

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 739

By: Henry

AS INTRODUCED

An Act relating to public health and safety; amending 63 O.S. 1991, Section 2510, as last amended by Section 1, Chapter 139, O.S.L. 1996 (63 O.S. Supp. 2000, Section 2510), which relates to health maintenance organization or prepaid health plan regulations; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 1991, Section 2510, as last amended by Section 1, Chapter 139, O.S.L. 1996 (63 O.S. Supp. 2000, Section 2510), is amended to read as follows:

Section 2510. A. No health maintenance organization or prepaid health plan, or representative thereof, shall cause or knowingly permit the use of advertising which is untrue or misleading, or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive.

1. A statement or item of information shall be deemed to be untrue if it does not conform to fact in any respect which is or may be significant to an enrollee of, or person considering enrollment in, a health care plan;

2. A statement or item of information shall be deemed to be misleading, whether or not it may be literally untrue, if, in the total context in which such statement is made or such item of information is communicated, such statement or item of information may be reasonably understood by a reasonable person, not possessing special knowledge regarding health care coverage, as indicating any benefit or advantage or the absence of any exclusion, limitation or

disadvantage of possible significance to an enrollee of, or person considering enrollment in, a health care plan, if such benefit or advantage or absence of limitation, exclusion or disadvantage does in fact exist;

3. An evidence of coverage shall be deemed to be deceptive if the evidence of coverage taken as a whole, and with consideration given to typography and format, as well as language, shall be such as to cause a reasonable person, not possessing special knowledge regarding health care plans and evidences of coverage therefor, to expect benefits, services, charges or other advantages which evidence of coverage does not provide or which the health care plan issuing such evidence of coverage does not regularly make available for enrollees covered under such evidence of coverage.

B. An enrollment may not be canceled or nonrenewed except for the failure to pay the charge for such coverage or, in the case of Title XIX enrollees for loss of eligibility for medical assistance, or for such other reasons as may be promulgated by the ~~Department~~ State Board of Health.

C. No health maintenance organization or prepaid health plan, unless licensed as an insurer, may use in its name, contracts or literature, any of the words "insurance," "casualty," "surety," "mutual" or any other words descriptive of the insurance, casualty or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state.

D. When contracting with educational entities within the meaning of Section 1303 of Title 74 of the Oklahoma Statutes, effective for the plan year beginning July 1, 1997, and for each year thereafter, in setting health insurance premiums for active employees and for retirees under sixty-five (65) years of age, health maintenance organizations, self-insured plans and prepaid health plans shall set the monthly premium for active employees at a

maximum of Ninety Dollars (\$90.00) less than the monthly premium for retirees under sixty-five (65) years of age.

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

48-1-892

CJ

16/12/2015 11:19:19 AM