

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 1140

By: Corn

COMMITTEE SUBSTITUTE

[insurance - amending 74 O.S. 2001, Sections 1314.3,
1314.4 and 1314.5 - Oklahoma Employment Security
Commission -
emergency]

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 1314.3, is amended to read as follows:

Section 1314.3 (1) All otherwise eligible employees hired by the Oklahoma Employment Security Commission after the effective date of this act shall participate in the State Plan and shall not be entitled to the supplemental health insurance for which provision is made in this act nor to any other Commission benefit plan not generally available to state employees, and no other provisions of this act shall apply to such future hirees.

(2) All otherwise eligible Commission employees not participating in the Agency Plan as of the effective date of this act shall be enrolled in the State Plan on July 1, 1990. Said nonparticipating Commission employees shall not be entitled to the supplemental health insurance for which provision is made in this act.

(3) All Commission employees, retirees and dependents participating in the Agency Plan as of the effective date of this act shall be permitted to transfer to the State Plan and receive the supplemental insurance benefits for which provision is made in ~~Section 3 of this act~~ 1314.4 of this title at such time as the

supplemental insurance is available. If not sooner transferred, all Agency Plan participants shall be transferred to the State Plan on January 1, 1991. Such mandatory transfer shall occur simultaneously with any cancellation by the insurance provider of the Agency Plan, occurring prior to January 1, 1991.

(4) All Commission employees, retirees and dependents enrolling in or transferring to the State Plan under the provisions of this section shall be given the opportunity to participate in all options under the State Plan at the time of their enrollment or transfer.

(5) For active employees of the Commission, the Commission shall pay the same monthly premium toward employee-only coverage as that set by the State and Education Employees Group Insurance Board and paid by the other state agencies participating in the state health insurance program. For retirees of the Commission who retired pursuant to the provisions of the Oklahoma Public Employees Retirement System, the Oklahoma Public Employees Retirement System shall pay the same monthly contribution towards premiums for regular or Medicare supplement health insurance coverage for those retirees as the amount paid towards the premiums for the Oklahoma Public Employees Retirement System retirees from other agencies. For retirees of the Commission who retired under the provisions of another retirement plan, the Commission shall pay the same monthly contribution towards premiums for regular or Medicare supplement health insurance coverage for those retirees as the amount paid towards premiums by the Oklahoma Public Employees Retirement System for retirees of other state agencies.

~~(6) Employees and retirees of the Commission, and their dependents, shall not be subject to any preexisting condition limitations at the time of their initial participation in the State Plan.~~

~~(7) Employees and retirees of the Commission, and their dependents, shall be deemed to have satisfied their 1990 annual~~

~~health insurance individual and/or family deductible under the State Plan if the individual and/or family deductible under Agency Plan was fully met for 1990. If the individual and/or family deductible was not fully met under the Agency Plan, then the unreimbursed medical expense amounts applied towards deductibles under the Agency Plan shall also be applied to deductibles under the State Plan.~~

~~(8)~~ Except as provided in this subsection, employees and retirees of the Commission, and their dependents, shall be covered under the dental and life insurance plans provided by the State and Education Employees Group Insurance Board pursuant to the same provisions and premiums as apply to the employees and retirees of other state agencies. Employees and retirees may elect to keep their present agency offered life insurance, in addition to the state life insurance. Any employee who elects to keep their agency offered life insurance shall pay the premium for the life insurance provided pursuant to the State and Education Employees Group Insurance Act. Any Commission retiree who elects to participate in the life insurance program provided pursuant to the State and Education Employees Group Insurance Act shall pay the premium for such coverage.

~~(9)~~ (7) In the event that the agency offered life insurance plan is canceled by the insurer offering it, the Commission shall contract with the State and Education Employees Group Insurance Board for replacement coverage equal to that lost by said cancellation. Said Board is expressly authorized and directed to enter into such a contract. The Commission and the participants shall pay the full actuarial costs and all reasonable administrative costs for such coverage. Said actuarial and administrative costs shall be divided between the Commission and the participants in the same ratio as premiums are now divided for the agency offered life insurance. The Board shall maintain separate reserves for said coverage. On January 1, 2005, the Commission shall convert the

agency offered life insurance to the life insurance plans provided by the State and Education Employees Group Insurance Board pursuant to the same provisions and premiums as apply to the employees and retirees of other state agencies. The Commission may offer eligible employees an opportunity to voluntarily relinquish their agency life insurance upon a payment to the eligible employee, provided funds exist to do so.

SECTION 2. AMENDATORY 74 O.S. 2001, Section 1314.4, is amended to read as follows:

Section 1314.4 (1) The Oklahoma Employment Security Commission shall provide supplemental health insurance, in the manner provided in ~~Section 4 of this act~~ Section 1314.5 of this title for Agency Plan participants. Such supplemental insurance shall cover material differences between the coverage under the State Plan and the Agency Plan. Material differences as of the effective date of this act are:

- (a) The difference between the Agency Plan and the State Plan with regard to the amount of the lifetime maximum benefit;
- (b) The difference between the Agency Plan and the State Plan with regard to the amount of the annual hospital copayment;
- (c) The difference between the Agency Plan and the State Plan with regard to the amount of the retiree prescription copayment;
- (d) The difference between the Agency Plan and the State Plan with regard to the allowable cost for a medical procedure; provided the procedure was not readily available from a provider under the State Plan.

(2) The Commission may vary the terms of the supplemental health insurance at such times as there is a material change in the

coverage offered under the State Plan from coverage offered under the Federal Plan.

(3) The Commission may require participants to share in the cost of the supplemental health insurance or contribute to copayments and/or provide for deductibles, if required by the United States Department of Labor; provided that the cost to the participant for both the State Plan and the supplemental health insurance does not exceed the cost to the participant for the Agency Plan as estimated by the Commission. ~~The Agency Plan participants and their dependents shall not be subject to any pre-existing condition limitations under the supplemental health insurance at the time of its initial offering, other than pre-existing condition limitations which were applicable under the Agency Plan.~~

SECTION 3. AMENDATORY 74 O.S. 2001, Section 1314.5, is amended to read as follows:

Section 1314.5 A. The Oklahoma Employment Security Commission shall attempt to obtain the supplemental health insurance described in Section ~~3 of this act~~ 1314.4 of this title through competitive procurement under the Central Purchasing Act. If the Commission does not obtain such supplemental health insurance in this manner, it shall contract with the State and Education Employees Group Insurance Board for such coverage or the Commission may provide the supplemental health insurance through a self-insurance program.

~~Said~~ B. If the Commission decides to contract with the State and Education Employees Group Insurance Board for the supplemental health insurance coverage, the Board is expressly authorized and directed to enter into such a contract and administer the supplemental benefit in such manner to cause the least disruption to its systems and daily operations. The supplemental benefit does not have to be offered as a supplemental plan but can be combined with the state plan to be administered and actuarially rated as a single plan. If this option is chosen, all dependents of employees or

former employees currently eligible for the supplemental health insurance shall be included in the plan, regardless of whether or not the dependents were previously included in the plan, and this subsection will prevail over the provisions of Section 1314.3 of this title. The Commission shall pay the full actuarial cost to be determined by the State and Education Employees Group Insurance Board and all reasonable administrative costs for such coverage, if provided by or through the Board. The Board may consider the utilization experience of the group participating in the benefit when calculating the rate for providing the benefit. The Board shall maintain separate reserves for said coverage.

C. If the Commission decides to provide supplemental health insurance through a self-insurance program, the Commission shall be authorized to contract with a private company to provide claims adjusting services for the supplemental health insurance claims adjusting and processing.

SECTION 4. 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 resolution shall take effect and be in full force from and after its passage and approval.