

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2080

By: Turner

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 1316.2, as last amended by Section 2, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2005, Section 1316.2), which relates to health coverage for retired persons; increasing certain insurance premium benefit paid by Oklahoma Public Employees Retirement System for certain retired persons; 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 1316.2, as last amended by Section 2, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2005, Section 1316.2), is amended to read as follows:

Section 1316.2 A. Any employee other than an education employee who retires pursuant to the provisions of the Oklahoma Public Employees Retirement System or who has a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System may continue in force the health and dental insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act, or other employer insurance benefits if the employer does not participate in the plans offered by the State and Education Employees Group Insurance Board, if such election to continue in force is made within thirty (30) days from the date of termination of service. Except as otherwise provided for in Section 840-2.27I of this title and subsection H of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force is declined. Vested employees other than education employees who have terminated service and are not receiving benefits and effective July 1, 1996,

nonvested persons who have terminated service with more than eight (8) years of participating service with a participating employer, who within thirty (30) days from the date of termination of service elect to continue such coverage, shall pay the full cost of said insurance premium at the rate and pursuant to the terms and conditions established by the Board. Provided also, any employee other than an education employee who commences employment with a participating employer on or after September 1, 1991, who terminates service with such employer on or after July 1, 1996, but who otherwise has insufficient years of service to retire or terminate service with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System or to elect to continue coverage as a nonvested employee as provided in this section, but who, immediately prior to employment with the participating employer was covered as a dependent on the health and dental insurance policy of a spouse who was an active employee other than an education employee, may count as part of his or her credited service for the purpose of determining eligibility to elect to continue coverage under this section, the time during which said terminating employee was covered as such a dependent.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the State and Education Employees Group Insurance Board,
- b. managed care plans offered as alternatives to the indemnity plans offered through the State and Education Employees Group Insurance Board,
- c. Medicare supplements offered pursuant to the State and Education Employees Group Insurance Act,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the State and Education Employees Group

Insurance Board. All Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principles for adverse selection which may occur, and

- e. for the Oklahoma Public Employee Retirement System, other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the State and Education Employees Group Insurance Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. 1. Designated public retirement systems shall contribute a monthly amount towards the health insurance premium of certain individuals receiving benefits from the public retirement system as follows:

- a. a retired employee other than an education employee who is receiving benefits from the Oklahoma Public Employees Retirement System after September 30, 1988, shall have ~~One Hundred Five Dollars (\$105.00)~~ One Hundred Fifty-five Dollars (\$155.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Public Employees Retirement System to the Board or other insurance carrier of the employer if the employer does not participate in the plans offered by the State and Education Employees Group Insurance Board in the manner specified in subsection G of this section,

- b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified in subsection G of this section,
- c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified in subsection G of this section, and
- d. a retired employee other than an education employee who is receiving benefits from the Uniform Retirement System for Justices and Judges after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance plan, whichever is less, paid by the Uniform Retirement System for Justices and Judges to the Board in the manner specified in subsection G of this section.

2. Premium payments made pursuant to this section shall be made subject to the following conditions:

- a. the health plan shall be authorized by the provisions of the State and Education Employees Group Insurance

Act, except that if an employer from which an employee retired or with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System does not participate in the plans authorized by the provisions of the State and Education Employees Group Insurance Act, the health plan will be the health insurance benefits of the employer from which the individual retired or vested,

- b. for plans offered by the State and Education Employees Group Insurance Act, the amount to be paid shall be determined pursuant to the provisions of this subsection and shall first be applied in whole or in part to the prescription drug coverage premium. Any remaining amount shall be applied toward the medical coverage premium,
- c. for all plans, if the amount paid by the public retirement system does not cover the full cost of the elected coverage, the individual shall pay the remaining premium amount, and
- d. payment shall be made by the retirement systems in the manner specified under subsection G of this section.

D. For any member of the Oklahoma Law Enforcement Retirement System killed in the line of duty, whether the member was killed in the line of duty prior to the effective date of this act or on or after the effective date of this act, or if the member was on a disability leave status at the time of death, the surviving spouse or dependents of such deceased member of the Oklahoma Law Enforcement Retirement System may elect to continue or commence health and dental insurance benefits provided said dependents pay the full cost of such insurance and for deaths occurring on or after July 1, 2002, such election is made within thirty (30) days of the date of death. The eligibility for said benefits shall terminate

for the surviving children when said children cease to qualify as dependents.

E. Effective July 1, 2004, a retired member of the Oklahoma Law Enforcement Retirement System who retired from the System by means of a personal and traumatic injury of a catastrophic nature and in the line of duty and any surviving spouse of such retired member and any surviving spouse of a member who was killed in the line of duty shall have one hundred percent (100%) of the retired member's or surviving spouse's health care premium cost, whether the member or surviving spouse elects coverage under the Medicare supplement or Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified in subsection H of this section. For plans offered by the State and Education Employees Group Insurance Board, such contributions will first be applied in whole or in part to the prescription drug coverage premium, if any.

F. Dependents of a deceased employee who was on active work status or on a disability leave at the time of death or of a participating retardant or of any person who has elected to receive a vested benefit under the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges or the Oklahoma Law Enforcement Retirement System may continue the health and dental insurance benefits in force provided said dependents pay the full cost of such insurance and they were covered as eligible dependents at the time of such death and such election is made within thirty (30) days of date of death. The eligibility for said benefits shall terminate for the surviving children when said children cease to qualify as dependents.

G. The amounts required to be paid by the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges and the Oklahoma Law Enforcement Retirement System pursuant to this section shall be forwarded no later than the

tenth day of each month following the month for which payment is due by the Oklahoma Public Employees Retirement System Board of Trustees or the Oklahoma Law Enforcement Retirement Board to the State and Education Employees Group Insurance Board for deposit in the Health, Dental and Life Insurance Reserve Fund or to another insurance carrier as provided for in subsection H of Section 1315 of this title.

H. Upon retirement from employment of the Board of Regents of the University of Oklahoma, any person who was or is employed at the George Nigh Rehabilitation Institute and who transferred employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the benefits authorized by the provisions of the State and Education Employees Group Insurance Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of service. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who transferred employment and who participate pursuant to this paragraph shall pay the premium for elected benefits less any amounts paid by a state retirement system pursuant to this section.

SECTION 2. This act shall become effective July 1, 2006.

SECTION 3. 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 act shall take effect and be in full force from and after its passage and approval.

50-2-7720

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12/28/05