ENROLLED SENATE
BILL NO. 422

By: Milacek of the Senate

and

McCarter of the House

An Act relating to education; amending 70 O.S. 1991, Section 5-117.5, as amended by Section 1, Chapter 359, O.S.L. 1993 (70 O.S. Supp. 2000, Section 5-117.5), which relates to insurance; updating language; allowing certain district board of education members to continue health insurance upon termination; providing for election; providing for payment of premiums; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 5-117.5, as amended by Section 1, Chapter 359, O.S.L. 1993 (70 O.S. Supp. 2000, Section 5-117.5), is amended to read as follows:

Section 5-117.5 A. The board of education of each school district in this state shall provide a health insurance plan for the employees of the school district. School districts may obtain health and dental insurance coverage as provided for in the State and Education Employees Group Insurance Act or may obtain other health insurance coverage. Any school district that does not participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall obtain health insurance coverage for the employees which provides open enrollment, and provide for the continuation of health insurance coverage, including supplemental Medicare insurance coverage, for those district employees who retire from said district after September 30, 1991, with a vested benefit in the Teachers' Retirement System of Oklahoma. A retired person who begins receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1991, who retires from a school district that provides other health insurance coverage, and who elects to continue said health insurance coverage shall pay to the school district the premium rate for the health insurance minus an amount equal to the premium rate of the Medicare supplement or the amount determined pursuant to subsection (4) of Section 1316.3 of Title 74 of the Oklahoma Statutes, whichever is less, which shall be paid by the Teachers' Retirement System of Oklahoma to the school district. The school district shall remit to the health insurance coverage provider the total premium due less any uncollected amounts payable from retired school district employees or their qualified survivors.

B. A school district that participates in health insurance coverage other than the health insurance plan offered by the State and Education Employees Group Insurance Act shall not be required to pay any portion of the premiums for the employees or the dependents of the employees of said school district, except as may otherwise be provided by law. Unless a school district negotiates an agreement with its employees regarding health insurance pursuant to Sections 509.1 through 509.9 of this title, and to the extent that the agreement provides for the members of the recognized bargaining unit, a school district that participates in health insurance coverage other than the health insurance plan offered by the State and Education Employees Group Insurance Act is prohibited from acquiring additional or supplemental health or dental insurance for any board member, school superintendent or any other employee which is not available to all employees of said district, and said school district shall not pay a greater portion of the employee or dependent premium for any health or dental insurance plan or plans provided by said school district on behalf of any board member, school superintendent or employee than that portion paid on behalf of all participating employees of said district.

C. If a school district obtains health insurance coverage from a source other than through the State and Education Employees Group Insurance Act, the employees of the school district who would be eligible to participate in the health and dental plans may require the board of education of the school district to call an election to allow said employees to vote as to whether the school district shall participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act. Upon the filing with the board of education of a petition calling for such an election which is signed by no less than thirty percent (30%) of the eligible employees of the school district, the board of education shall call an election for the purpose of determining whether the school district shall participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act. The election shall be held within thirty (30) days of the filing of the petition. If a majority of those eligible employees voting at the election vote to participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act, the board of education of the school district shall apply for such participation within thirty (30) days of the election.

D. If a school district does not have any health insurance coverage of the type required by this section, that school district shall immediately be enrolled in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act.

E. A carrier providing health insurance coverage for employees of a school district health insurance group which replaces a previous carrier for such school district employees shall provide coverage for each retired employee who is receiving a benefit or terminates employment with a vested benefit from the Teachers' Retirement System of Oklahoma and who is enrolled in the health insurance group by the previous carrier at the time the previous

carrier providing health insurance coverage is replaced. Notwithstanding any provision in this section to the contrary, any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma prior to May 1, 1993, or terminates service with a vested benefit, pursuant to the provisions of the Teachers' Retirement System of Oklahoma prior to May 1, 1993, may continue to participate in the health and dental plans authorized by the provisions of the State and Education Employees Group Insurance Act.

F. In the event a school district ceases to exist, the assets and duties of said school district are transferred to one or more other school districts, said other school district or districts do not agree to employ all of the former employees of the school district that is ceasing to exist, and said former employees who are not being reemployed have rights under federal or state law to continue group insurance coverage, the school district receiving all or a portion of the assets and duties of the annexing school district having the largest general fund revenue for the most recent preceding fiscal year for which data is available shall provide group insurance coverage to said former employees not being retained during the period as required by law.

G. Any member of a district board of education who terminates service on or after July 1, 2002, who has served ten (10) or more years as a district board of education member in this state, and who is participating at the time of termination in a health and/or dental insurance plan offered by the school district, may elect upon termination of such service to continue participation in the health and/or dental insurance plan that the member was participating in at the time of termination. The election provided in this subsection shall be made within thirty (30) days from the date of the school board member's termination of service. The school board member shall pay the full cost of the insurance premium for such after-termination coverage at the rate and pursuant to the terms and conditions of such health and/or dental plan.

SECTION 2. This act shall become effective July 1, 2001.

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 Senate the 23rd day of April, 2001.

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Presiding Officer of the Senate

Passed the House of Representatives the 4th day of April, 2001.

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Presiding Officer of the House
of Representatives