

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2870</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>10420</b>
<b>Author:</b>	<b>Perryman</b>
<b>Date:</b>	<b>2/26/2020</b>
<b>Impact:</b>	<b>Please see previous summary of this measure</b>

**Research Analysis**

HB 2870 creates the Small Oklahoma Hospital Survival Act. The act is intended to provide contracting and reimbursement fairness for small Oklahoma hospitals. The measure defines *small Oklahoma hospital* as any Oklahoma hospital with 100 beds or fewer, or having an acute care average daily census fewer than 50 patients.

The measure requires all contracts between insurers and small Oklahoma hospitals to:

- Provide reimbursement rates equal to 150% of the Medicare rate or 100% of the prevailing market rate,
- Guarantee payment for prior authorized services,
- Allow any Oklahoma-licensed physician to be an in-network provider, regardless of obtaining admitting privileges to an in-network hospital,
- Be public record and posted on the Oklahoma Insurance Department website,
- Be standard and simple contracts, not to exceed 25 pages in length, and
- Be renegotiated at least once every three years.

Health insurers may not discourage insureds from utilizing services from a small Oklahoma hospital. Contracts between health insurers and small Oklahoma hospitals may not contain confidentiality terms, such as gag clauses or non-disparagement agreements. Further, health insurers with at least 1,000 subscribers or 3,000 beneficiaries must include a small Oklahoma hospital in its network. Further, no contract between a health insurer and small Oklahoma hospital may include an all-products clause or most-favored nation clause. An *all-products clause* is defined as a provision requiring a provider to provide services in another network affiliated with the contracting insurer. A *most-favored nation clause* is defined as a provision disciplining providers when contracting with other entities at a lower price. Lastly, health insurers must notify providers of any material change in the contract within 90 days' notice.

The Oklahoma Insurance Department is directed to maintain and publish data on prevailing market and Medicare reimbursement rates for urban, rural, and small Oklahoma hospitals. Further, former employees of any health insurer are ineligible for employment at the Insurance Department for a period of two years. The Insurance Commissioner is directed to promulgate rules.

Prepared By: Anna Rouw

**Fiscal Analysis**

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

**Other Considerations**

None.

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