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THE STATE SENATE
Wednesday, April 12, 2006

ENGROSSED
House Bill No. 2909
As Amended

ENGROSSED HOUSE BILL NO. 2909 - By: PETERSON (Ron) and ROUSSELOT of the House and ALDRIDGE of the Senate.

An Act relating to insurance; amending 36 O.S. 2001, Section 6535; as amended by Section 3, Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2005, Section 6535), which relates to the Health Insurance High Risk Pool Act; modifying the Board of Directors; **extending the Surgical Patient Choice Task Force**; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 6535, as amended by Section 3, Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2005, Section 6535), is amended to read as follows:

Section 6535. A. There is hereby created a nonprofit legal entity to be known as the "Health Insurance High Risk Pool". All insurers and reinsurers providing health insurance or reinsurance, as a condition of doing business in this state, shall be members of the Pool.

B. 1. The Pool shall operate under the supervision and approval of a nine-member Board of Directors appointed by the Insurance Commissioner. The Board shall consist of:

- 1 a. two representatives of domestic insurance companies
2 licensed to do business in this state,
3 b. one representative of ~~a not-for-profit hospital~~
4 ~~service and medical indemnity plan~~ the foreign insurer
5 as defined by Section 602 of this title projected to
6 pay the highest assessment among foreign insurers in
7 the year of appointment,
8 c. one representative of a health maintenance
9 organization,
10 d. one member from a health-related profession,
11 e. one member from the general public, who is not
12 associated with the medical profession, a hospital, or
13 an insurer,
14 f. one member to represent a group considered to be
15 "uninsurable",
16 g. one representative of reinsurers, and
17 h. one representative from the providers of small group
18 plans licensed to do business in this state.

19 2. The original Board shall be appointed for the following
20 terms:

- 21 a. three members for a term of one (1) year,
22 b. three members for a term of two (2) years, and
23 c. three members for a term of three (3) years.

1 3. All terms after the initial term shall be for three (3)
2 years.

3 4. The Board shall elect one of its members as chairperson.

4 5. Members of the Board may be reimbursed from monies of the
5 Pool for actual and necessary expenses incurred by them in the
6 performance of their official duties as members of the Board, but
7 shall not otherwise be compensated for their services.

8 6. The Board shall adopt a primary plan and one or more
9 alternative plans pursuant to this act and submit the articles,
10 bylaws, and operating rules for each plan adopted to the Insurance
11 Commissioner for approval. The Board shall reimburse the Insurance
12 Commissioner for any direct and actual administrative costs
13 associated with administering the provisions of this act from monies
14 collected by the Board.

15 7. Notwithstanding Section 6542 of this title, in addition, the
16 Board shall adopt alternative health insurance plans that will
17 provide options for its members including different co-payment
18 structures, coinsurance, and deductible amounts. The Board may also
19 offer different benefit structures at its discretion. The Board
20 shall issue a request for proposal for the primary plan and one or
21 more alternative plans every two (2) years beginning January 1,
22 2003.

1 **SECTION 2. AMENDATORY Section 1, Chapter 81, O.S.L. 2005**
2 **(36 O.S. Supp. 2005, Section 6057.5), is amended to read as follows:**

3 Section 6057.5 A. There is hereby created to continue until
4 February 1, ~~2006~~ 2007, the Surgical Patient Choice Task Force.

5 1. The Task Force shall consist of ten (10) members.

6 2. Of the ten members:

7 a. three shall be appointed by the Speaker of the
8 Oklahoma House of Representatives as follows:

9 (1) one shall be a representative of a health insurer
10 which owns or operates a statewide provider
11 network,

12 (2) one shall represent a specialty hospital, and

13 (3) one shall be a member of the Oklahoma House of
14 Representatives and shall serve as cochair,

15 b. three shall be appointed by the President Pro Tempore
16 of the State Senate as follows:

17 (1) one shall represent an ambulatory surgical
18 center,

19 (2) one shall represent a statewide hospital
20 association, and

21 (3) one shall be a member of the State Senate and
22 shall serve as cochair,

23 c. two shall be appointed by the Governor as follows:

1 (1) one shall be a representative of a full-service
2 community hospital located in a community with a
3 population of over three hundred thousand
4 (300,000), and

5 (2) one shall represent a hospital located in a rural
6 area, and

7 d. two shall be public sector representatives or their
8 designees as follows:

9 (1) the Commissioner of the State Department of
10 Health, and

11 (2) the Insurance Commissioner.

12 B. 1. Appointed members of the Task Force shall serve at the
13 pleasure of their appointing authority.

14 2. A vacancy on the Task Force shall be filled by the original
15 appointing authority.

16 3. Appointments to the Task Force shall be made by August 1,
17 2005.

18 C. 1. A majority of the members present at a meeting shall
19 constitute a quorum to do business.

20 2. The cochairs of the Task Force shall convene the first
21 meeting of the Task Force on or before September 1, 2005, at which
22 time a schedule of the meetings shall be determined.

1 3. The Oklahoma Insurance Department shall provide staff
2 support for the Task Force.

3 D. The Task Force may divide into subcommittees in furtherance
4 of its purposes.

5 E. Members of the Task Force shall receive no compensation but
6 shall be reimbursed for necessary travel expenses incurred in the
7 performance of their duties pursuant to the provisions of the State
8 Travel Reimbursement Act as follows:

9 1. Legislative members of the Task Force shall be reimbursed in
10 accordance with the provisions of Section 456 of Title 74 of the
11 Oklahoma Statutes; and

12 2. Nonlegislative members of the Task Force shall be reimbursed
13 by their appointing authorities.

14 F. The purpose of the Task Force shall be to make
15 recommendations to the Legislature and the Governor regarding ways
16 to improve patient access to rural hospitals, specialty hospitals
17 and ambulatory surgical centers by:

18 1. Studying the issue of the exclusion of hospitals including
19 specialty hospitals and ambulatory surgical centers from health
20 insurance plans when those facilities are willing to meet the terms
21 of a contract set forth and offered to similar providers by health
22 insurance companies;

- 1 2. Determining whether a need exists to expand opportunities
2 for hospitals to participate in health insurance provider networks;
- 3 3. Determining if patients have the ability to choose among and
4 between all geographically relevant providers which meet
5 requirements set by insurance companies;
- 6 4. Determining if providers as defined in this act who are not
7 allowed to participate in provider networks are denied participation
8 based on issues related to patient safety, sound economic policies,
9 and the practice of medicine;
- 10 5. Making recommendations as to the role of the State Insurance
11 Commission and the State Department of Health in establishing a
12 system of appeal when a hospital, specialty hospital, or ambulatory
13 surgical center, is denied participation in a provider network; and
- 14 6. Identifying other issues deemed appropriate by the Task
15 Force.
- 16 G. The Task Force shall issue a report of its recommendations
17 to the Legislature and Governor no later than January 1, 2006.

18 SECTION 3. This act shall become effective November 1, 2006.

19 COMMITTEE REPORT BY: COMMITTEE ON HEALTH & HUMAN RESOURCES, dated
20 4-6-06 - DO PASS, As Amended.