9. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2675 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. The Oklahoma Commissioner of Health shall adopt rules
13 necessary to implement this act, including standards for:
14 1. The construction and design of the facility including
15 plumbing, heating, lighting, ventilation, proper air transportation
16 accommodations, and other design standards necessary to ensure the
17 health and safety of patients;

18 2. Any transportation accommodations which shall be required
19 unless a facility is located where air transportation is expressly
20 prohibited by Title 14 of the Code of Federal Regulations;

21 3. The number, qualifications, and organization of the
22 professional staff and other personnel, including the requirement
23 that each facility staff board-certified emergency room physicians
24 when providing emergency care;

1 4. The administration of the facility;

2 5. The equipment essential to the health and welfare of the
3 patients;

4 6. The sanitary and hygienic conditions within the facility and
5 its surroundings;

6 7. The requirements for the contents, maintenance, and release
7 of medical records;

8 8. The minimal level of care and standards for denial of care;

9 9. The provision of laboratory and radiological services;

10 10. The distribution and administration of drugs and controlled
11 substances;

12 11. A quality assurance program for patient care;

13 12. Disclosure, if applicable, of the following:

14 a. the name and Social Security number of the sole
15 proprietor, if the facility is a sole proprietor,

16 b. the name and Social Security number of each general
17 partner who is an individual, if the facility is a
18 partnership,

19 c. the name and Social Security number of any individual
20 who has an ownership interest of more than twenty-five
21 percent (25%) in the corporation, if the facility is a
22 corporation, and

23 d. the names and license numbers of any physicians
24 licensed by the State Board of Medical Licensure and

Supervision or the State Board of Osteopathic Examiners who have a financial interest in the facility or any entity which has an ownership interest in the facility;

5 13. Transfer protocols for patients requiring advanced medical
6 care at a hospital and who require emergency medical treatment
7 extending past the twenty-four-hour maximum stay period;

14. Proper air transportation accommodations; and

9 15. Any other aspect of the operation of a facility that the
10 Commissioner considers necessary to protect the facility's patients
11 and the public.

12 B. In adopting the rules required under subsection A of this
13 section concerning transfer protocols, the Commissioner shall
14 consult with physicians who provide emergency care and medical
15 consultant organizations.

16 SECTION 10. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2676 of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 A. A facility shall provide to each facility emergency patient,
20 without regard to the individual's ability to pay, an appropriate
21 medical screening, examination, and stabilization within the
22 facility's capability, including ancillary services routinely
23 available to the facility, to determine whether an emergency medical

1 condition exists and to determine any necessary stabilizing
2 treatment.

3 B. Each facility shall meet those standards set forth by
4 Section 1395dd of 42 U.S.C. of the Emergency Medical Treatment and
5 Labor Act.

6 C. Before a facility accepts any patient for treatment or
7 diagnosis, the facility shall enter into a referral, transmission,
8 or admission agreement with a hospital licensed in this state.

9 D. An insurer or third-party administrator shall be prohibited
10 from reimbursing a facility licensed under this act on a discounted
11 fee basis for covered services that are provided to an insured
12 unless:

13 1. The insurer or third-party administrator has contracted with
14 either:

15 a. the physician or other practitioner, institutional
16 provider, or organization of physicians and health
17 care providers, or

18 b. the health maintenance organization, exclusive
19 provider organization, or preferred provider
20 organization that has a network of preferred providers
21 and that has contracted with the physician or other
22 practitioner, institutional provider, or organization
23 of physicians and health care providers;

1 2. The physician or other practitioner, institutional provider,
2 or organization of physicians and health care providers has agreed
3 to the contract and to provide health care services under the terms
4 of the contract; and

5 3. The insurer or third-party administrator has agreed to
6 provide coverage for those health care services under the health
7 insurance policy.

8 SECTION 11. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2677 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 A person may file a complaint with the State Department of
12 Health against a facility licensed under this act.

13 SECTION 12. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2678 of Title 63, unless there
15 is created a duplication in numbering, reads as follows:

16 A. The State Department of Health may deny, suspend, or revoke
17 a license for a violation of this act or a rule adopted under this
18 act.

19 B. If the Department finds that a facility is in repeated
20 noncompliance with this act or rules adopted under this act but the
21 noncompliance does not endanger public health and safety, the
22 Department may schedule the facility for probation rather than
23 suspending or revoking the facility's license. The Department shall
24 provide notice to the facility of the probation and of the items of

1 noncompliance not later than the tenth day before the date the
2 probation period begins. The Department shall designate a period of
3 not less than thirty (30) calendar days during which the facility
4 remains under probation. During the probation period, the facility
5 must correct the items that were in noncompliance and report the
6 corrections to the Department for approval.

7 C. The Department may suspend or revoke the license of a
8 facility that does not correct items that were in noncompliance or
9 that does not comply with this act or the rules adopted under this
10 act within the applicable probation period.

11 SECTION 13. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2679 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. The State Department of Health may issue an emergency order
15 to suspend a license issued under this act if the Department has
16 reasonable cause to believe that the conduct of a license holder
17 creates an immediate danger to the public health or safety.

18 B. An emergency suspension under this section is effective
19 immediately without a hearing or notice to the license holder.

20 C. On written request of the license holder, the Department
21 shall conduct a hearing not earlier than the tenth day or later than
22 the thirtieth day after the date the hearing request is received to
23 determine if the emergency suspension is to be continued, modified,
24 or rescinded.

1 D. A hearing and any appeal under this section are governed by
2 the Department's rules.

3 SECTION 14. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2680 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. The State Department of Health may petition a district court
7 for a temporary restraining order to restrain a continuing violation
8 of the standards or licensing requirements provided under this act
9 if the Department finds that the violation creates an immediate
10 threat to the health or safety of the patients of a facility.

11 B. A district court, on petition of the Department and on a
12 finding by the court that a person is violating the standards or
13 licensing requirements provided under this act, may by injunction:

14 1. Prohibit a person from continuing a violation of the
15 standards or licensing requirements provided under this act;
16 2. Restrain or prevent the establishment or operation of a
17 facility without a license issued under this act; or
18 3. Grant any other injunctive relief warranted by the facts.

19 C. The Attorney General shall institute and conduct a suit
20 authorized by this section at the request of the Department.

21 D. Venue for a suit brought under this section is in the county
22 in which the facility is located or in Oklahoma County.

1 SECTION 15. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2681 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The State Department of Health may impose an administrative
5 penalty on a person licensed under this act who violates this act or
6 a rule or order adopted under this act. A penalty collected under
7 this section or Section 16 of this act shall be deposited in the
8 State Treasury in the General Revenue Fund.

9 B. A proceeding to impose the penalty is considered to be a
10 contested case.

11 C. The amount of the penalty may not exceed One Thousand
12 Dollars (\$1,000.00) for each violation, and each day a violation
13 continues or occurs is a separate violation for purposes of imposing
14 a penalty. The total amount of the penalty assessed for a violation
15 continuing or occurring on separate days under this subsection may
16 not exceed Five Thousand Dollars (\$5,000.00).

17 D. The amount shall be based on:

- 18 1. The seriousness of the violation, including the nature,
19 circumstances, extent, and gravity of the violation;
- 20 2. The threat to health or safety caused by the violation;
- 21 3. The history of previous violations;
- 22 4. The amount necessary to deter a future violation;

1 5. Whether the violator demonstrated good faith, including when
2 applicable whether the violator made good-faith efforts to correct
3 the violation; and

4 6. Any other matter that the Department may require.

5 E. If the Department initially determines that a violation
6 occurred, the Department shall give written notice of the report by
7 certified mail to the person.

8 F. The notice under subsection E of this section shall:

9 1. Include a brief summary of the alleged violation;
10 2. State the amount of the recommended penalty; and
11 3. Inform the person of the person's right to a hearing on the
12 occurrence of the violation, the amount of the penalty, or both.

13 G. Within twenty (20) calendar days after the date the person
14 receives the notice under subsection E of this section, the person
15 in writing may:

16 1. Accept the determination and recommended penalty of the
17 Department; or
18 2. Make a request for a hearing on the occurrence of the
19 violation, the amount of the penalty, or both.

20 H. If the person accepts the determination and recommended
21 penalty or if the person fails to respond to the notice, the
22 Oklahoma Commissioner of Health by order shall approve the
23 determination and impose the recommended penalty.

1 I. The notice of the order shall include a statement of the
2 right of the person to a judicial review of the order.

3 SECTION 16. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2682 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. Within thirty (30) calendar days after the date an order of
7 the Oklahoma Commissioner of Health that imposes an administrative
8 penalty becomes final, the person shall:

9 1. Pay the penalty; or

10 2. File a petition for judicial review of the Commissioner's
11 order contesting the occurrence of the violation, the amount of the
12 penalty, or both.

13 B. Within the thirty-day period prescribed by subsection A of
14 this section, a person who files a petition for judicial review may:

15 1. Stay enforcement of the penalty by:

16 a. paying the penalty to the court for placement in an
17 escrow account, or

18 b. giving the court a supersedeas bond approved by the
19 court that:

20 (1) is for the amount of the penalty, and

21 (2) is effective until all judicial review of the
22 Commissioner's order is final;

23 2. Request the court to stay enforcement of the penalty by
24 filing with the court a sworn affidavit of the person stating that

1 | the person is financially unable to pay the penalty and is
2 | financially unable to give the supersedeas bond and by sending a
3 | copy of the affidavit to the Commissioner by certified mail.

4 | C. If the Commissioner receives a copy of an affidavit under
5 | subsection B of this section, the Commissioner may file with the
6 | court, within five (5) calendar days after the date the copy is
7 | received, a contest to the affidavit. The court shall hold a
8 | hearing on the facts alleged in the affidavit as soon as practicable
9 | and shall stay the enforcement of the penalty on finding that the
10 | alleged facts are true. The person who files an affidavit has the
11 | burden of proving that the person is financially unable to pay the
12 | penalty or to give a supersedeas bond.

13 | D. If the person does not pay the penalty and the enforcement
14 | of the penalty is not stayed, the penalty may be collected. The
15 | Attorney General may sue to collect the penalty.

16 | E. If the court sustains the finding that a violation occurred,
17 | the court may uphold or reduce the amount of the penalty and order
18 | the person to pay the full or reduced amount of the penalty.

19 | F. If the court does not sustain the finding that a violation
20 | occurred, the court shall order that a penalty is not owed.

21 | G. If the person paid the penalty and if the amount of the
22 | penalty is reduced or the penalty is not upheld by the court, the
23 | court shall order, when the court's judgment becomes final, that the
24 | appropriate amount plus accrued interest be remitted to the person

1 within thirty (30) calendar days after the date that the judgment of
2 the court becomes final. The interest accrues at the rate charged
3 on loans to depository institutions by the Federal Reserve Bank of
4 New York. The interest shall be paid for the period beginning on
5 the date the penalty is paid and ending on the date the penalty is
6 remitted.

7 H. If the person gave a supersedeas bond and the penalty is not
8 upheld by the court, the court shall order, when the court's
9 judgment becomes final, the release of the bond. If the person gave
10 a supersedeas bond and the amount of the penalty is reduced, the
11 court shall order the release of the bond after the person pays the
12 reduced amount.

13 SECTION 17. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2683 of Title 63, unless there
15 is created a duplication in numbering, reads as follows:

16 There is hereby created in the State Treasury a revolving fund
17 for the State Department of Health to be designated the "Short-term
18 Emergency and Nonemergency Hybrid Medical Facility Licensing Fund".
19 The fund shall be a continuing fund, not subject to fiscal year
20 limitations, and shall consist of all monies received by the State
21 Department of Health from short-term emergency and nonemergency
22 hybrid medical facilities. All monies accruing to the credit of the
23 fund are hereby appropriated and may be budgeted and expended by the
24 State Department of Health for the purpose of administering and

1 | enforcing licensing provisions for short-term emergency and
2 | nonemergency hybrid medical facilities. Expenditures from the fund
3 | shall be made upon warrants issued by the State Treasurer against
4 | claims filed as prescribed by law with the Director of the Office of
5 | Management and Enterprise Services for approval and payment.

6 | SECTION 18. This act shall become effective November 1, 2025.
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8 | COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES
OVERSIGHT, dated 03/06/2025 - DO PASS, As Amended.
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