

ENGROSSED HOUSE
BILL NO. 1429

BY: TAYLOR of the HOUSE

and

STIPE of the SENATE

AN ACT RELATING TO INSURANCE; AMENDING 36 O.S. 1981,
SECTION 6055, AS LAST AMENDED BY SECTION 2, CHAPTER
37, O.S.L. 1989 (36 O.S. SUPP. 1990, SECTION 6055),
WHICH RELATES TO ACCIDENT AND HEALTH INSURANCE
BENEFITS; AUTHORIZING INSURERS TO ESTABLISH
PREFERRED PROVIDER ORGANIZATION; REQUIRING SUCH
ORGANIZATION TO ALLOW CERTAIN PRACTITIONERS TO BE A
PARTICIPANT IN THE ORGANIZATION; PROVIDING AN
EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. AMENDATORY 36 O.S. 1981, Section 6055, as
last amended by Section 2, Chapter 37, O.S.L. 1989 (36 O.S. Supp.
1990, Section 6055), is amended to read as follows:

Section 6055. A. For any individual, group, blanket, franchise
policy, insurance trust, nonprofit contract or agreement whatever,
providing accident or health benefits hereafter renewed or issued
for delivery from out of Oklahoma or in Oklahoma by any insurer,
whether a stock or mutual insurance company, medical service
corporation or association, nonprofit hospital service and medical
indemnity corporation, self-insured trust, nonprofit group, or any
other type of insurer whatever, and covering an Oklahoma risk, the

services and procedures may be performed by any practitioner selected by the insured, or his parent or guardian if the insured is a minor, provided that the practitioner is duly licensed under the laws of this state to perform such services or procedures approved by the appropriate board of examiners. The practitioner, at the option of the insurer, may be compensated when benefits are assigned and on file and claims are processed on standard American Medical Association forms and a duplicate copy of the bill has been sent to the insured.

B. The practitioner shall be equally compensated for such services and procedures on the basis of charges prevailing in the same community for similar services and procedures to similarly ill or injured persons regardless of the branch of the healing arts to which the practitioner may belong, provided such profession or practitioner does not permit false and fraudulent advertising or such profession or practitioner does not aid or abet the insured to violate the terms of the contract or agreement.

~~B.~~ Nothing in this ~~section~~ subsection shall prohibit a ~~practitioner from contracting with a payor, payors or insurers for an insurer from establishing a preferred provider organization (PPO) and a standard provider contract therefor, specifying the terms and conditions, including alternative levels or methods of payment, that must be met by a practitioner in order to qualify for payment as a preferred provider. The terms and conditions shall not discriminate against or among the classes of practitioners specified in Section 6054 of this title. Any practitioner willing to meet the terms and conditions of a standard provider contract, including any requirement that patients be admitted to participating hospitals and willing to sign the contract, shall not be excluded from participating as a preferred provider in the preferred provider organization (PPO).~~

For purposes of this subsection, preferred provider organization shall include employer-sponsored, provider-sponsored as well as insurer-sponsored preferred provider organization.

SECTION 2. This act shall become effective July 1, 1991.

SECTION 3. 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 5th day of March, 1991.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate