

ENROLLED SENATE  
BILL NO. 431

By: Cain of the Senate

and

Vaughn of the House

An Act relating to insurance; amending 36 O.S. 2001, Section 6058A, as amended by Section 12, Chapter 22, O.S.L. 2002 (36 O.S. Supp. 2002, Section 6058A), which relates to health plan enrollment of child; updating language; imposing fine; directing deposit of certain funds; requiring promulgation of certain rules; amending 43 O.S. 2001, Section 118.2, which relates to health care coverage; imposing fine; directing deposit of certain funds; prohibiting imposition of fine where certain employee fails to pay certain insurance premium; requiring promulgation of certain rules; amending 56 O.S. 2001, Section 225, which relates to Child Support Revenue Enhancement Fund; adding monies to be deposited in fund; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 6058A, as amended by Section 12, Chapter 22, O.S.L. 2002 (36 O.S. Supp. 2002, Section 6058A), is amended to read as follows:

Section 6058A. A. Notwithstanding any other provision of law, an insurer shall not deny enrollment of a child under the health plan of the child's parent on the grounds that:

1. The child was born out of wedlock;
2. The child is not claimed as a dependent on the parent's federal income tax return; or
3. The child does not reside with the parent or in the insurer's service area.

B. Where a child has health coverage through an insurer of a noncustodial parent the insurer shall:

1. Upon request, provide complete information to the custodial person, the designated agency administering the State Medicaid Program, the state agency administering the provisions of 42 U.S.C., Sections 5 through 669, or the Child Support Enforcement Program Division of the Department of Human Services, regarding any insurance benefits to which the child is entitled, and any forms,

publications, or documents necessary to apply for or to utilize the benefits available through that coverage;

2. Permit the custodial person, the designated agency administering the State Medicaid Program, or the provider with approval, to submit claims for covered services without the approval of the noncustodial parent; and

3. Make payments on claims submitted in accordance with paragraph 2 of this subsection directly to the custodial person, the provider, or the designated agency administering the State Medicaid Program.

C. Where a parent is required by a court or administrative order to provide health coverage for a child, and the parent is eligible for family health coverage, the insurer shall be required:

1. To permit the parent to enroll, under the family coverage, a child who is otherwise eligible for the coverage without regard to any enrollment season restrictions;

2. If the parent is enrolled but fails to make application to obtain coverage for the child, to enroll the child under family coverage and deduct the cost of the coverage from the employee's wages, upon application of the custodial person, the designated agency administering the State Medicaid Program, or the state agency administering the provisions of 42 U.S.C., Sections 5 to 669, the Child Support Enforcement ~~Program~~ Division; and

3. Not to disenroll, or eliminate coverage for the child unless the insurer is provided satisfactory written evidence that:

- a. the court or administrative order is no longer in effect, or
- b. the child is or will be enrolled in comparable health coverage through another insurer which will take effect not later than the effective date of disenrollment;

provided, however, the provisions of this subsection shall not apply where the coverage is through a group plan and the group's coverage through the insurer is discontinued or the noncustodial parent ceases to be eligible for participation in the group plan.

D. An insurer may not impose requirements on a state agency, which has been assigned the rights of an individual eligible for medical assistance under Medicaid and covered for health benefits from the insurer, that are different from requirements applicable to an agent or assignee of any other individual covered.

E. As used in this section, "insurer" includes a licensed insurance company, not-for-profit hospital service or medical indemnity corporation, a fraternal benefit society, a health maintenance organization, a prepaid plan, a preferred provider organization, a multiple employer welfare arrangement, a self-insured, the State and Education Employees Group Insurance Board, or

any other entity providing a plan of health insurance or health benefits in this state.

F. If child support services are being provided under the state child support plan as provided under Section 237 of Title 56 of the Oklahoma Statutes, the Child Support Enforcement Division shall notify the parent's employer to enroll the child in health care coverage available under the employer's plan by sending the employer a National Medical Support Notice issued pursuant to Section 466(a)(19) of the Social Security Act, and Section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974, as soon as the National Medical Support Notice is promulgated by the United States Department of Health and Human Services. The insurer, upon receipt from the employer of Part B of the National Medical Support Notice to Plan Administrator, shall ~~be required to~~ comply with Part B of the National Medical Support Notice. The insurer may be fined up to Two Hundred Dollars (\$200.00) per month per child for each failure to comply with the requirements of the National Medical Support Notice. Fines collected shall be remitted to the Child Support Revenue Enhancement Fund created pursuant to Section 225 of Title 56 of the Oklahoma Statutes.

G. The Department of Human Services shall promulgate rules as necessary to implement the provisions of this section.

SECTION 2. AMENDATORY 43 O.S. 2001, Section 118.2, is amended to read as follows:

Section 118.2 A. Where a parent is required by a court or administrative order to provide health coverage which is available through an employer doing business in this state, the employer is required:

1. To permit the parent to enroll under family coverage any child who is otherwise eligible for coverage without regard to any enrollment season restrictions;

2. If the parent is enrolled but fails to make application to obtain coverage of the child, to enroll the child under family coverage and to deduct the cost of the coverage from the employee's wages, unless the employer currently pays for the cost or portion of dependent coverage, upon application by the child's custodial person, by the state agency administering the Medicaid program or the state agency administering the child support program under Title IV-D of the Social Security Act;

3. Not to disenroll or eliminate coverage of a child unless the employer is provided satisfactory written evidence that:

- a. the court order is no longer in effect,
- b. the child is or will be enrolled in comparable coverage which will take effect no later than the effective date of disenrollment, or
- c. the employer has eliminated family health coverage for all of its employees;

4. Upon request, to provide complete information to the custodial person, the state agency administering the Medicaid program or the state agency administering the child support program under Title IV-D of the Social Security Act regarding any insurance benefits to which the child is entitled, and any forms, publications, or documents necessary to apply for or to utilize the benefits;

5. Permit the custodial person, the designated agency administering the State Medicaid Program, or the provider with approval, to submit claims for covered services without the approval of the noncustodial parent; and

6. Make payments on claims submitted in accordance with paragraph 5 of this subsection directly to the custodial person, the designated agency administering the State Medicaid Program, or the provider.

B. If child support services are being provided under the state child support plan as provided under Section 237 of Title 56 of the Oklahoma Statutes, the Child Support Enforcement Division shall notify the parent's employer to enroll the child in health care coverage available under the employer's plan by sending the employer a National Medical Support Notice issued pursuant to Section 466(a)(19) of the Social Security Act, and Section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974. The employer shall ~~be required to~~ comply with the National Medical Support Notice. The employer may be fined up to Two Hundred Dollars (\$200.00) per month per child for each failure to comply with the requirements of the National Medical Support Notice. Fines collected shall be remitted to the Child Support Revenue Enhancement Fund created pursuant to Section 225 of Title 56 of the Oklahoma Statutes.

C. An employer may not be fined under this section where an employee fails to contribute his or her portion of a health insurance premium.

D. The Department of Human Services shall promulgate rules as necessary to implement the provisions of this section.

SECTION 3. AMENDATORY 56 O.S. 2001, Section 225, is amended to read as follows:

Section 225. There is hereby created in the State Treasury a revolving fund for the Department of Human Services to be designated the "Child Support Revenue Enhancement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of federal Child Support Enforcement Program incentive funds in an amount exceeding the fiscal year 1989 receipts of such federal incentive funds, the state share of Child Support fees collected from non-public assistance clients ~~and~~, the state share of interest accumulated on child support collections and fines collected for failure to comply with the requirements of the National Medical Support Notice pursuant to Section 6058A of Title 36 and Section 118.2 of Title 43 of the Oklahoma Statutes. All monies accruing to

the credit of said fund are hereby appropriated and may be budgeted and expended by the Department of Human Services for administrative costs of the Child Support Enforcement Program in accordance with an agency plan for enhanced services related to child support enforcement and which are tied to improved program performance goals. Said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 4. This act shall become effective November 1, 2003.

Passed the Senate the 26th day of February, 2003.

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Presiding Officer of the Senate

Passed the House of Representatives the 24th day of March, 2003.

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Presiding Officer of the House  
of Representatives