

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)  
3RD CONFERENCE COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 475

By: Stipe of the Senate

and

Gray of the House

3RD CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to insurance; amending 36 O.S. 1991, Sections 6055, as amended by Section 2, Chapter 370, O.S.L. 1992 and 6504 (36 O.S. Supp. 1994, Section 6055), which relate to performance of services and procedures by practitioners and to the Basic Health Benefits Board; modifying statutory cite and gender reference; allowing accident and health insurance policies, contracts or agreements to exclude or limit certain coverage; prohibiting exclusion or limitation of certain services or procedures if such exclusion or limitation has certain effect; requiring services and procedures meet certain conditions in order to be covered medical expense; modifying entity providing list of nominees for certain appointment; updating language; authorizing examinations of title insurers; repealing 36 O.S. 1991, Section 4510, which relates to health insurance claim forms; 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. 1991, Section 6055, as amended by Section 2, Chapter 370, O.S.L. 1992 (36 O.S. Supp. 1994, 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~~ the insured's 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.

B. A policy, contract or agreement, as described in subsection A of this section, may exclude or limit coverage for a particular illness, disease, injury or condition; but, except for such exclusions or limits, shall not exclude or limit particular services or procedures that can be provided for the diagnosis and treatment of a covered illness, disease, injury or condition, if such exclusion or limitation has the effect of discriminating against a particular class of practitioner. However, such services and procedures, in order to be a covered medical expense, must be medically necessary, must be of proven efficacy, and must fall within the licensed scope of practice of the practitioner providing same.

C. A practitioner or hospital, as defined in Section 1-701 of Title 63 of the Oklahoma Statutes, shall be compensated directly by an insurer when benefits are assigned and on file and claims are processed on a uniform health insurance claim form prescribed by the Insurance Commissioner pursuant to Section ~~4510~~ 6581 of this title and a duplicate copy of the bill has been sent to the insured. The provisions of this subsection shall not apply to:

1. Any PPO contract, as defined by generally accepted industry standards; or
2. Any statewide provider network which:
  - a. provides that a practitioner or hospital who joins the provider network shall be compensated directly by the insurer,
  - b. does not have any terms or conditions which have the effect of discriminating against a particular class of practitioner, and
  - c. allows any hospital or practitioner, except a practitioner who has a prior felony conviction, to

become a network provider if said hospital or practitioner is willing to comply with the terms and conditions of a standard network provider contract.

~~C.~~ D. 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.

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

SECTION 2. AMENDATORY 36 O.S. 1991, Section 6504, is amended to read as follows:

Section 6504. A. There is hereby created the Oklahoma Basic Health Benefits Board, to continue until July 1, 1996, in accordance with the provisions of the Oklahoma Sunset Law. The Board shall determine and approve the terms and conditions of a state-certified, basic health benefits plan and provide for the promotion and administration of the plan in accordance with the provisions of ~~this act~~ Section 6501 et seq. of this title.

B. The Board shall be composed of eleven (11) members who shall be appointed as follows:

1. One member shall be appointed by the President Pro Tempore of the Senate from an employer or business organization;

2. One member shall be appointed by the Speaker of the House of Representatives from an organization representing employees who lack health insurance; and

3. Nine members shall be appointed by the Governor, subject to confirmation by the Senate, one of whom shall be appointed from each of the following categories:

a. a physician licensed to practice medicine in this state pursuant to the provisions of Section 481 et

- seq. of Title 59 of the Oklahoma Statutes and included on a list of nominees provided by the Oklahoma State Medical Association,
- b. an osteopathic physician licensed to practice osteopathic medicine in this state and included on a list of nominees provided by the Oklahoma Osteopathic Association,
  - c. a chiropractic physician licensed to practice chiropractic in this state and included on a list of nominees provided by ~~a recognized chiropractic association~~ the Oklahoma State Chiropractic Association,
  - d. a physical therapist licensed to practice in this state pursuant to the provisions of Section 887.1 et seq. of Title 59 of the Oklahoma Statutes and included on a list of nominees provided by the Oklahoma Chapter of the American Physical Therapy Association,
  - e. a hospital administrator or a member of a hospital governing board included on a list of nominees submitted by the Oklahoma Hospital Association,
  - f. a state official with responsibilities for delivery of health services,
  - g. a state official with responsibilities for administration of purchasing functions,
  - h. a person who has professional training and experience in health insurance, and
  - i. a person who is licensed to practice law or as a public accountant or a certified public accountant in this state and has experience in fund management.

C. Members of the Board shall serve three-year terms and until their respective successors are appointed and qualified. Provided, of those members initially appointed by the Governor, three members shall serve for one (1) year, three members shall serve for two (2) years and three members shall serve for three (3) years, as designated by the Governor. A vacancy in a position

on the Board shall be filled for the unexpired term in the same manner as the original appointment.

D. At the first meeting and annually thereafter, the Board shall elect a ~~chairman~~ chair, who shall preside over the meetings of the Board and perform such other duties as required by the Board; a ~~vice-chairman~~ vice-chair, who shall perform the duties of the ~~chairman~~ chair in the absence of the latter or upon ~~his~~ the chair's inability or refusal to act; and a secretary, who shall keep minutes of all meetings and who shall certify to actions of the Board. The Board shall hold regular meetings at least once each quarter and may hold special meetings upon written notice of the ~~chairman~~ chair or by agreement of any five members of the ~~board~~ Board.

A majority of the members of the Board shall constitute a quorum for the transaction of business and for taking any official action. Official action of the Board must have a favorable vote by a majority of the members present. No Board member shall be individually or personally liable for any action of the Board. The Board shall adopt rules and procedures to effectuate its purpose.

The Board shall act in accordance with the provisions of the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, the Oklahoma Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes, and the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

E. The Board shall hire an Administrator who shall be in the unclassified service. The Administrator shall have supervisory, managerial or administrative health insurance experience in insurance underwriting, safety or loss prevention, claims management or claims adjustment. The Administrator shall act at the direction of and provide staff support to the Board. Office space and logistical support required by the Board shall be provided by the ~~Office of Public Affairs~~ Department of Central Services. The Attorney General shall provide the Board with legal advice and with assistance in drafting rules of the Board.

F. Members of the Board shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5006 of Title 36, unless there is created a duplication in numbering, reads as follows:

The Insurance Commissioner is authorized to conduct an examination of any title insurance company pursuant to the provisions of Section 309.1 et seq. of Title 36 of the Oklahoma Statutes and may employ an examiner for such purposes.

SECTION 4. REPEALER 36 O.S. 1991, Section 4510, is hereby repealed.

SECTION 5. This act shall become effective November 1, 1995.

45-1-1481 JY