

ENGROSSED SENATE
BILL NO. 1025

By: Dickerson of the Senate

and

Steidley of the House

[State and Education Employees Group Insurance Act -
amending 74 O.S., Section 1303, and Section 3,
Chapter 400, O.S.L. 1992 - effective date -
emergency]

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 1303, as amended by Section 54, Chapter 239, O.S.L. 1993 (74 O.S. Supp. 1993, Section 1303), is amended to read as follows:

Section 1303. For the purposes of and as used in this act:

(a) "Board" means the State and Education Employees Group Insurance Board as created by this act;

(b) "Employee" means those state employees, education employees and other eligible employees participating in the State and Education Employees Group Insurance Act;

(c) "Education Employee" means those employees other than adjunct professors employed by a state institution of higher education, in the service of an education entity who are members or are or will be eligible to become members of the Teachers' Retirement System of Oklahoma and who receive compensation for such service after the education entity begins to participate in the State and Education Employees Group Insurance Act and visiting

faculty who are not eligible for membership in the Teachers' Retirement System of Oklahoma;

(d) "Adjunct Professor" means a person employed by an institution of higher education who is attached in a subordinate or temporary capacity to the faculty or staff, and who is contracted to instruct in a given specific discipline;

(e) "Visiting Faculty" means a person employed by an institution of higher education who is not eligible for academic rank or tenure, other than an adjunct professor, and who is contracted to instruct in a given specific discipline generally not to exceed one (1) academic year;

(f) "Education Entity" means a school district, an area vocational-technical school district or an institution comprising The Oklahoma State System of Higher Education;

(g) "State Employee" means and includes each officer or employee in the service of the State of Oklahoma who, after January 1, 1966, received his compensation for service rendered to the State of Oklahoma on a warrant issued pursuant to a payroll certified by a department or by an elected or duly appointed officer of the state or who receives payment for the performance of personal services on a warrant issued pursuant to a payroll certified by a department and drawn by the State Treasurer against appropriations made by the Legislature from any state fund or against trust funds held by the State Treasurer, ~~who is employed in a position normally requiring actual performance of duty during not less than one thousand (1,000) hours per year,~~ and whose employment is not seasonal ~~or temporary,~~ except that a person elected by popular vote will be considered an employee during his tenure in office. Effective July 1, 1994, state employees who are employed in positions whose employment requires less than full-time service or whose employment is on a temporary basis shall receive coverage, provided that they are not otherwise receiving coverage through the Board due to their employment status,

after they have first been employed by the State of Oklahoma thirty (30) calendar days, and that state employees who have been otherwise receiving coverage through the Board shall not experience a reduction or break in coverage by a change in employment that would result in their being considered a temporary employee. Provided, however, that employees who are otherwise eligible who are on approved leave without pay shall be eligible to continue coverage during such leave not to exceed twenty-four (24) months, as provided in the Merit Rules for Employment published by the Office of Personnel Management, from the date the employee goes on such leave provided the employee pays the full premiums due or persons who are drawing disability benefits under Section 1331 et seq. of this title or meet each and every requirement of the State Employees Disability Program shall be eligible to continue coverage provided the person pays the full premiums due;

(h) "Carrier" means the State of Oklahoma or a state designated Health Maintenance Organization (HMO). Such HMO shall be a federally qualified Health Maintenance Organization under 42 U.S.C., Section 300e et seq.;

(i) "Health Insurance Plan" means a self-insured plan by the State of Oklahoma for the purpose of paying the cost of hospital and medical care up to the maximum coverage provided by said plan or prepaid medical plan(s) offered to employees as an alternative to the state-administered plan by federally qualified HMOs which have contracted with the state;

(j) "Life Insurance Plan" means a self-insured plan for the purpose of paying death and dismemberment benefits up to the maximum coverage provided by said plan;

(k) "Dental Insurance Plan" means a self-insured plan by the State of Oklahoma for the purpose of paying the cost of dental care up to the maximum coverage provided by said plan;

(l) "Other insurance" means any type of coverage other than basic hospital and medical benefits, major medical benefits, comprehensive benefits, life insurance benefits or dental insurance benefits, which the Board may be directed to offer;

(m) "Dependent" means an employee's spouse and any unmarried child (1) under the age of nineteen (19) years, regardless of residence, providing that the employee is primarily responsible for their support, including (a) an adopted child and (b) a stepchild or child who lives with the employee in a regular parent-child relationship, or (2) under the age of twenty-three (23) years and who is dependent upon the employee for support who is enrolled as a full-time student at an accredited secondary school, college, university or institution of higher learning accredited by the State Department of Education, State Board of Vocational and Technical Education, State Regents for Higher Education or the Oklahoma Board of Private Schools, and (3) regardless of age who is incapable of self-support because of mental or physical incapacity that existed prior to his reaching the age of nineteen (19) years;

(n) "Comprehensive benefits" means benefits which reimburse the expense of hospital room and board, other hospital services, certain out-patient expenses, maternity benefits, surgical expense, including obstetrical care, in-hospital medical care expense, diagnostic radiological and laboratory benefits, physicians' services provided by house and office calls, treatments administered in physicians' office, prescription drugs, psychiatric services, Christian Science practitioners' services, Christian Science nurses' services, optometric medical services for injury or illness of the eye, home health care, home nursing service, hospice care and such other benefits as may be determined by the Board. Such benefits shall be provided on a copayment or coinsurance basis, the insured to pay a proportion of the cost of such benefits, and may be subject

to a deductible that applies to all or part of the benefits as determined by the Board; and

(o) "Life insurance coverage" shall include a maximum amount of basic life insurance or benefit with or without a double indemnity provision and an amount of accidental death and dismemberment insurance or benefit per employee other than education employees to be provided by the State of Oklahoma, and the employee other than an education employee shall have the option to purchase additional life insurance or benefits on his life up to the amount provided by the plan. Such basic life insurance benefits, with or without double indemnity, and accidental death and dismemberment benefits shall not exclude coverage for death or dismemberment resulting from war, insurrection or riot. The Board may also extend dependent life insurance in an amount to be determined by the Board to each insured employee other than an education employee who elects to insure his eligible dependents. Premiums for the dependent life insurance shall be paid wholly by the employee other than an education employee.

SECTION 2. AMENDATORY Section 3, Chapter 400, O.S.L. 1992, as amended by Section 9, Chapter 359, O.S.L. 1993 (74 O.S. Supp. 1993, Section 1363), is amended to read as follows:

Section 1363. The following words and phrases as used in this act, unless a different meaning is clearly required by the context, shall have the following meanings:

1. "Basic plan" means the plan that provides the least amount of benefits each participant is required to purchase pursuant to the provisions of the plan. The basic plan shall include only health, dental, disability and life benefits;

2. "Benefit" means any of the benefits which may be purchased or is required to be purchased under the plan;

3. "Benefit plan" means the specific terms and conditions regarding a benefit which may be purchased under the plan, including

the terms and conditions of any separate plan document, group insurance policy or administrative services contract entered into by the Council;

4. "Benefit price" means the number of flexible benefit dollars needed to purchase a benefit under the plan;

5. "Board" means the State and Education Employees Group Insurance Board, as created by the State and Education Employees Group Insurance Act;

6. "Code" means the Internal Revenue Code of 1986, as amended, from time to time;

7. "Compensation" means the remuneration directly paid to a participating employee by a participating employer exclusive of overtime pay, and longevity pay, calculated prior to and without regard to adjustments arising out of an employee's participation in the plan authorized pursuant to this act, or amounts deferred under the tax sheltered income deferral plans as authorized by Section 1701 et seq. of this title;

8. "Council" means the Oklahoma State Employees Benefits Council, as created by this act;

9. "Default benefit" means any benefit a participant who fails to make a proper election under the plan shall be deemed to have purchased;

10. "Dependent" means a participant's spouse or any of his or her dependents as defined in Code Section 152 and regulations promulgated thereunder;

11. "Flexible benefit allowance" means the annual amounts credited by the participating employer for each participant for the purchase of benefits under the plan;

12. "Flexible benefit dollars" means the sum of the flexible benefit allowance and pay conversion dollars allocated by a participant pursuant to provisions of the plan;

13. "Participant" means any officer or employee of a participating employer who is a member of the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement System or the Uniform Retirement System for Justices and Judges, any officer or employee of a participating employer, whose employment is not seasonal ~~or temporary and whose employment requires at least one thousand (1,000) hours of work per year~~ and whose salary and wage is equal to or greater than the hourly wage for state employees as provided in Section 284 of this title, and any employee of a participating employer who is a member of the Teachers' Retirement System of Oklahoma. Effective July 1, 1994, state employees who are employed in positions whose employment requires less than full-time service or whose employment is on a temporary basis shall receive coverage, provided that they are not otherwise receiving coverage through the Council due to their employment status, after they have first been employed by the State of Oklahoma thirty (30) calendar days, and that state employees who have been otherwise receiving coverage through the Council shall not experience a reduction or break in coverage by a change in employment that would result in their being considered a temporary employee;

14. "Participating employer" means any state agency, board, commission, department, institution, authority, officer, bureau, council, office or other entity created by the Oklahoma Constitution or statute that is a participating employer of the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement System or the Uniform Retirement System for Justices and Judges, but shall not include any county, county hospital, city or town, conservation district, any private or public trust in which a county, city or town participates and is the primary beneficiary, any school district or vocational-technical school district, or political subdivision of the state, but shall include the State

Department of Education, the Oklahoma Department of Wildlife Conservation, the Oklahoma Employment Security Commission, the Teachers' Retirement System of Oklahoma and the State Department of Vocational and Technical Education. Provided the term "participating employer" shall also mean the State Regents for Higher Education or any institution under the authority of the State Regents for Higher Education upon agreement between the State Regents for Higher Education or the appropriate governing board of an institution under the authority of the State Regents for Higher Education and the Council;

15. "Pay conversion dollars" means amounts by which a participant elects to reduce his compensation to purchase benefits under the plan;

16. "Plan" means the flexible benefits plan authorized pursuant to the State Employees Flexible Benefits Act as modified by the provisions of this act;

17. "Plan year" means the twelve-month period commencing on July 1 and ending on the following June 30;

18. "Salary Adjustment Agreement" means a written agreement between a participant and participating employer whereby the employer agrees to adjust the salary of the participant by a stated amount or an amount equal to the cost of benefits selected under the plan and the participating employer agrees to contribute such amount to cover certain costs of the benefits selected by the participant to the Council; and

19. "Termination" means the termination of a participant's employment as an employee of a participating employer, whether by reasons of discharge, voluntary termination, retirement, death or reduction-in-force.

SECTION 3. This act shall become effective July 1, 1994.

SECTION 4. 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 Senate the 9th day of March, 1994.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1994.

Speaker of the House of Representatives