

ENGROSSED HOUSE
BILL NO. 2254

By: McCorkell, Pope (Clay),
and Ervin of the House

and

Monson of the Senate

An Act relating to workers' compensation; amending Section 38, Chapter 1, 2nd Extraordinary Session, O.S.L. 1994 (85 O.S. Supp. 1995, Section 113), which relates to the Advisory Committee on Workers' Compensation; extending the life of the Advisory Committee on Workers' Compensation; expanding the responsibilities of the Committee; providing for the study and recommendation of a twenty-four-hour coverage program; defining twenty-four-hour coverage plan; specifying certain issues to be addressed in the study; authorizing certain entities to provide assistance; providing for a report to certain state officers; providing for codification; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 38, Chapter 1, 2nd Extraordinary Session, O.S.L. 1994 (85 O.S. Supp. 1995, Section 113), is amended to read as follows:

Section 113. A. There is hereby created to continue until January 1, ~~1997~~ 1998, the Advisory Committee on Workers'

Compensation. The Advisory Committee shall review this act and previous legislation and the impact of such legislation upon the workers' compensation system, study workers' compensation issues and, monitor the implementation and evaluation of this act and previous legislation, research and study a voluntary twenty-four-hour coverage plan and formulate recommendations to develop and implement such a plan, study the fines, penalties, and prohibitive acts by insurance carriers, study the replacement of the Workers' Compensation Court with a workers' compensation administrative board, and study the consolidation of all workers' compensation administration, except for the State Insurance Fund, under the regulation of the State Insurance Commissioner.

B. The Administrator of the Workers' Compensation Court, or a designee, shall appear before the Advisory Committee and provide requested information relating to, but not limited to, the areas of workplace safety, independent medical examiners, managed health care plans, and fraud and abuse in the workers' compensation system. The Administrator may solicit information from the State Insurance Fund, the State Insurance Commission, the State Department of Labor, and the Office of Attorney General, as well as other state and national resources, and shall provide a quarterly, written report to the members of the Advisory Committee describing the effect of this act on the workers' compensation system.

C. The Advisory Committee shall provide information to the Judiciary Committees of the Senate and the House of Representatives regarding workers' compensation, and at the call of the Chair of either the Senate Judiciary Committee or the House Judiciary Committee or both, the members of the Advisory Committee shall meet with either or both committees.

D. The Advisory Committee shall be composed of fifteen (15) members. The President Pro Tempore of the Senate shall appoint five members of the Senate, the Speaker of the House of Representatives

shall appoint five members of the House of Representatives, and the Governor shall appoint five members who shall be representatives of labor and business organizations of this state. All members shall serve at the pleasure of their appointing authority. The Commissioner of the State Insurance Fund, the State Commissioner of Insurance, a representative of the Attorney General's Workers' Compensation Fraud Unit designated by the Attorney General, and the State Commissioner of Labor shall be ex officio nonvoting members. The chairperson of the Advisory Committee shall be chosen by the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Governor jointly and shall be one of the fifteen members. The vice-chairperson shall be elected by the members of the Advisory Committee.

E. Members of the Advisory Committee shall receive no compensation for serving on the Advisory Committee, but shall receive travel reimbursement as follows:

1. Legislative members of the Advisory Committee shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes; and

2. Nonlegislative members of the Advisory Committee shall be reimbursed by their respective appointing authority for their necessary travel 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.

F. The Advisory Committee shall meet twice each year. The Advisory Committee shall prepare a report by January 1, 1997, which details the results of this act and previously enacted legislation. The report shall include an analysis of changes resulting from this act and previously enacted legislation including, but not limited to, areas such as implementation of workplace safety programs, costs and savings due to the use of independent medical examiners and

managed health care plans, and prosecution of fraud and abuse within the workers' compensation system. Also, the report shall include a standardized base of comparison of costs and benefits of the workers' compensation system with other states regionally and nationally.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 114 of Title 85, unless there is created a duplication in numbering, reads as follows:

A. The Advisory Committee on Workers' Compensation shall study and develop recommendations for the cost-effective implementation of a voluntary twenty-four-hour coverage plan for Oklahoma employees. For the purposes of this act, "twenty-four-hour coverage plan" means a system of medical coverage, disability coverage and death and dismemberment coverage adequate to protect an employee twenty-four (24) hours a day. The study shall include, but not be limited to, the following issues:

1. Benefits required to be provided under the plan;
2. Rights of the employee to benefits in the event of cancellation of coverage or termination of employment;
3. Reporting requirements;
4. Grievance procedures;
5. Financial requirements for carriers of twenty-four-hour health and disability coverage;
6. Policy language; and
7. Safety, wellness and loss control programs.

B. The State Senate and the Oklahoma House of Representatives may provide staff assistance to the Advisory Committee on Workers' Compensation as necessary to assist the Advisory Committee in the performance of its duty to develop a voluntary twenty-four-hour coverage plan. In addition, the Legislative Service Bureau may employ necessary additional staff to assist the Advisory Committee in the performance of its duties. The term of employment for any

staff so employed pursuant to this provision shall not exceed a period ending January 1, 1998. Other state agencies, boards and commissions shall assist the Advisory Committee in the performance of its duties as needed. The Legislative Service Bureau may contract for the services of appropriate consultants or consulting firms expert in the field of health and disability insurance to assist the Advisory Committee in the performance of its duties and responsibilities. The Legislative Service Bureau shall select consultants on the basis of a request for proposal which shall be developed by the Legislative Service Bureau with the advice of the Advisory Committee.

C. The Advisory Committee shall present a report of its activities, findings and recommendations relative to the twenty-four-hour coverage plan to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor by January 1, 1998.

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, 1996.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1996.

President of the Senate