

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 2ND CONFERENCE COMMITTEE  
4 SUBSTITUTE

4 FOR ENGROSSED

5 HOUSE BILL NO. 1928

By: Steele, Terrill and Kern of  
the House

6 and

7 Crain of the Senate

8  
9  
10 2ND CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to insurance; amending Sections 2, 3,  
12 4 and 5, Chapter 306, O.S.L. 2005 (36 O.S. Supp.  
13 2006, Sections 6060.15, 6060.16, 6060.17 and  
14 6060.18), which relate to the Health Savings Account  
15 Act; modifying definitions; modifying provisions  
16 related to maximum deposits in health savings  
17 accounts; modifying restriction on eligible  
18 expenditures; modifying provisions governing  
19 treatment of interest for purposes of Oklahoma Income  
20 Tax Act; amending 74 O.S. 2001, Section 1370, as last  
21 amended by Section 3, Chapter 450, O.S.L. 2005 (74  
22 O.S. Supp. 2006, Section 1370), which relates to  
23 flexible benefit allowance; providing for condition  
24 on certain military health plans; amending 74 O.S.  
2001, Section 1371, as last amended by Section 8,  
Chapter 231, O.S.L. 2006 (74 O.S. Supp. 2006, Section  
1371), which relates to default benefits for plans  
offered by health maintenance organizations;  
providing condition for military exemption; requiring  
the State and Education Employees Group Insurance  
Board to make the health savings account available to  
eligible employees; specifying time in which certain  
plan is offered; requiring confirmation of health  
savings account to certain Board by employees;  
providing for codification; and declaring an  
emergency.

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

2 SECTION 1. AMENDATORY Section 2, Chapter 306, O.S.L.  
3 2005 (36 O.S. Supp. 2006, Section 6060.15), is amended to read as  
4 follows:

5 Section 6060.15 As used in this act:

6 1. "Deductible" means the total deductible for an eligible  
7 individual and all the dependents of that eligible individual for a  
8 calendar year;

9 2. "Dependent" means the spouse or child of the eligible  
10 individual as defined in Section 152 of the Internal Revenue Code;

11 3. "Eligible individual" means the individual taxpayer,  
12 including employees of an employer who contributes to health savings  
13 accounts on the employees' behalf, who:

14 a. must be covered by a "high deductible health plan"  
15 individually or with dependent,

16 b. may not be covered under any health plan that is not a  
17 high deductible health plan, except for:

18 (1) coverage for accidents,

19 (2) workers' compensation insurance,

20 (3) insurance for a specified disease or illness,

21 (4) insurance paying a fixed amount per day per  
22 hospitalization, and

23 (5) tort liabilities, and  
24

1 c. establishes the health savings account, or on whose  
2 behalf the health savings account is established;

3 4. "Health savings account" or "account" means a trust or  
4 custodian established in this state pursuant to a health savings  
5 account program exclusively to pay the qualified medical expenses of  
6 an eligible individual or their dependents, but only if the written  
7 governing instrument creating the account meets the following  
8 requirements:

9 a. except in the case of a rollover contribution, no  
10 contribution will be accepted:

11 (1) unless it is in cash, or

12 (2) to the extent the contribution, when added to the  
13 previous contributions to the account for the  
14 calendar year, exceeds ~~one hundred percent (100%)~~  
15 ~~of the eligible individual's deductible or Two~~  
16 ~~Thousand Six Hundred Dollars (\$2,600.00) for an~~  
17 ~~individual or Five Thousand One Hundred Fifty~~  
18 ~~Dollars (\$5,150.00) per family, whichever is~~  
19 ~~lower~~ the maximum contribution amount pursuant to  
20 Section 223 of the Internal Revenue Code,

21 b. the trustee or custodian is a bank, a credit union, an  
22 insurance company, or another person approved by the  
23 United States Secretary of Health and Human Services,  
24

- 1 c. no part of the trust assets will be invested in life  
2 insurance contracts,  
3 d. the assets of the account will not be commingled with  
4 other property except as allowed for under Individual  
5 Retirement Accounts, and  
6 e. eligible individual's interest in the account is  
7 nonforfeitable;

8 5. "Health savings account program" or "program" means a  
9 program that includes all of the following:

- 10 a. the purchase by an eligible individual or by an  
11 employer of a high deductible health plan, and  
12 b. the contribution into a health savings account by an  
13 eligible individual or on behalf of an employee or by  
14 their employer. The total annual contribution may not  
15 exceed ~~the amount of the plan's higher deductible or~~  
16 ~~the amounts listed in paragraph 8 of this section~~  
17 maximum contribution amount pursuant to Section 223 of  
18 the Internal Revenue Code;

19 6. "High deductible health plan" means a health coverage  
20 policy, certificate, or contract that provides for payments for  
21 covered benefits that exceed the higher deductible;

22 7. "Qualified medical expense" means an expense paid by the  
23 taxpayer for medical care described in paragraph d of Section 213 of  
24

1 the Internal Revenue Code, but only to the extent such amounts are  
2 not compensated for by insurance or otherwise; and

3 8. "High deductible" means:

- 4 a. in the case of self-only coverage, an annual  
5 deductible which is not less than One Thousand Dollars  
6 (\$1,000.00) and the sum of the annual deductible and  
7 other annual out-of-pocket expenses required to be  
8 paid under the plan for covered benefits does not  
9 exceed Five Thousand Dollars (\$5,000.00), or
- 10 b. in the case of family coverage, an annual deductible  
11 of not less than Two Thousand Dollars (\$2,000.00) and  
12 the sum of the annual deductible and other annual out-  
13 of-pocket expenses required to be paid under the plan  
14 for covered benefits does not exceed Ten Thousand  
15 Dollars (\$10,000.00).

16 A plan shall not fail to be treated as a high deductible plan by  
17 reason of failing to have a deductible for preventive care or, in  
18 the case of network plans, for having out-of-pocket expenses which  
19 exceed these limits on an annual deductible for services provided  
20 outside the network.

21 SECTION 2. AMENDATORY Section 3, Chapter 306, O.S.L.

22 2005 (36 O.S. Supp. 2006, Section 6060.16), is amended to read as  
23 follows:

1 Section 6060.16 A. The provisions of this act shall also apply  
2 to taxpayers who are not receiving preferred federal tax treatment  
3 for a health savings account pursuant to Section 223 of the Internal  
4 Revenue Code.

5 B. For taxable years beginning after 2005, a resident of  
6 Oklahoma or an employer shall be allowed to deposit contributions to  
7 a health savings account. The amount of deposit for each year shall  
8 not exceed ~~one of the following:~~

9 ~~1. The amount of the plan's high deductible; or~~

10 ~~2. Two Thousand Six Hundred Dollars (\$2,600.00) for an~~  
11 ~~individual policy; or~~

12 ~~3. Five Thousand One Hundred Fifty Dollars (\$5,150.00) for a~~  
13 ~~family policy~~ the maximum contribution amount pursuant to Section  
14 223 of the Internal Revenue Code.

15 C. Except as provided in Section ~~5~~ 6060.18 of this ~~act~~ title,  
16 the following are exempt from taxation under the Oklahoma Income Tax  
17 Act:

18 1. Principal contributed to and interest earned on a health  
19 savings account ~~up to the amount of the high deductible; and~~

20 2. Money reimbursed to an eligible individual or an employee  
21 for qualified medical expenses.

22 SECTION 3. AMENDATORY Section 4, Chapter 306, O.S.L.  
23 2005 (36 O.S. Supp. 2006, Section 6060.17), is amended to read as  
24 follows:

1 Section 6060.17 ~~A.~~ The trustee or custodian shall utilize the  
2 funds held in a health savings account solely for the following  
3 purposes:

4 1. To pay the qualified medical expenses of the eligible  
5 individual or their dependents; or

6 2. To purchase a health coverage policy certificate, or  
7 contract, if the eligible individual:

8 a. is receiving unemployment compensation,

9 b. is exercising continuation privileges under federal  
10 law, or

11 c. is purchasing a long-term care insurance contract; or

12 3. To pay for health insurance other than a Medicare  
13 supplemental policy for those who are Medicare eligible.

14 ~~B. Funds held in a health savings account shall not be used to~~  
15 ~~cover expenses of the eligible individual or their dependents that~~  
16 ~~are otherwise covered, including, but not limited to, medical~~  
17 ~~expenses covered by the following:~~

18 ~~1. An automobile insurance policy;~~

19 ~~2. Workers' compensation insurance policy or self-insured plan;~~

20 ~~or~~

21 ~~3. Another employer-funded health coverage policy, certificate~~  
22 ~~or contract.~~

1 SECTION 4. AMENDATORY Section 5, Chapter 306, O.S.L.  
2 2005 (36 O.S. Supp. 2006, Section 6060.18), is amended to read as  
3 follows:

4 Section 6060.18 A. Notwithstanding paragraphs C, D, E, and F  
5 of this section, an eligible individual may withdraw money from  
6 their health savings account for any purpose other than a purpose  
7 described in ~~subsection A of~~ Section 4 6060.17 of this ~~act~~ title.

8 B. If the eligible individual withdraws money for any purpose  
9 other than a purpose described in ~~subsection A of~~ Section 4 6060.17  
10 of this ~~act~~ title, at any other time, all of the following shall  
11 apply:

12 1. The amount of the withdrawal is income for the purposes ~~in~~  
13 of the Oklahoma Income Tax Act in the tax year of the withdrawal;  
14 and

15 2. ~~Interest earned on the account during the tax year in which~~  
16 ~~a withdrawal under this subsection is made is income for the~~  
17 ~~purposes of the Oklahoma Income Tax Act~~ The tax imposed on the  
18 withdrawal which is includable in income shall be increased by ten  
19 percent (10%) of the amount which is so includable.

20 C. The amount of disbursement of any assets of a health savings  
21 account pursuant to a filing for protection under Section 101 of  
22 Title 11 of the United States Code by an eligible individual or  
23 person for whose benefit the account was established is not  
24 considered a withdrawal for purposes of this section. The amount of



1 a disbursement is not subject to taxation under the Oklahoma Income  
2 Tax Act and subsection B of this section does not apply.

3 D. The transfer of an eligible individual's interest in a  
4 health savings account to an eligible individual's spouse or former  
5 spouse under a divorce or separation instrument shall not be  
6 considered a taxable transfer made by such eligible individual,  
7 notwithstanding any other provision of this title, and the interest  
8 shall, after the transfer, be treated as a health savings account  
9 with respect to which the spouse is the eligible individual.

10 E. Upon the death of the eligible individual, the trustee or  
11 custodian shall distribute the principal and accumulated interest of  
12 the health savings account to the estate of the deceased.

13 F. If an employee becomes employed with a different employer  
14 that participates in a health savings account program, the employee  
15 may transfer their health savings account to that new employer's  
16 trustee or custodian, or to an individually purchased account  
17 program.

18 SECTION 5. AMENDATORY 74 O.S. 2001, Section 1370, as  
19 last amended by Section 3, Chapter 450, O.S.L. 2005 (74 O.S. Supp.  
20 2006, Section 1370), is amended to read as follows:

21 Section 1370. A. Subject to the requirement that a participant  
22 must elect the default benefits, the basic plan, or is a person who  
23 has retired from a branch of the United States military and has been  
24 provided with health care through a federal plan, to the extent that

1 it is consistent with federal law, and provides proof of this  
2 coverage, flexible benefit dollars may be used to purchase any of  
3 the benefits offered by the Oklahoma State Employees Benefits  
4 Council under the flexible benefits plan. A participant who has  
5 provided proof of other coverage as described in this subsection  
6 shall not receive flexible benefit dollars if the person elects not  
7 to purchase any benefits. A participant's flexible benefit dollars  
8 for a plan year shall consist of the sum of (1) flexible benefit  
9 allowance credited to a participant by the participating employer,  
10 and (2) pay conversion dollars elected by a participant.

11 B. Each participant shall be credited annually with a specified  
12 amount as a flexible benefit allowance which shall be available for  
13 the purchase of benefits. The amount of the flexible benefit  
14 allowance credited to each participant shall be communicated to him  
15 or her prior to the enrollment period for each plan year.

16 C. Except as provided in subsection D of this section, for the  
17 plan year ending December 31, 2001, and each plan year thereafter,  
18 the amount of a participant's benefit allowance, which shall be the  
19 total amount the employer contributes for the payment of insurance  
20 premiums or other benefits, shall be:

21 1. The greater of Two Hundred Sixty-two Dollars and nineteen  
22 cents (\$262.19) per month or an amount equal to the sum of the  
23 average monthly premiums of all high option health insurance plans,  
24 excluding the point-of-service plans, the average monthly premiums

1 of the dental plans, the monthly premium of the disability plan, and  
2 the monthly premium of the basic life insurance plan offered to  
3 state employees or the amount determined by the Council based on a  
4 formula for determining a participant's benefit credits consistent  
5 with the requirements of 26 U.S.C., Section 125(g) (2) and  
6 regulations thereunder; or

7       2. The greater of Two Hundred Twenty-four Dollars and sixty-  
8 nine cents (\$224.69) per month or an amount equal to the sum of the  
9 average monthly premiums of all high option health insurance plans,  
10 excluding the point-of-service plans, the average monthly premiums  
11 of the dental plans, the monthly premium of the disability plan, and  
12 the monthly premium of the basic life insurance plan offered to  
13 state employees plus one of the additional amounts as follows for  
14 participants who elect to include one or more dependents:

15           a. for a spouse, seventy-five percent (75%) of the  
16 average price of all high option benefit plans,  
17 excluding the point-of-service plans, available for  
18 coverage of a spouse,

19           b. for one child, seventy-five percent (75%) of the  
20 average price of all high option benefit plans  
21 available, excluding the point-of-service plans, for  
22 coverage of one child,

23           c. for two or more children, seventy-five percent (75%)  
24 of the average price of all high option benefit plans

1 available, excluding the point-of-service plans, for  
2 coverage of two or more children,

3 d. for a spouse and one child, seventy-five percent (75%)  
4 of the average price of all high option benefit plans  
5 available, excluding the point-of-service plans, for  
6 coverage of a spouse and one child, or

7 e. for a spouse and two or more children, seventy-five  
8 percent (75%) of the average price of all high option  
9 benefit plans available, excluding the point-of-  
10 service plans, for coverage of a spouse and two or  
11 more children.

12 D. ~~For the plan year beginning January 1, 2006, and each plan~~  
13 ~~year thereafter~~ To the extent that it is consistent with federal  
14 law, for an employee who is an eligible TRICARE beneficiary and has  
15 opted not to purchase health care coverage and who purchases a group  
16 TRICARE Supplemental product, the amount of the participant's  
17 benefit allowance shall be equal to the sum of the monthly premium  
18 of the group TRICARE Supplemental product purchased by the  
19 participant, if any, the average monthly premiums of the dental  
20 plans, the monthly premium of the disability plan, and the monthly  
21 premium of the basic life insurance plan offered to state employees  
22 or the amount determined by the Council based on a formula for  
23 determining a participant's benefit credits consistent with the  
24 requirements of 26 U.S.C., Section 125(g)(2) and regulations

1 thereunder. ~~For the plan year beginning January 1, 2006, and each~~  
2 ~~plan year thereafter~~ To the extent that it is consistent with  
3 federal law, for each eligible dependent of an employee who is an  
4 eligible TRICARE beneficiary and has opted not to purchase health  
5 care coverage, if the employee purchases a group TRICARE  
6 Supplemental product on behalf of the dependent, the benefit  
7 allowance shall be equal to seventy-five percent (75%) of the  
8 monthly premium of the group TRICARE Supplemental product purchased  
9 by the participant on behalf of the dependent.

10 E. This section shall not prohibit payments for supplemental  
11 health insurance coverage made pursuant to Section 1314.4 of this  
12 title or payments for the cost of providing health insurance  
13 coverage for dependents of employees of the Grand River Dam  
14 Authority.

15 F. If a participant desires to buy benefits whose sum total of  
16 benefit prices is in excess of his or her flexible benefit  
17 allowance, the participant may elect to use pay conversion dollars  
18 to purchase such excess benefits. Pay conversion dollars may be  
19 elected through a salary reduction agreement made pursuant to the  
20 election procedures of Section 1371 of this title. The elected  
21 amount shall be deducted from the participant's compensation in  
22 equal amounts each pay period over the plan year. On termination of  
23 employment during a plan year, a participant shall have no  
24 obligation to pay the participating employer any pay conversion

1 dollars allocated to the portion of the plan year after the  
2 participant's termination of employment.

3 G. If a participant elects benefits whose sum total of benefit  
4 prices is less than his or her flexible benefit allowance, he or she  
5 shall receive any excess flexible benefit allowance as taxable  
6 compensation. Such taxable compensation will be paid in  
7 substantially equal amounts each pay period over the plan year. On  
8 termination during a plan year, a participant shall have no right to  
9 receive any such taxable cash compensation allocated to the portion  
10 of the plan year after the participant's termination. Nothing  
11 herein shall affect a participant's obligation to elect the minimum  
12 benefits or to accept the default benefits of the plan with  
13 corresponding reduction in the sum of his or her flexible benefit  
14 allowance equal to the sum total benefit price of such minimum  
15 benefits or default benefits.

16 SECTION 6. AMENDATORY 74 O.S. 2001, Section 1371, as  
17 last amended by Section 8, Chapter 231, O.S.L. 2006 (74 O.S. Supp.  
18 2006, Section 1371), is amended to read as follows:

19 Section 1371. A. All participants must purchase at least the  
20 basic plan unless, to the extent that it is consistent with federal  
21 law, the participant is a person who has retired from a branch of  
22 the United States military and has been provided with health  
23 coverage through a federal plan and that participant provides proof  
24 of that coverage. On or before January 1 of the plan year beginning

1 July 1, 2001, and July 1 of any plan year beginning after January 1,  
2 2002, the Oklahoma State Employees Benefits Council shall design the  
3 basic plan for the next plan year to insure that the basic plan  
4 provides adequate coverage to all participants. All benefit plans,  
5 whether offered by the State and Education Employees Group Insurance  
6 Board, a health maintenance organization or other vendors shall meet  
7 the minimum requirements set by the Council for the basic plan.

8 B. The Board shall offer health, disability, life and dental  
9 coverage to all participants and their dependents. For health,  
10 dental, disability and life coverage, the Board shall offer plans at  
11 the basic benefit level established by the Council, and in addition,  
12 may offer benefit plans that provide an enhanced level of benefits.  
13 The Board shall be responsible for determining the plan design and  
14 the benefit price for the plans that they offer. Effective for the  
15 plan year beginning January 1, 2007, and for each plan year  
16 thereafter, in setting health insurance premiums for active  
17 employees and for retirees under sixty-five (65) years of age, the  
18 Board shall set the monthly premium for active employees to be equal  
19 to the monthly premium for retirees under sixty-five (65) years of  
20 age.

21 Nothing in this subsection shall be construed as prohibiting the  
22 Board from offering additional medical plans, provided that any  
23 medical plan offered to participants shall meet or exceed the  
24 benefits provided in the medical portion of the basic plan.

1 C. In lieu of electing any of the preceding medical benefit  
2 plans, a participant may elect medical coverage by any health  
3 maintenance organization made available to participants by the  
4 Council. The benefit price of any health maintenance organization  
5 shall be determined on a competitive bid basis. Contracts for said  
6 plans shall not be subject to the provisions of the Oklahoma Central  
7 Purchasing Act, Section 85.1 et seq. of this title. The Council  
8 shall promulgate rules establishing appropriate competitive bidding  
9 criteria and procedures for contracts awarded for flexible benefits  
10 plans. All plans offered by health maintenance organizations  
11 meeting the bid requirements as determined by the Council shall be  
12 accepted. The Council shall have the authority to reject the bid or  
13 restrict enrollment in any health maintenance organization for which  
14 the Council determines the benefit price to be excessive. The  
15 Council shall have the authority to reject any plan that does not  
16 meet the bid requirements. All bidders shall submit along with  
17 their bid a notarized, sworn statement as provided by Section 85.22  
18 of this title. Effective for the plan year beginning January 1,  
19 2007, and for each plan year thereafter, in setting health insurance  
20 premiums for active employees and for retirees under sixty-five (65)  
21 years of age, HMOs, self-insured organizations and prepaid plans  
22 shall set the monthly premium for active employees to be equal to  
23 the monthly premium for retirees under sixty-five (65) years of age.

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1 D. Nothing in this section shall be construed as prohibiting  
2 the Council from offering additional qualified benefit plans or  
3 currently taxable benefit plans.

4 E. Each employee of a participating employer who meets the  
5 eligibility requirements for participation in the flexible benefits  
6 plan shall make an annual election of benefits under the plan during  
7 an enrollment period to be held prior to the beginning of each plan  
8 year. The enrollment period dates will be determined annually and  
9 will be announced by the Council, providing the enrollment period  
10 shall end no later than thirty (30) days before the beginning of the  
11 plan year.

12 Each such employee shall make an irrevocable advance election  
13 for the plan year or the remainder thereof pursuant to such  
14 procedures as the Council shall prescribe. Any such employee who  
15 fails to make a proper election under the plan shall, nevertheless,  
16 be a participant in the plan and shall be deemed to have purchased  
17 the default benefits described in this section.

18 F. The Council shall prescribe the forms that participants will  
19 be required to use in making their elections, and may prescribe  
20 deadlines and other procedures for filing the elections.

21 G. Any participant who, in the first year for which he or she  
22 is eligible to participate in the plan, fails to make a proper  
23 election under the plan in conformance with the procedures set forth  
24 in this section or as prescribed by the Council shall be deemed

1 automatically to have purchased the default benefits. The default  
2 benefits shall be the same as the basic plan benefits. Any  
3 participant who, after having participated in the plan during the  
4 previous plan year, fails to make a proper election under the plan  
5 in conformance with the procedures set forth in this section or  
6 prescribed by the Council, shall be deemed automatically to have  
7 purchased the same benefits which the participant purchased in the  
8 immediately preceding plan year, except that the participant shall  
9 not be deemed to have elected coverage under the health care  
10 reimbursement account plan or the dependent care reimbursement  
11 account plan.

12 H. Benefit plan contracts with the Board, health maintenance  
13 organizations, and other third party insurance vendors shall provide  
14 for a risk adjustment factor for adverse selection that may occur,  
15 as determined by the Council, based on generally accepted actuarial  
16 principles.

17 I. 1. For the plan year ending December 31, 2004, employees  
18 covered or eligible to be covered under the State and Education  
19 Employees Group Insurance Act and the State Employees Flexible  
20 Benefits Act who are enrolled in a health maintenance organization  
21 offering a network in Oklahoma City, shall have the option of  
22 continuing care with a primary care physician for the remainder of  
23 the plan year if:  
24

1           a.    that primary care physician was part of a provider  
2                    group that was offered to the individual at enrollment  
3                    and later removed from the network of the health  
4                    maintenance organization, for reasons other than for  
5                    cause, and

6           b.    the individual submits a request in writing to the  
7                    health maintenance organization to continue to have  
8                    access to the primary care physician.

9           2.    The primary care physician selected by the individual shall  
10           be required to accept reimbursement for such health care services on  
11           a fee-for-service basis only. The fee-for-service shall be computed  
12           by the health maintenance organization based on the average of the  
13           other fee-for-service contracts of the health maintenance  
14           organization in the local community. The individual shall only be  
15           required to pay the primary care physician those co-payments,  
16           coinsurance and any applicable deductibles in accordance with the  
17           terms of the agreement between the employer and the health  
18           maintenance organization and the provider shall not balance bill the  
19           patient.

20           3.    Any network offered in Oklahoma City that is terminated  
21           prior to July 1, 2004, shall notify the health maintenance  
22           organization, Oklahoma State Employees Benefits Council and State  
23           and Education Employees Group Insurance Board by June 11, 2004, of  
24           the network's intentions to continue providing primary care services

1 as described in paragraph 2 of this subsection offered by the health  
2 maintenance organization to state and public employees.

3 SECTION 7. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 1375 of Title 74, unless there  
5 is created a duplication in numbering, reads as follows:

6 The State and Education Employees Group Insurance Board shall  
7 make the health savings account authorized by the provisions of the  
8 Health Savings Account Act established in Section 6060.14 of Title  
9 36 of the Oklahoma Statutes available by offering a high deductible  
10 health plan to all persons who are eligible employees for purposes  
11 of any health care insurance offered through or under the  
12 supervision of the Board. The high deductible health plan shall be  
13 offered no later than January 1, 2009. Any employee who elects to  
14 participate in a high deductible health plan offered through the  
15 State and Education Employees Group Insurance Board shall establish  
16 a health savings account (HSA) as defined in Section 223 of the  
17 Internal Revenue Code. The employee shall provide confirmation of  
18 such account to the State and Education Employees Group Insurance  
19 Board prior to the effective date of coverage.

20 SECTION 8. It being immediately necessary for the preservation  
21 of the public peace, health and safety, an emergency is hereby  
22  
23  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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