

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 193

BY: SHEDRICK of the SENATE

and

MAXEY of the HOUSE

AS INTRODUCED

AN ACT RELATING TO INSURANCE; AMENDING 36 O.S. 1981, SECTIONS 3624, SECTION 1, CHAPTER 37, O.S.L. 1989, 6055, AS LAST AMENDED BY SECTION 2, CHAPTER 37, O.S.L. 1989 (36 O.S. SUPP. 1990, SECTIONS 6054 AND 6055), WHICH RELATE TO ASSIGNMENT OF POLICIES AND ACCIDENT AND HEALTH BENEFITS; PROVIDING FOR ASSIGNMENT OF ACCIDENT AND HEALTH POLICY TO HEALTH CARE PROVIDER; REQUIRING DIRECT COMPENSATION FROM ASSIGNED POLICY TO HEALTH CARE PROVIDER UPON MEETING CERTAIN CONDITIONS; DEFINING TERM; PROVIDING A SHORT TITLE; REQUIRING DIRECT PAYMENT TO PRACTITIONERS UPON MEETING CERTAIN CONDITIONS; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AMENDATORY 36 O.S. 1981, Section 3624, is amended to read as follows:

Section 3624. A A. Except as provided in subsection B of this section, a policy may be assignable or not assignable, as provided

by its terms. Subject to its terms relating to assignability, any life or accident and health policy, whether heretofore or hereafter issued, under the terms of which the beneficiary may be changed upon the sole request of the insured, may be assigned either by pledge or transfer of title, by an assignment executed by the insured alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer. Any such assignment shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge, or written notice by or on behalf of some other person claiming some interest in the policy in conflict with the assignment.

B. The benefits under an accident and health policy, at the insured's option, shall be assignable to a health care provider who has provided services, procedures or supplies which are covered under such policy. A health care provider shall be compensated directly by an insurer for services, procedures or supplies which have been provided when the following conditions are met, namely:

1. Benefits available under an accident and health policy have been assigned in writing by the insured to the health care provider;

2. A copy of the assignment has been provided by the health care provider to the insurer;

3. A claim has been submitted by the health care provider to the insurer on a uniform health insurance claim form prescribed by the Insurance Commissioner pursuant to Section 4510 of Title 36 of the Oklahoma Statutes; and

4. A copy of the claim has been sent by the health care provider to the insured.

C. As used in subsection B of this section, the term "health care provider" means any person, firm, corporation, or other legal entity who is licensed, certified, or otherwise authorized by the

law of this state to provide health care services, procedures or supplies in the ordinary course of business or practice of a profession.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6053 of Title 36, unless there is created a duplication in numbering, reads as follows:

This section and Sections 6054 through 6057 of Title 36 of the Oklahoma Statutes shall be known and may be cited as the "Oklahoma Freedom of Choice Act".

SECTION 3. AMENDATORY Section 1, Chapter 37, O.S.L. 1989 (36 O.S. Supp. 1990, Section 6054), is amended to read as follows:

Section 6054. As used in ~~Sections 6055 through 6057 of Title 36 of the Oklahoma Statutes~~ the Oklahoma Freedom of Choice Act, "practitioner" means a person holding a valid license to practice medicine and surgery, osteopathy, chiropractic, podiatry, optometry or dentistry, pursuant to the state licensing provisions of Title 59 of the Oklahoma Statutes.

SECTION 4. 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, or 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 B.~~ A practitioner, at the option of the insurer, may shall 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~~ directly by an insurer for services and procedures which have been provided when the following conditions are met, namely:

1. Benefits available under an insurance policy, plan or contract have been assigned in writing by the insured to the practitioner;

2. A copy of the assignment has been provided by the practitioner to the insurer;

3. A claim has been submitted by the practitioner to the insurer on a uniform health insurance claim form prescribed by the Insurance Commissioner pursuant to Section 4510 of Title 36 of the Oklahoma Statutes; and

4. A copy of the claim has been sent by the practitioner to the insured.

~~The C.~~ A 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.~~ D. Nothing in this section shall prohibit a practitioner from contracting with a payor, payors or insurers for alternative levels or methods of payment.

SECTION 5. This act shall become effective September 1, 1991.

43-1-290

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