

CS for SB 412

THE STATE SENATE
Thursday, February 20, 2003

Committee Substitute for
Senate Bill No. 412

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 412 - By: CORN of the Senate and ASKINS of the House.

An Act relating to health insurance; amending 74 O.S. 2001, Section 1315, as last amended by Section 1, Chapter 450, O.S.L. 2002 (74 O.S. Supp. 2002, Section 1315), which relates to participation in state-offered plans; allowing certain persons and entities to participate; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 1315, as last amended by Section 1, Chapter 450, O.S.L. 2002 (74 O.S. Supp. 2002, Section 1315), is amended to read as follows:

Section 1315. A. Upon application in writing and subject to any underwriting criteria that may be established by the State and Education Employees Group Insurance Board, the Board may extend the benefits of the State and Education Employees Group Health and Life Insurance Plans to employees who are employed in positions requiring actual performance of duty during not less than one thousand (1,000) hours per year and to all full-time employees of:

1. Any of the following groups which participate in the Oklahoma Public Employees Retirement System:

a. county,

- 1 b. city,
- 2 c. town,
- 3 d. public trust for which the state is the primary
- 4 beneficiary, or
- 5 e. conservation districts; and
- 6 2. Any of the following groups:
- 7 a. county hospital,
- 8 b. rural water district, including employees and board
- 9 members,
- 10 c. sewer district,
- 11 d. gas district,
- 12 e. solid waste management district,
- 13 f. nonprofit water corporation employees and board
- 14 members,
- 15 g. conservancy district or master conservancy district
- 16 authorized by the provisions of Section 541 of Title
- 17 82 of the Oklahoma Statutes,
- 18 h. voluntary organization of Oklahoma local government
- 19 jurisdictions listed in Section 2003 of Title 62 of
- 20 the Oklahoma Statutes including any council created by
- 21 the voluntary organizations,

- 1 i. voluntary association designated to administer the
2 County Government Council as authorized in Section 7
3 of Title 19 of the Oklahoma Statutes, ~~or~~
4 j. statewide nonprofit entities representing employees of
5 the state or employees of local political subdivisions
6 who are eligible for insurance benefits authorized by
7 the provisions of the State and Education Employees
8 Group Insurance Act, or
9 k. statewide nonprofit entities receiving state funds to
10 provide no cost legal services to low income and
11 senior citizens.

12 B. Applications to participate in the State and Education
13 Employees Group Health and Life Insurance Plans shall be approved by
14 majority action of the governing body of the groups listed in
15 subsection A of this section.

16 C. Groups listed in subsection A of this section participating
17 in the Oklahoma State and Education Employees Group Health and Life
18 Insurance Plans shall pay all costs attributable to their
19 participation. The benefits of said plans for a participant
20 provided coverage pursuant to this section shall be the same and
21 shall include the same plan options as would be made available to a
22 state employee participating in the plan that resided at the same
23 location. The premium for participating groups listed in subsection

1 A of this section shall be the same as paid by state and education
2 employees.

3 D. Participating groups listed in subsection A of this section
4 shall not be required to offer dental insurance as defined in
5 paragraph (11) of Section 1303 of this title, or other insurance as
6 defined in paragraph (12) of Section 1303 of this title. However,
7 if dental insurance or any other insurance is offered, it must be
8 provided to all eligible employees. If an employee retires and
9 begins to receive benefits from the Oklahoma Public Employees
10 Retirement System or terminates service and has a vested benefit
11 with the Oklahoma Public Employees Retirement System, the employee
12 may elect, in the manner provided in Section 1316.2 of this title,
13 to participate in the dental insurance plan offered through the
14 State and Education Employees Group Insurance Act. The employee
15 shall pay the full cost of the dental insurance.

16 E. 1. Any employee of a group listed in subsection A of this
17 section who retires or who has a vested benefit pursuant to the
18 Oklahoma Public Employees Retirement System may begin the health
19 insurance coverage if the employer of the employee is not a
20 participant of the State and Education Employees Group Insurance Act
21 and does not offer health insurance to its employees. Such election
22 by the employee to begin coverage shall be made within thirty (30)
23 days from the date of termination of service.

1 2. Any employee of a group listed in subsection A of this
2 section who retires or who has a vested benefit pursuant to the
3 Oklahoma Public Employees Retirement System may begin or continue
4 the health insurance coverage if the employer of the employee is a
5 participant of the State and Education Employees Group Insurance Act
6 and the election to begin or continue coverage is made within thirty
7 (30) days from the date of termination of service.

8 F. Any county, city, town, county hospital, public trust,
9 conservation district, or rural water, sewer, gas or solid waste
10 management district, or nonprofit water corporation, any of which of
11 the aforementioned groups is not a participating employer in the
12 Oklahoma Public Employees Retirement System, but which has employees
13 who are participating in the health, dental or life insurance plans
14 offered by or through the State and Education Employees Group
15 Insurance Act on July 1, 1997, may continue to allow its current and
16 future employees to participate in such health, dental or life
17 insurance plans. Participation of such employees may also continue
18 following retirement or termination of employment if the employee
19 has completed at least eight (8) years of service with a
20 participating employer and such an election to continue in force is
21 made within thirty (30) days following retirement or termination.
22 Any retiree or terminated employee electing coverage pursuant to
23 this section shall pay the full cost of the insurance.

1 G. An employee of a group listed in paragraph 2 of subsection A
2 of this section may continue in force health, dental and life
3 insurance coverage following retirement or termination of employment
4 if the employee who has retired or terminated employment has a
5 minimum of eight (8) years of service with a participating employer
6 and the election to continue in force is made within thirty (30)
7 calendar days following retirement or termination.

8 H. Notwithstanding other provisions in this section, an
9 employer listed in subsection A of this section may cease to
10 participate in the State and Education Employees Group Insurance Act
11 but provide health insurance coverage for its current and former
12 employees through another insurance carrier. The subsequent carrier
13 shall be responsible for providing coverage to the entity's
14 employees who terminated employment with a retirement benefit, with
15 a vested benefit, or who have eight (8) or more years of service
16 with a participating employer but did not have a vested benefit
17 through the Oklahoma Public Employees Retirement System, if the
18 election to retain health insurance coverage was made within thirty
19 (30) days of termination of employment. Coverage shall also be
20 provided to the eligible dependents of the employees if an election
21 to retain coverage is made within thirty (30) days of termination of
22 employment. Employees who terminate employment from an employer
23 covered by this paragraph before December 31, 2001, and elect

1 coverage under the State and Education Employees Group Insurance
2 Act, shall not be required to change insurance carriers in the event
3 that the employer changes its insurance carrier to a subsequent
4 carrier. The provisions of this subsection shall become effective
5 January 1, 2002.

6 SECTION 2. This act shall become effective July 1, 2003.

7 SECTION 3. It being immediately necessary for the preservation
8 of the public peace, health and safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & GROUP HEALTH, dated
12 2-18-03 - DO PASS, As Amended and Coauthored.