

ENGROSSED HOUSE
BILL NO. 2719

By: Case, Nance, Perry and
Pettigrew of the House

and

Herbert of the Senate

An Act relating to health insurance; amending 36 O.S. 2001, Section 4509.1, which relates to requirements on prior and succeeding carriers; adding requirements for providing claims history information; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 4509.1, is amended to read as follows:

Section 4509.1 A. This section applies to determination of the liability of a carrier pursuant to a group or blanket accident or health insurance plan in those instances in which the contract of one carrier replaces a plan of similar benefits of another carrier. As used in this section, "carrier" means an insurer or other entity subject to the provisions of ~~Title 36 of the Oklahoma Statutes~~ this title, and includes but is not limited to a not-for-profit hospital service and medical indemnity corporation, a fraternal benefit society, a health maintenance organization, a preferred provider organization and a multiple employer welfare arrangement.

B. The prior carrier shall be liable only to the extent of its accrued liabilities and extensions of benefits. The position of the prior carrier shall be the same whether the group policyholder or other entity responsible for making payments or submitting subscription charges to the carrier secures replacement coverage from a new carrier, self-insures, or foregoes the provision of coverage.

C. Each person who was covered by the plan of the prior carrier shall be covered by the plan of benefits of the succeeding carrier conditioned only upon the payment of the premium.

D. The succeeding carrier, in applying any deductibles or waiting periods in its plan, including but not limited to waiting periods for preexisting conditions, shall give credit for the satisfaction or partial satisfaction of the same or similar provisions under a prior plan providing similar benefits and shall not impose any additional waiting periods for coverage for any person who was covered by the plan of the prior carrier. In the case of deductible provisions, the credit shall apply for the same or overlapping benefit periods and shall be given for expenses actually incurred and applied against the deductible provisions of the prior plan during the ninety (90) days preceding the effective date of the succeeding plan but only to the extent these expenses are recognized under the terms of the plan of the succeeding carrier and are subject to similar deductible provision.

E. If a determination of the benefits of the prior plan is required and requested by the succeeding carrier, upon receiving such request, the prior carrier shall furnish a statement of the benefits available or pertinent information sufficient either to permit verification of the benefits available under the prior plan or to permit the determination of the benefits by the succeeding carrier. For the purposes of this subsection, benefits of the prior plan shall be determined in accordance with all of the definitions, conditions, and covered expense provisions of the prior plan and shall not be subject to the definitions, conditions, and covered expense provisions of the succeeding plan. The benefit determination shall be made as if coverage had not been replaced by the succeeding carrier.

F. Whenever a claims history is required or requested by the succeeding carrier or a reinsuring carrier, the prior carrier shall

furnish a statement of the claims history of the group within thirty (30) days following the receipt of the request. The claims history shall be sufficient to permit verification of benefits paid under the prior plan and the risk associated with those payments, including the types of medical conditions upon which claims were received. The claims history shall not include or reveal any identifying information as to those insured or the treating physicians.

G. Nothing in this section shall prevent an individual from electing not to be covered under the plan of benefits of the succeeding carrier.

SECTION 2. This act shall become effective November 1, 2002.

Passed the House of Representatives the 26th day of February, 2002.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2002.

Presiding Officer of the Senate