STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 285 By: Corn

AS INTRODUCED

An Act relating to state retiree health insurance; amending 74 O.S. 2001, Section 1316.2, as last amended by Section 5, Chapter 345, O.S.L. 2004 (74 O.S. Supp. 2004, Section 1316.2), which relates to the State and Education Employees Group Insurance Board; providing certain increase in insurance payment made by the Oklahoma Law Enforcement Retirement System; 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 5, Chapter 345, O.S.L. 2004 (74 O.S. Supp. 2004, Section 1316.2), is amended to read as follows:

Section 1316.2 (1) 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. Health insurance benefits offered pursuant to this section shall include the state indemnity plan, managed care plans offered in alternative to the state indemnity plan, Medicare supplements offered by the State and Education Employees Group Insurance Board which shall include

prescription drug coverage, other employer plans if the employer does not participate in the plans offered by the State and Education Employees Group Insurance Board, and Medicare risk-sharing contracts offered in alternative to the Board's Medicare supplement. Provided, all Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principals for adverse selection which may occur. Except as otherwise provided for in Section 840-2.27I of this title, 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.

(2) A retired employee other than an education employee who is receiving benefits from the Oklahoma Public Employees Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to subsection (1) of this section elects to continue the health insurance plan shall pay the premium rate for the health insurance minus an amount equal to the premium rate of the Medicare supplement offered by the State and Education Employees Group Insurance Board or One Hundred Five Dollars ($105.00), whichever is less, which shall be paid by the Oklahoma Public Employees Retirement System to the Board or other insurance carrier 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 (9) of this section.

(3) A retired employee other than an education employee who is receiving benefits from the Oklahoma Public Employees 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 and pursuant to subsection (1) of this section elects to continue the health insurance plan and elects coverage under the Medicare supplement offered by the State and Education Employees Group Insurance Board or other employer plan if the employer does not participate in the plans offered by the State and Education Employees Group Insurance Board shall have One Hundred Five Dollars ($105.00), or the premium rate of the Medicare supplement, 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 (9) of this section. If the amount paid by the Oklahoma Public Employees Retirement System does not cover the full cost of the Medicare supplement, the retired employee shall pay 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 the remaining amount if the retired employee wants to continue coverage. If such retiree elects coverage under any Medicare risk-sharing contract, the retiree shall have One Hundred Five Dollars ($105.00) or the premium rate of the Medicare risk-sharing contract selected by the retiree, 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 (9) of this section. If the amount paid by the Oklahoma Public Employees Retirement System does not cover the full cost of the Medicare risk-sharing contract, the retired employee shall pay 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 the remaining amount if the retired employee wants to continue coverage.

(4) (a) A retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System on or after ~~September 30, 1988~~ July 1, 2005, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to subsection (1) of this section elects to continue the health insurance plan shall pay the premium rate for the health insurance minus an amount equal to ~~the premium rate of the Non-Medicare offered by the State and Education Employees Group Insurance Board or One Hundred Five Dollars ($105.00), whichever is less,~~ a total of One Hundred Forty-four Dollars and six cents ($144.06) and Fourteen Dollars and forty-one cents ($14.41) for each year of credited service of the member in the Oklahoma Law Enforcement Retirement System in excess of ten (10) years of credited service, but not to exceed ten (10) additional

years of credited service, and which shall be paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified in subsection (9) of this section.

(b) ~~For~~ Effective July 1, 2005, if any member of the 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~~ dies while an active employee, 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.

(5) A retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System on or after ~~September 30, 1988~~ July 1, 2005, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare and pursuant to subsection (1) of this section elects to continue the health insurance plan and elects coverage under the Medicare supplement offered by the State and Education Employees Group Insurance Board shall have ~~One Hundred Five Dollars ($105.00) or the premium rate of the Medicare supplement, whichever is less,~~ a total of One Hundred Forty-four Dollars and six cents ($144.06) and Fourteen Dollars and forty-one cents ($14.41) for each year of credited service of the retired employee in the Oklahoma Law Enforcement Retirement System in excess of ten (10) years of credited service, but not to exceed ten (10) additional years of credited service, paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified

in subsection (9) of this section. If the amount paid by the Oklahoma Law Enforcement Retirement System does not cover the full cost of the Medicare supplement, the retired employee shall pay to the Board the remaining amount if the retired employee wants to continue coverage. If such retiree elects coverage under any Medicare risk-sharing contract, the retiree shall have ~~One Hundred Five Dollars ($105.00) or the premium rate of the Medicare risk-sharing contract selected by the retiree, whichever is less~~, a total of One Hundred Forty-four Dollars and six cents ($144.06) and Fourteen Dollars and forty-one cents ($14.41) for each year of credited service of the retired employee in the Oklahoma Law Enforcement Retirement System in excess of ten (10) years of credited service, but not to exceed ten (10) additional years of credited service, paid by the Oklahoma Law Enforcement Retirement System to the Board in the manner specified in subsection (9) of this section. If the amount paid by the Oklahoma Law Enforcement Retirement System does not cover the full cost of the Medicare risk-sharing contract, the retired employee shall pay to the Board the remaining amount if the retired employee wants to continue coverage. 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 (9) of this section.

(6) 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, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to subsection (1) of this section elects to continue the health insurance plan shall pay the premium rate for the health insurance minus an amount equal to the premium rate of the Medicare supplement offered by the State and Education Employees Group Insurance Board or One Hundred Five Dollars ($105.00), whichever is less, which shall be paid by the Uniform Retirement System for Justices and Judges to the Board in the manner specified in subsection (9) of this section.

(7) 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, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare and pursuant to subsection (1) of this section elects to continue the health insurance plan and elects coverage under the Medicare supplement offered by the State and Education Employees Group Insurance Board shall have One Hundred Five Dollars ($105.00), or the premium rate of the Medicare supplement, whichever is less, paid by the Uniform Retirement System for Justices and Judges to the Board in the manner specified in subsection (9) of this section. If the amount paid by the Uniform Retirement System for Justices and Judges does not cover the full cost of the Medicare supplement, the retired employee shall pay to the Board the remaining amount if the retired employee wants to continue coverage. If such retiree elects coverage under any Medicare risk-sharing contract, the retiree shall have One Hundred Five Dollars ($105.00) or the premium rate of the Medicare risk-sharing contract selected by the retiree, whichever is less, paid by the Uniform Retirement System for Justices and Judges to the Board in the manner specified in subsection (9) of this section. If the amount paid by the Uniform Retirement System for Justices and Judges does not cover the

full cost of the Medicare risk-sharing contract, the retired employee shall pay to the Board the remaining amount if the retired employee wants to continue coverage.

(8) 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 retirant 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.

(9) 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.

(10) 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, 2005.

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.

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