

ENGROSSED HOUSE  
BILL NO. 1062

BY: BEGLEY, BATES, LUCAS,  
LITTLEFIELD and ADAIR of  
the HOUSE

and

WILLIAMS (Don) of the  
SENATE

AN ACT RELATING TO STATE GOVERNMENT; AMENDING 74 O.S.  
1981, SECTION 1304, AS LAST AMENDED BY SECTION 2,  
CHAPTER 244, O.S.L. 1990 (74 O.S. SUPP. 1990,  
SECTION 1304), WHICH RELATES TO THE STATE AND  
EDUCATION EMPLOYEES GROUP INSURANCE BOARD;  
AUTHORIZING THE BOARD TO EXTEND HEALTH BENEFITS FOR  
CERTAIN OUT-OF-STATE SERVICES; AND DECLARING AN  
EMERGENCY.

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

SECTION 1. AMENDATORY 74 O.S. 1981, Section 1304, as  
last amended by Section 2, Chapter 244, O.S.L. 1990 (74 O.S. Supp.  
1990, Section 1304), is amended to read as follows:

Section 1304. (1) There is hereby created the State and  
Education Employees Group Insurance Board which shall consist of  
seven (7) members as follows: The Director of State Finance, two  
members appointed by the Governor, two members appointed by the  
Speaker of the House of Representatives, and two members appointed  
by the President Pro Tempore of the Senate. The appointed members

shall each receive compensation of Five Hundred Dollars (\$500.00) per month. Appointed members who fail to attend a regularly scheduled monthly meeting of the Board shall not receive the related monthly compensation. In the event an appointed member does not attend at least seventy-five percent (75%) of the regularly scheduled monthly meetings of the Board during a calendar year, the appointing authority may remove said member. A member may also be removed for any other cause as provided by law. A vacancy in the office of the appointed member shall be filled for the unexpired term of office in the same manner as the original appointment.

(2) The initial term of office of the members appointed by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.

(3) The initial term of office of one of the members appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1992. The initial term of office of the other member appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1994. Thereafter, the term of office of the members appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be four (4) years.

(4) The appointed members shall:

(a) have demonstrated professional experience in investment or funds management, public funds management, public or private group health or pension fund management, or group health insurance management; or

(b) be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or

(c) be licensed by the Oklahoma State Board of Public Accountancy to practice in this state as a public accountant or a certified public accountant.

In making appointments that conform to the requirements of this subsection, at least one (1) but not more than two (2) members shall be appointed each from paragraphs (b) and (c) of this subsection by the combined appointing authorities.

(5) No appointed member of the State and Education Employees Group Insurance Board shall be a lobbyist registered in this state as provided by law, a health care provider, a plan participant, be employed, directly or indirectly, by any insurance company or carrier, or health care provider, or be employed directly or indirectly, by any firm under contract to the Board for any goods or services whatsoever.

(6) The State and Education Employees Group Insurance Board shall not be subject to the provisions of the Oklahoma Sunset Law.

(7) The Attorney General shall furnish the Board with legal representation.

(8) The Court Administrator shall designate grievance panel members as shall be necessary. The members of the grievance panel shall consist of two attorneys licensed to practice law in this state and one state licensed health care professional or health care administrator who has at least three (3) years practical experience, has had or has admitting privileges to a State of Oklahoma hospital, has a working knowledge of prescription medication, or has worked in an administrative capacity at some point in their career. The state health care professional shall be appointed by the Governor.

(9) The Board shall at its first meeting elect one of its members as chairman. He shall preside over meetings of the Board and perform such other duties as may be required by the Board.

(10) The Board shall elect another member to serve as vice-chairman who shall perform the duties of the chairman in the absence of the latter or upon his inability or refusal to act.

(11) The Board shall also elect a secretary who shall keep minutes of all meetings and who shall certify to actions of the Board.

(12) The Board shall adopt rules and regulations requiring payment for medical and dental services and treatment rendered by duly licensed hospitals, physicians and dentists.

(13) The State and Education Employees Group Insurance Board will not have the authority to enter into a contract with out-of-state providers in connection with any PPO or hospital or medical network plan; provided however, said Board may ~~process medical claims in catastrophic or emergency situations by (1) eliminating any per confinement deductible and (2) allowing covered medical expense up to usual and prevailing charges~~ extend the benefits of the network to any participating employee or dependent who:

(a) is referred to an out-of-state hospital by the physician of the person for services not available in the county of residence of the person; or

(b) must be treated by an out-of-state provider for a catastrophic or an emergency situation.

These exceptions will only be allowed ~~according to~~ in accordance with rules defined adopted by the Board ~~and by~~ requiring prior approval ~~as to catastrophic illness expenses~~ except as provided in paragraph (b) of this subsection.

(14) The Board shall contract with the Oklahoma Medical Center for the provision of its services, on the same basis as other hospitals and providers in the state network, provided however the Board shall have discretion to reduce the co-payment and the deductibles up to fifty percent (50%) at the Oklahoma Medical Center, and its medical staff. For purposes of this subsection, the

phrase "Oklahoma Medical Center" shall be limited to the Oklahoma Memorial Hospital, the Children's Hospital of Oklahoma, the O'Donaghue Rehabilitation Institute, and the George Nigh Rehabilitation Institute.

(15) The Administrator shall appoint an advisory committee to the State and Education Employees Group Insurance Board. The advisory committee shall consist of seven (7) members. Of the members appointed to the advisory committee, at least one member must be an active state employee, at least one member must be a retired state employee, at least one member must be an active education employee, at least one member must be a retired education employee, and at least one member must be either an active county employee or a retired county employee.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 11th day of March, 1991.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1991.

President of the Senate