

1 STATE OF OKLAHOMA

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

3 SENATE BILL 56

By: Corn

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6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Section 1316.2, as last amended by Section 2,
9 Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2006, Section
10 1316.2), which relates to the State and Education
11 Employees Group Insurance Board; modifying amount
12 paid by the Oklahoma Law Enforcement Retirement
System for health insurance premiums; expanding
eligibility for those surviving spouses or dependents
that may elect to continue certain benefits;
providing an effective date; and declaring an
emergency.

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

16 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1316.2, as
17 last amended by Section 2, Chapter 198, O.S.L. 2005 (74 O.S. Supp.
18 2006, Section 1316.2), is amended to read as follows:

19 Section 1316.2 A. Any employee other than an education
20 employee who retires pursuant to the provisions of the Oklahoma
21 Public Employees Retirement System or who has a vested benefit
22 pursuant to the provisions of the Oklahoma Public Employees
23 Retirement System may continue in force the health and dental
24 insurance benefits authorized by the provisions of the State and

1 Education Employees Group Insurance Act, or other employer insurance
2 benefits if the employer does not participate in the plans offered
3 by the State and Education Employees Group Insurance Board, if such
4 election to continue in force is made within thirty (30) days from
5 the date of termination of service. Except as otherwise provided
6 for in Section 840-2.27I of this title and subsection H of this
7 section, health and dental insurance coverage may not be reinstated
8 at a later time if the election to continue in force is declined.
9 Vested employees other than education employees who have terminated
10 service and are not receiving benefits and effective July 1, 1996,
11 nonvested persons who have terminated service with more than eight
12 (8) years of participating service with a participating employer,
13 who within thirty (30) days from the date of termination of service
14 elect to continue such coverage, shall pay the full cost of said
15 insurance premium at the rate and pursuant to the terms and
16 conditions established by the Board. Provided also, any employee
17 other than an education employee who commences employment with a
18 participating employer on or after September 1, 1991, who terminates
19 service with such employer on or after July 1, 1996, but who
20 otherwise has insufficient years of service to retire or terminate
21 service with a vested benefit pursuant to the provisions of the
22 Oklahoma Public Employees Retirement System or to elect to continue
23 coverage as a nonvested employee as provided in this section, but
24 who, immediately prior to employment with the participating employer

1 was covered as a dependent on the health and dental insurance policy
2 of a spouse who was an active employee other than an education
3 employee, may count as part of his or her credited service for the
4 purpose of determining eligibility to elect to continue coverage
5 under this section, the time during which said terminating employee
6 was covered as such a dependent.

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

- 9 a. indemnity plans offered through the State and
10 Education Employees Group Insurance Board,
- 11 b. managed care plans offered as alternatives to the
12 indemnity plans offered through the State and
13 Education Employees Group Insurance Board,
- 14 c. Medicare supplements offered pursuant to the State and
15 Education Employees Group Insurance Act,
- 16 d. Medicare risk-sharing contracts offered as
17 alternatives to the Medicare supplements offered
18 through the State and Education Employees Group
19 Insurance Board. All Medicare risk-sharing contracts
20 shall be subject to a risk adjustment factor, based on
21 generally accepted actuarial principles for adverse
22 selection which may occur, and
- 23 e. for the Oklahoma Public Employee Retirement System,
24 other employer-provided health insurance benefit plans

1 if the employer does not participate in the plans
2 offered pursuant to the State and Education Employees
3 Group Insurance Act.

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

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

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

1 b. a retired employee or surviving spouse other than an
2 education employee who is receiving benefits from the
3 Oklahoma Law Enforcement Retirement System on or after
4 ~~September 30, 1988~~ July 1, 2007, is under sixty-five
5 (65) years of age and is not otherwise eligible for
6 Medicare shall have the premium rate for the health
7 insurance benefit plan or ~~One Hundred Five Dollars~~
8 ~~(\$105.00)~~ a total of One Hundred Twenty-two Dollars
9 and ninety cents (\$122.90) with such amount to be
10 increased by Twelve Dollars and twenty-nine cents
11 (\$12.29) for each year of credited service of the
12 member in the Oklahoma Law Enforcement Retirement
13 System in excess of ten (10) years of credited
14 service, but not to exceed ten (10) years of
15 additional credited service, whichever is less, paid
16 by the Oklahoma Law Enforcement Retirement System to
17 the Board in the manner specified in subsection G of
18 this section,

19 c. a retired employee other than an education employee
20 who is receiving benefits from the Oklahoma Law
21 Enforcement Retirement System on or after ~~September~~
22 ~~30, 1988~~ July 1, 2007, is sixty-five (65) years of age
23 or older or who is under sixty-five (65) years of age
24 and is eligible for Medicare shall have ~~One Hundred~~

1 ~~Five Dollars (\$105.00), or~~ the premium rate of the
2 health insurance benefit plan or a total of One
3 Hundred Twenty-two Dollars and ninety cents (\$122.90)
4 with such amount to be increased by Twelve Dollars and
5 twenty-nine cents (\$12.29) for each year of credited
6 service of the member in the Oklahoma Law Enforcement
7 Retirement System in excess of ten (10) years of
8 credited service, but not to exceed ten (10)
9 additional years of credited service, whichever is
10 less, paid by the Oklahoma Law Enforcement Retirement
11 System to the Board in the manner specified in
12 subsection G of this section, and

13 d. a retired employee other than an education employee
14 who is receiving benefits from the Uniform Retirement
15 System for Justices and Judges after September 30,
16 1988, shall have One Hundred Five Dollars (\$105.00),
17 or the premium rate of the health insurance plan,
18 whichever is less, paid by the Uniform Retirement
19 System for Justices and Judges to the Board in the
20 manner specified in subsection G of this section.

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

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

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

9 b. for plans offered by the State and Education Employees
10 Group Insurance Act, the amount to be paid shall be
11 determined pursuant to the provisions of this
12 subsection and shall first be applied in whole or in
13 part to the prescription drug coverage premium. Any
14 remaining amount shall be applied toward the medical
15 coverage premium,

16 c. for all plans, if the amount paid by the public
17 retirement system does not cover the full cost of the
18 elected coverage, the individual shall pay the
19 remaining premium amount, and

20 d. payment shall be made by the retirement systems in the
21 manner specified under subsection G of this section.

22 D. ~~For~~ Effective July 1, 2007, if any member of the Oklahoma
23 Law Enforcement Retirement System ~~killed in the line of duty,~~
24 ~~whether the member was killed in the line of duty prior to the~~

1 ~~effective date of this act or on or after the effective date of this~~
2 ~~act~~ dies while an active employee, or if the member was on a
3 disability leave status at the time of death, the surviving spouse
4 or dependents of such deceased member of the Oklahoma Law
5 Enforcement Retirement System may elect to continue or commence
6 health and dental insurance benefits provided said dependents pay
7 the full cost of such insurance and ~~for deaths occurring on or after~~
8 ~~July 1, 2002~~, such election is made within thirty (30) days of the
9 date of death. The eligibility for said benefits shall terminate
10 for the surviving children when said children cease to qualify as
11 dependents.

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

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1 applied in whole or in part to the prescription drug coverage
2 premium, if any.

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

15 G. The amounts required to be paid by the Oklahoma Public
16 Employees Retirement System, the Uniform Retirement System for
17 Justices and Judges and the Oklahoma Law Enforcement Retirement
18 System pursuant to this section shall be forwarded no later than the
19 tenth day of each month following the month for which payment is due
20 by the Oklahoma Public Employees Retirement System Board of Trustees
21 or the Oklahoma Law Enforcement Retirement Board to the State and
22 Education Employees Group Insurance Board for deposit in the Health,
23 Dental and Life Insurance Reserve Fund or to another insurance

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1 carrier as provided for in subsection H of Section 1315 of this
2 title.

3 H. Upon retirement from employment of the Board of Regents of
4 the University of Oklahoma, any person who was or is employed at the
5 George Nigh Rehabilitation Institute and who transferred employment
6 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
7 person who was employed at the Medical Technology and Research
8 Authority and who transferred employment pursuant to Section 7068 of
9 this title, and any person who is a member of the Oklahoma Law
10 Enforcement Retirement System pursuant to the authority of Section
11 2-314 of Title 47 of the Oklahoma Statutes may participate in the
12 benefits authorized by the provisions of the State and Education
13 Employees Group Insurance Act for retired participants, including
14 health, dental and life insurance benefits, if such election to
15 participate is made within thirty (30) days from the date of
16 termination of service. Life insurance benefits for any such person
17 who transferred employment shall not exceed the coverage the person
18 had at the time of such transfer. Retirees who transferred
19 employment and who participate pursuant to this paragraph shall pay
20 the premium for elected benefits less any amounts paid by a state
21 retirement system pursuant to this section.

22 SECTION 2. This act shall become effective July 1, 2007.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health and safety, an emergency is hereby

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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