

1 ENGROSSED HOUSE
2 BILL NO. 2026

By: Steele, McAffrey, Walker,
Faught and Shumate of the
House

3
4 and

Crain of the Senate

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6
7
8 (public health - Health Care for Oklahomans Act -
9 amending 56 O.S., Section 1010.1 - Medicaid -
10 codification -

11 effective dates)
12
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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 4901 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 This act shall be known and may be cited as the "Health Care for
19 Oklahomans Act".

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 4902 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:
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1 The Oklahoma Health Care Authority in collaboration with the
2 Insurance Department shall establish the Health Care for the
3 Uninsured Board (HUB). The HUB shall:

4 1. Review and establish a system of certification for insurance
5 programs offered in this state to be recommended by the HUB;

6 2. Establish a system of counseling, for those individuals who
7 are without health insurance and are not on Medicaid, that includes
8 but is not limited to:

9 a. educating consumers about insurance programs certified
10 by the state in accordance with this section,

11 b. aiding consumers in choosing policies that cover
12 medically necessary services for that consumer, and

13 c. educating consumers on how to utilize primary and
14 preventative care in order to reduce the unnecessary
15 utilization of services by the consumer; and

16 3. Establish a system whereby if an individual qualifies for a
17 subsidy under the premium assistance program, established in Section
18 1010.1 of Title 56 of the Oklahoma Statutes, that person is able to
19 become enrolled through the HUB in conjunction with local, qualified
20 agents.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 4903 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

1 A. The Oklahoma Health Care Authority shall initiate a program
2 with Oklahoma hospitals and health care providers to initiate
3 enrollment of patients, not covered by insurance or Medicaid and not
4 otherwise able to pay for the treatment, in health insurance
5 programs at the point of service.

6 B. Upon treatment of an uninsured individual or an individual
7 not covered by Medicaid, a provider shall refer the individual to
8 the HUB established in Section 2 of this act to begin the enrollment
9 process in a certified insurance plan or the premium assistance
10 program established in Section 1010.1 of Title 56 of the Oklahoma
11 Statutes, if eligible.

12 SECTION 4. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 4415 of Title 36, unless there
14 is created a duplication in numbering, reads as follows:

15 A. As used in this section:

16 1. "Health carrier" means any entity or insurer authorized
17 under Title 36 of the Oklahoma Statutes to provide accident or
18 health insurance or health benefits in this state and any entity or
19 person engaged in the business of making contracts of accident or
20 health insurance;

21 2. "Standard health benefit plan" means an accident or health
22 insurance policy that does not offer or provide state-mandated
23 health benefits but that provides creditable coverage and is issued
24 to an individual under forty (40) years of age; and

1 3. a. "State-mandated health benefits" means coverage for
2 health care services or benefits, required by state
3 law or state regulations, requiring the reimbursement
4 or utilization related to a specific illness, injury,
5 or condition of the covered person, including those
6 provisions listed in Sections 6060 through 6060.11 of
7 Title 36 of the Oklahoma Statutes.

8 b. "State-mandated health benefits" does not mean those
9 benefits found in Sections 4401 through 4411 and 4501
10 through 4513 of Title 36 of the Oklahoma Statutes.

11 B. 1. A health carrier may offer one or more standard health
12 benefit plans to individuals under forty (40) years of age.

13 2. Each application and health benefit plan issued pursuant to
14 this section shall contain the following language at the beginning
15 of the document in bold type:

16 "This standard health benefit plan does not provide state-
17 mandated health benefits normally required in accident and health
18 insurance policies in the State of Oklahoma. This standard health
19 benefit plan may provide a more affordable health insurance policy
20 for you although, at the same time, it may provide you with fewer
21 health benefits than those normally included as state-mandated
22 health benefits in policies in the State of Oklahoma."

1 C. An insurer providing a standard health benefit plan shall
2 provide a proposed policyholder or policyholder with a written
3 disclosure statement that:

4 1. Lists those state-mandated health benefits not included
5 under the standard health benefit plan and acknowledges that the
6 plan being purchased does not provide those benefits; and

7 2. Provides a notice that purchase of the plan may limit the
8 future coverage options of the policyholder in the event the health
9 of the policyholder changes and needed benefits are not available
10 under the standard health benefit plan.

11 D. Each applicant for initial coverage and each policyholder on
12 renewal of coverage shall sign the disclosure statement provided by
13 the insurer under subsection C of this section and return the
14 statement to the insurer. An insurer shall:

15 1. Retain the signed disclosure statement in the records of the
16 insurer; and

17 2. Upon request of the Insurance Commissioner, provide the
18 signed disclosure statement to the Oklahoma Insurance Department.

19 E. An insurer that offers one or more standard health benefit
20 plans as provided in this section shall also offer at least one
21 accident or health insurance policy with state-mandated health
22 benefits that is otherwise authorized by Title 36 of the Oklahoma
23 Statutes.

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1 F. A health carrier shall file, for informational purposes
2 only, with the Oklahoma Insurance Department the rates to be used
3 with a standard health benefit plan.

4 G. The Insurance Commissioner shall adopt rules necessary to
5 implement the provisions of this section.

6 SECTION 5. AMENDATORY 56 O.S. 2001, Section 1010.1, as
7 last amended by Section 1, Chapter 412, O.S.L. 2008 (56 O.S. Supp.
8 2008, Section 1010.1), is amended to read as follows:

9 Section 1010.1 A. ~~Sections~~ Section 1010.1 et seq. of this
10 title shall be known and may be cited as the "Oklahoma Medicaid
11 Program Reform Act of 2003".

12 B. Recognizing that many Oklahomans do not have health care
13 benefits or health care coverage, that many small businesses cannot
14 afford to provide health care benefits to their employees, and that,
15 under federal law, barriers exist to providing Medicaid benefits to
16 the uninsured, the Oklahoma Legislature hereby establishes
17 provisions to lower the number of uninsured, assist businesses in
18 their ability to afford health care benefits and coverage for their
19 employees, and eliminate barriers to providing health coverage to
20 eligible enrollees under federal law.

21 C. Unless otherwise provided by law, the Oklahoma Health Care
22 Authority shall provide coverage under the state Medicaid program to
23 children under the age of eighteen (18) years whose family incomes
24

1 do not exceed one hundred eighty-five percent (185%) of the federal
2 poverty level.

3 D. 1. The Authority is directed to apply for a waiver or
4 waivers to the Centers for Medicaid and Medicare Services (CMS) that
5 will accomplish the purposes outlined in subsection B of this
6 section. The Authority is further directed to negotiate with CMS to
7 include in the waiver authority provisions to:

- 8 a. increase access to health care for Oklahomans,
- 9 b. reform the Oklahoma Medicaid Program to promote
10 personal responsibility for health care services and
11 appropriate utilization of health care benefits
12 through the use of public-private cost sharing,
- 13 c. enable small employers, and/or employed, uninsured
14 adults with or without children to purchase employer-
15 sponsored, state-approved private, or state-sponsored
16 health care coverage through a state premium
17 assistance payment plan. If by January 1, 2012, the
18 Employer/Employee Partnership for Insurance Coverage
19 Premium Assistance Program is not consuming more than
20 seventy-five percent (75%) of its dedicated source of
21 funding, then the program will be expanded to include
22 parents of children eligible for Medicaid, and
- 23 d. develop flexible health care benefit packages based
24 upon patient need and cost.

1 2. The Authority may phase in any waiver or waivers it receives
2 based upon available funding.

3 3. The Authority is authorized to develop and implement a
4 premium assistance plan to assist small businesses and/or their
5 eligible employees to purchase employer-sponsored insurance or "buy-
6 in" to a state-sponsored benefit plan.

7 4. a. The Authority is authorized to seek from the Centers for
8 Medicare and Medicaid Services any waivers or amendments
9 to existing waivers necessary to accomplish an expansion
10 of the premium assistance program to:

11 (1) include for-profit employers with two hundred fifty
12 employees or less up to any level supported by
13 existing funding resources⁺, and

14 (2) include not-for-profit employers with five hundred
15 employees or less up to any level supported by
16 existing funding resources.

17 b. Foster parents employed by employers with greater than
18 two hundred fifty employees shall be exempt from the
19 qualifying employer requirement provided for in this
20 paragraph and shall be eligible to qualify for the
21 premium assistance program provided for in this section
22 if supported by existing funding.

23 E. For purposes of this paragraph, "for-profit employer" shall
24 mean an entity which is not exempt from taxation pursuant to the

1 provisions of Section 501(c)(3) of the Internal Revenue Code and
2 "not-for-profit employer" shall mean an entity which is exempt from
3 taxation pursuant to the provisions of Section 501(c)(3) of the
4 Internal Revenue Code.

5 F. The Authority is authorized to seek from the Centers for
6 Medicare and Medicaid Services any waivers or amendments to existing
7 waivers necessary to accomplish an extension of the premium
8 assistance program to include qualified employees whose family
9 income does not exceed two hundred fifty percent (250%) of the
10 federal poverty level, subject to the limit of federal financial
11 participation.

12 G. The Authority is authorized to create as part of the premium
13 assistance program an option to purchase a high-deductible health
14 insurance plan that is compatible with a health savings account.

15 H. 1. There is hereby created in the State Treasury a
16 revolving fund to be designated the "Health Employee and Economy
17 Improvement Act (HEEIA) Revolving Fund".

18 2. The fund shall be a continuing fund, not subject to fiscal
19 year limitations, and shall consist of:

- 20 a. all monies received by the Authority pursuant to this
21 section and otherwise specified or authorized by law,
22 b. monies received by the Authority due to federal
23 financial participation pursuant to Title XIX of the
24 Social Security Act, and

1 c. interest attributable to investment of money in the
2 fund.

3 3. All monies accruing to the credit of the fund are hereby
4 appropriated and shall be budgeted and expended by the Authority to
5 implement a premium assistance plan, unless otherwise provided by
6 law.

7 SECTION 6. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2358.8 of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

10 A. As used in this section, "Section 125 plan" means a separate
11 written plan, maintained by an employer for employees, that meets
12 the specific requirements and regulations of Section 125 of the
13 Internal Revenue Code.

14 B. For tax years beginning after December 31, 2009, there shall
15 be allowed against the tax imposed by Section 2355 of Title 68 of
16 the Oklahoma Statutes, a credit for employers that participate in
17 the Section 125 plan. The credit shall be equal to Five Hundred
18 Dollars (\$500.00) annually.

19 C. In no event shall the amount of the credit exceed the amount
20 of any tax liability of the taxpayer.

21 D. Any credits allowed but not used in any tax year may be
22 carried over in order to each of the four (4) tax years following
23 the year of qualification.

