

House A&B Subcommittee on Public Health and Social Services
Thursday, February 17, 2011, 1:30 p.m., Room 432A, State Capitol.

Subject: Provider fee committee hearing –HB1381” Supplemental Hospital Offset Payment Program Act”

By Travis Brauer, The Journal Record Legislative Report.

The SHOPP (better known as the provider fee) was the only bill heard in this committee today. Rep. Cox did an excellent job in explaining the bill. He stated that it is the most important piece of legislation that he has ever carried in his 7 years in the legislature. He explained that financing health care is very complicated as it is a moving target. He went on to say that health care is not a right, but access is. According to Dr. Cox that is what this bill is about - preserving hospitals across our state. The bill would be better titled, "Preserving Health Care for all Oklahomans" or "Hospital Rescue Act." This bill is not about free care but making sure there are hospitals available.

The bill passed out of committee with a unanimous vote. OHA has done an excellent job in implementing a well planned and coordinated lobbying effort with all hospital lobbyists. The bill will now be scheduled in full A&B committee.

Following are further notes from the Journal Record reporter:

Members Present: Rep. Cox, Chair; Rep. Cooksey, Vice Chair; Rep. Cockroft; Rep. Fourkiller; Rep. Hamilton; Rep. Moore; Rep. Mulready; Rep. Roberts, Sean; Rep. Shelton; Rep. Wesselhoft.

Members Absent: Rep. Derby; Rep. Schwartz.

The Chair called the meeting to order at 1:35 p.m. and stated that it would be the last time for the Subcommittee to meet until the Senate sends bills to the House. The Chair then transferred power of the chair to Cooksey. Cooksey accepted duties of chair and recognized the Chair to introduce House Bill 1381.

HB 1381

The Chair thanked Cooksey for recognizing him to speak about the bill. The Chair stated that he would explain the intent of the bill as quickly and thoroughly as he could. The Chair acknowledged that the measure was a very complex bill that has been a work in progress for the previous four years with lots of insight provided by Center for Medicaid Services, Oklahoma Health Care Authority, and various hospitals.

To begin the explanation of the explanation, the Chair said healthcare was not a right; however, access to healthcare was a right. The Chair then stated that the measure dealt with and only with hospitals, which allowed the intent of the bill to not provide free healthcare, but to provide more access and availability to hospitals. The Chair stated that the official name of the

bill was "Supplemental Hospital Offset Payment Program Act" but a more appropriate name would be the "Hospital Rescue Act."

The Chair then stated that there had to be a decrease in Medicare provider rates by 3.5 percent, which forced some hospitals to change the bottom line of operational costs from black to red.

The Chair said that the best thing about the bill was that there were eight safeguards set in place. The measure would require: the oversight by a committee comprised of five appointed individuals; the program to be considered void if there were no funds from the federal matching program; the program to be considered void if declared invalid by the courts; the program to end automatically in 2014; the money to be used only for hospitals; money cannot be used to replace the general revenue fund; the program to be capped at a maximum of 4 percent; the administration expenses to be a maximum of \$200,000.

The Chair then stated that the bill could not be funded through taxes and cannot be passed on to the consumer. The Chair then went on to say that 35 other states have taken advantage of the Social Security Act, Title 19, and have managed to maintain medical costs. Since the Chair concluded his explanation of the bill, Cooksey recognized Rep. Wesselhoft for questions.

Rep. Wesselhoft asked if all hospitals were for the proposed measure and that if there were any hospitals against the bill, then why. The Chair said that he had been working with lots of hospitals during the creation process of the legislation and no hospital expressed any concern over it. Rep. Wesselhoft then expressed his concern for how the bill would affect the patient's bill, because it made sense that if a hospital had expenditures for maintenance then the patient would absorb the those expenditures. The Chair said due to the two to one ratio of investment return funds received from the federal match program the patient would not absorb any additional costs.

Since there were no further questions and no request for debate, there was a motion for do pass which was seconded.

The measure passed 10-0.

Since there was no further business to be discussed, Cooksey adjourned the meeting at 1:52 p.m.