

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

HOUSE BILL HB2821

By: Calvey

AS INTRODUCED

An Act relating to health insurance and health maintenance organizations; amending 36 O.S. 2001, Section 4501, which relates to group accident and health insurance; clarifying language; amending 63 O.S. 2001, Section 2501, which relates to health maintenance organizations; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 4501, is amended to read as follows:

Section 4501. Group accident and health insurance is hereby declared to be that form of accident and health insurance covering groups of persons as defined below, with or without one or more members of their families or one or more of their dependents, or covering one or more members of the families or one or more dependents of persons in such groups, and issued upon the following basis:

1. Under a policy issued to an association, including a labor union, which shall have a constitution and bylaws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance, insuring at least ten members, employees, or employees of members of the association for the benefit of persons other than the association or its officers or trustees. ~~The term~~ As used in this paragraph, "employees" ~~as used herein~~ shall be deemed to include retired employees;

2. Under a policy issued to the trustees of a fund established by two or more employers or by one or more labor unions or by one or

more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions. The term "employees" as used herein shall be deemed to include the officers, managers and employees of the employer, and the individual proprietor or partners if the employer is an individual proprietor or partnership. ~~The term~~ As used in this paragraph, "employees" ~~as used herein~~ shall be deemed to include retired employees. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship;

3. Under a policy issued to any persons or organizations to which a policy of group life insurance may be delivered in this state, to insure any class or classes of individuals that could be insured under such group life policy;

4. Under a health insurance policy issued to an employer or trustees of a fund established by an employer, who shall be deemed the policyholder insuring at least one employee of such employer for the benefit of persons other than the employer. The term "employee" as used herein shall be deemed to include the officers, managers, and employees of the employer, the individual proprietor or partners if the employer is an individual proprietor or partnership, the officers, managers, and employees of subsidiary or affiliated corporations, the individual proprietors, partners and employees of individuals and firms, if the business of the employer and such individual or firm is under common control through stock ownership, contract, or otherwise. ~~The term~~ As used in this paragraph, "employee" ~~as used herein~~ shall be deemed to include retired employees and their dependents and the dependents of employees eligible for Medicare. A policy issued to insure employees of a public body may provide that the term "employees" shall include elected or appointed officials;

5. Under a policy issued to cover any other substantially similar group which, in the discretion of the Insurance Commissioner, may be subject to the issuance of a group accident and health policy or contract; and

6. Nothing in this article validates any charge or practice illegal under any rule of law or regulation governing usury, small loans, retail installment sales, or the like, or extends the application of any such rule of law or regulation to any transaction not otherwise subject thereto.

SECTION 2. AMENDATORY 63 O.S. 2001, Section 2501, is amended to read as follows:

Section 2501. It is the purpose and intent of the Legislature to promote and protect the public health, to promote a wider distribution of health care services, and to maintain ~~the~~ standards and promote ~~the~~ progress of providing in the provision of alternative health care delivery systems of prepaid health care, including comprehensive medically necessary managed care services and comprehensive health maintenance services in this state. While it is the intent of this act to provide an opportunity for the development of prepaid health plans and health maintenance organizations, there is no intention to impair the present system of delivery of health services. It shall be the policy of this state to eliminate legal barriers to the organization, promoting and expansion of alternative delivery systems of comprehensive prepaid health care.

SECTION 3. This act shall become effective November 1, 2002.

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