SB 1429

THE STATE SENATE
Wednesday, February 18, 2004

Senate Bill No. 1429

SENATE BILL NO. 1429 - By: MONSON of the Senate and COX of the House.

An Act relating to insurance, the Health Maintenance Organization Act of 2003, and the Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003; amending Sections 37 and 46, Chapter 197, O.S.L. 2003 (36 O.S. Supp. 2003, Sections 6937 and 6946), which relate to the Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003; providing for exemption of certain health maintenance organizations from the provisions of the Health Maintenance Organization Act of 2003; modifying application of and providing for exemption from the Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6903.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

Domestic health maintenance organizations that contract with the Oklahoma Health Care Authority to provide basic health services to Medicaid recipients and that do not provide basic health care services to any other group of persons shall be exempt from the provisions of Sections 6911, 6913, 6914, 6915, 6932 and 6937 of Title 36 of the Oklahoma Statutes.

SECTION 2. AMENDATORY Section 37, Chapter 197, O.S.L. 2003 (36 O.S. Supp. 2003, Section 6937), is amended to read as follows:

Section 6937. A. This act shall be known and may be cited as the "Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003".

B. Domestic health maintenance organizations that contract with the Oklahoma Health Care Authority to provide basic health services to Medicaid recipients and that do not provide basic health care services to any other group of persons shall be exempt from the provisions of the Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003.

SECTION 3. AMENDATORY Section 46, Chapter 197, O.S.L. 2003 (36 O.S. Supp. 2003, Section 6946), is amended to read as follows:

Section 6946. A. The provisions of the Risk-based Capital (RBC) for Health Maintenance Organizations Act of 2003 are supplemental to any other provisions of the laws of this state, and shall not preclude or limit any other powers or duties of the Insurance Commissioner under such laws including, but not limited to, Articles 18 and 19 of the Insurance Code and promulgated rules related to health maintenance organizations in hazardous financial condition.

B. The Commissioner may adopt reasonable rules necessary for the implementation of this act.

C. The Commissioner may exempt from the application of this act a domestic health maintenance organization that:

1. Writes direct business only in this state; and

2. Assumes no reinsurance in excess of five percent (5%) of direct premium written.

~~D. Domestic health maintenance organizations that contract with the Oklahoma Health Care Authority to provide basic health care services to Medicaid recipients and do not provide basic health care services to any other group of persons shall be exempt from the provisions of Sections 11, 13, 14, 15, 32 and 37 of the Health Maintenance Organization Act of 2003.~~

SECTION 4. This act shall become effective November 1, 2004.

COMMITTEE REPORT BY: COMMITTEE ON HUMAN RESOURCES, dated 2-12-04 - DO PASS, As Coauthored.