ENGROSSED HOUSE
BILL NO. 2779

By: Glover and Hilliard of the House

and

Robinson of the Senate

An Act relating to state government; amending 74 O.S. 2001, Section 1315 (Section 1, Chapter 376, O.S.L. 2001), which relates to participation by political subdivisions in state insurance program; adding to list; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 1315 (Section 1, Chapter 376, O.S.L. 2001), is amended to read as follows:

Section 1315. A. Upon application in writing and subject to any underwriting criteria that may be established by the State and Education Employees Group Insurance Board, the Board may extend the benefits of the State and Education Employees Group Health and Life Insurance Plans to employees who are employed in positions requiring actual performance of duty during not less than one thousand (1,000) hours per year and to all full-time employees of:

1. Any of the following groups which participate in the Oklahoma Public Employees Retirement System:

a. county,

b. city,

c. town,

d. public trust for which the state is the primary beneficiary, or

e. conservation districts; and

2. Any of the following groups:

a. county hospital,

b. rural water district, <u>including employees and board members,</u>

c. sewer district,

d. gas district,

e. solid waste management district,

f. nonprofit water corporation,

g. conservancy district or master conservancy district authorized by the provisions of Section 541 of Title 82 of the Oklahoma Statutes,

h. voluntary organization of Oklahoma local government jurisdictions listed in Section 2003 of Title 62 of the Oklahoma Statutes including any council created by the voluntary organizations,

i. voluntary association designated to administer the County Government Council as authorized in Section 7 of Title 19 of the Oklahoma Statutes, or

j. statewide nonprofit entities representing employees of the state or employees of local political subdivisions who are eligible for insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act.

B. Applications to participate in the State and Education Employees Group Health and Life Insurance Plans shall be approved by majority action of the governing body of the groups listed in subsection A of this section.

C. Groups listed in subsection A of this section participating in the Oklahoma State and Education Employees Group Health and Life Insurance Plans shall pay all costs attributable to their participation. The benefits of said plans for a participant provided coverage pursuant to this section shall be the same and shall include the same plan options as would be made available to a

state employee participating in the plan that resided at the same location. The premium for participating groups listed in subsection A of this section shall be the same as paid by state and education employees.

D. Participating groups listed in subsection A of this section shall not be required to offer dental insurance as defined in paragraph (11) of Section 1303 of this title, or other insurance as defined in paragraph (12) of Section 1303 of this title. However, if dental insurance or any other insurance is offered, it must be provided to all eligible employees. If an employee retires and begins to receive benefits from the Oklahoma Public Employees Retirement System or terminates service and has a vested benefit with the Oklahoma Public Employees Retirement System, the employee may elect, in the manner provided in Section 1316.2 of this title, to participate in the dental insurance plan offered through the State and Education Employees Group Insurance Act. The employee shall pay the full cost of the dental insurance.

E. 1. Until January 1, 2002, any employee of a group listed in subsection A of this section who retires or who has a vested benefit pursuant to the Oklahoma Public Employees Retirement System may begin the health insurance coverage if the employer of the employee is not a participant of the State and Education Employees Group Insurance Act if the election to begin coverage is made within thirty (30) days from the date of termination of service.

2. Beginning January 1, 2002, any employee of a group listed in subsection A of this section who retires or who has a vested benefit pursuant to the Oklahoma Public Employees Retirement System may begin the health insurance coverage only if the employer of the employee is a participant of the State and Education Employees Group Insurance Act and the election to begin coverage is made within thirty (30) days from the date of termination of service.

F. Any county, city, town, county hospital, public trust, conservation district, or rural water, sewer, gas or solid waste management district, or nonprofit water corporation, any of which of the aforementioned groups is not a participating employer in the Oklahoma Public Employees Retirement System, but which has employees who are participating in the health, dental or life insurance plans offered by or through the State and Education Employees Group Insurance Act on July 1, 1997, may continue to allow its current and future employees to participate in such health, dental or life insurance plans. Participation of such employees may also continue following retirement or termination of employment if the employee has completed at least eight (8) years of service with a participating employer and such an election to continue in force is made within thirty (30) days following retirement or termination. Any retiree or terminated employee electing coverage pursuant to this section shall pay the full cost of the insurance.

G. An employee of a group listed in paragraph 2 of subsection A of this section may continue in force health, dental and life insurance coverage following retirement or termination of employment if the employee who has retired or terminated employment has a minimum of eight (8) years of service with a participating employer and the election to continue in force is made within thirty (30) calendar days following retirement or termination.

H. Notwithstanding other provisions in this section, an employer listed in subsection A of this section may cease to participate in the State and Education Employees Group Insurance Act but provide health insurance coverage for its current and former employees through another insurance carrier. The subsequent carrier shall be responsible for providing coverage to the entity's employees who terminated employment with a retirement benefit, with a vested benefit, or who have eight (8) or more years of service with a participating employer but did not have a vested benefit

through the Oklahoma Public Employees Retirement System, if the election to retain health insurance coverage was made within thirty (30) days of termination of employment. Coverage shall also be provided to the eligible dependents of the employees if an election to retain coverage is made within thirty (30) days of termination of employment. Employees who terminate employment from an employer covered by this paragraph before December 31, 2001, and elect coverage under the State and Education Employees Group Insurance Act, shall not be required to change insurance carriers in the event that the employer changes its insurance carrier to a subsequent carrier. The provisions of this subsection shall become effective January 1, 2002.

SECTION 2. 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 19th day of March, 2002.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2002.

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Presiding Officer of the Senate