

1 ENGROSSED HOUSE
2 BILL NO. 2324

By: Murphey of the House

and

Stanislawski of the Senate

3
4
5
6
7 (employee benefits - State and Education Employees
8 Group Insurance Act - Employee Benefits Council -
9 codification - noncodification -

10 effective date)
11
12

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

14 SECTION 1. NEW LAW A new section of law not to be
15 codified in the Oklahoma Statutes reads as follows:

16 This act shall be known and may be cited as the "Omnibus
17 Modernization and State Employee Health Insurance Act".

18 SECTION 2. AMENDATORY 74 O.S. 2001, Section 1302, is
19 amended to read as follows:

20 Section 1302. It is hereby declared that the purpose of this
21 act is:

22 ~~(a) 1. To provide uniformity in Accident and Health Insurance~~
23 ~~and/or Benefits Coverage and Life Insurance on health insurance~~
24

1 benefits to all state and education employees of the State of
2 Oklahoma;

3 ~~(b)~~ 2. To enable the state to attract and retain qualified
4 employees by providing health, and dental ~~and life~~ insurance
5 benefits similar to those commonly provided in private industry;

6 ~~(c)~~ ~~To recognize and protect the state's investment in each~~
7 ~~permanent employee by promoting and preserving good health and~~
8 ~~longevity among state employees;~~

9 ~~(d)~~ 3. To recognize the service to the state by elected and
10 appointed officials by extending to them the same health, and dental
11 ~~and life~~ insurance benefits as are provided herein ~~for~~ to state and
12 education employees; and

13 ~~(e)~~ 4. To recognize long and faithful service, and to encourage
14 employees to remain in state service until eligible for retirement
15 by providing health, and dental ~~and life~~ insurance benefits for
16 employees, ~~and~~

17 ~~(f)~~ ~~To ensure state compliance with the Health Maintenance~~
18 ~~Organization Act of 1973 pursuant to 42 U.S.C., Section 300e et seq.~~

19 SECTION 3. AMENDATORY 74 O.S. 2001, Section 1303, as
20 last amended by Section 13, Chapter 415, O.S.L. 2008 (74 O.S. Supp.
21 2009, Section 1303), is amended to read as follows:

22 Section 1303. For the purposes of and as used in the State and
23 Education Employees Group Insurance Act:

24

1 1. "Board" means the ~~State and Education Employees Group~~
2 HealthChoice Health Insurance Board created by the State and
3 Education Employees Group Insurance Act;

4 2. "Employee" means those state employees, education employees
5 and other eligible employees participating in the State and
6 Education Employees Group Insurance Act;

7 3. "Education Employee" means those employees other than
8 adjunct professors employed by a state institution of higher
9 education, in the service of an education entity who are members or
10 are or will be eligible to become members of the Teachers'
11 Retirement System of Oklahoma and who receive compensation for such
12 service after the education entity begins to participate in the
13 State and Education Employees Group Insurance Act and visiting
14 faculty who are not eligible for membership in the Teachers'
15 Retirement System of Oklahoma;

16 4. "Adjunct Professor" means a person employed by an
17 institution of higher education who is attached in a subordinate or
18 temporary capacity to the faculty or staff, and who is contracted to
19 instruct in a given specific discipline;

20 5. "Visiting Faculty" means a person employed by an institution
21 of higher education who is not eligible for academic rank or tenure,
22 other than an adjunct professor, and who is contracted to instruct
23 in a given specific discipline generally not to exceed one (1)
24 academic year;

1 6. "Education Entity" means a school district, a technology
2 center school district, or an institution comprising The Oklahoma
3 State System of Higher Education;

4 7. "State Employee" means and includes each officer or employee
5 in the service of the State of Oklahoma who, ~~after January 1, 1966,~~
6 ~~received~~ receives compensation for service rendered to the State of
7 Oklahoma on a warrant issued pursuant to a payroll certified by a
8 department or by an elected or duly appointed officer of the state
9 or who receives payment for the performance of personal services on
10 a warrant issued pursuant to a payroll certified by a department and
11 drawn by the State Treasurer against appropriations made by the
12 Legislature from any state fund or against trust funds held by the
13 State Treasurer, who is employed in a position normally requiring
14 actual performance of duty during not less than one thousand (1,000)
15 hours per year, and whose employment is not seasonal or temporary,
16 except that a person elected by popular vote will be considered an
17 employee during the person's tenure in office, ~~provided, however,~~
18 ~~that employees.~~ Employees who are otherwise eligible who are on
19 approved leave without pay shall be eligible to continue coverage
20 during such leave not to exceed twenty-four (24) months, as provided
21 in the Merit Rules for Employment published by the Office of
22 Personnel Management, from the date the employee goes on such leave
23 provided the employee pays the full premiums due or persons who are
24 drawing disability benefits under Section 1331 et seq. of this title

1 or meet each and every requirement of the State Employees Disability
2 Program shall be eligible to continue coverage provided the person
3 pays the full premiums due;

4 8. "Carrier" means the State of Oklahoma ~~or a state designated~~
5 ~~Health Maintenance Organization (HMO). Such HMO shall be a~~
6 ~~federally qualified Health Maintenance Organization under 42 U.S.C.,~~
7 ~~Section 300e et seq.;~~

8 9. "Health Insurance Plan" means a self-insured plan by the
9 State of Oklahoma for the purpose of paying the cost of hospital and
10 medical care up to the maximum coverage provided by ~~said~~ the plan or
11 ~~prepaid medical plan(s) offered to employees as an alternative to~~
12 ~~the state administered plan by federally qualified HMOs which have~~
13 ~~contracted with the state~~ plans;

14 10. ~~"Life Insurance Plan" means a self insured plan for the~~
15 ~~purpose of paying death and dismemberment benefits up to the maximum~~
16 ~~coverage provided by the plan;~~

17 ~~11.~~ "Dental Benefits Plan" means a plan by the State of
18 Oklahoma for the purpose of paying the cost of dental care up to the
19 maximum coverage provided by the plan; whenever the term "Dental
20 Insurance Plan" or a term of like import appears in the State and
21 Education Employees Group Insurance Act, the term shall mean "Dental
22 Benefits Plan";

23 ~~12.~~ 11. "Other insurance" means any type of coverage other than
24 basic hospital and medical benefits, major medical benefits,

1 comprehensive benefits, ~~life insurance benefits~~ or dental insurance
2 benefits, which the Board may be directed by law to offer;

3 ~~13.~~ 12. "Dependent" means an employee's spouse or any unmarried
4 child (1) under the age of twenty-five (25) years, regardless of
5 residence, provided that the employee is primarily responsible for
6 their support, including (a) an adopted child and (b) a stepchild or
7 child who lives with the employee in a regular parent-child
8 relationship, or (2) regardless of age who is incapable of self-
9 support because of mental or physical incapacity that existed prior
10 to reaching the age of twenty-five (25) years; and

11 ~~14.~~ 13. "Comprehensive benefits" means benefits which reimburse
12 the expense of hospital room and board, other hospital services,
13 certain outpatient expenses, maternity benefits, surgical expense,
14 including obstetrical care, in-hospital medical care expense,
15 diagnostic radiological and laboratory benefits, physicians'
16 services provided by house and office calls, treatments administered
17 in physicians' office, prescription drugs, psychiatric services,
18 Christian Science practitioners' services, Christian Science nurses'
19 services, optometric medical services for injury or illness of the
20 eye, home health care, home nursing service, hospice care, and such
21 other benefits as may be determined by the Board. Such benefits
22 shall be provided on a copayment or coinsurance basis, the insured
23 to pay a proportion of the cost of such benefits, and may be subject

24

1 to a deductible that applies to all or part of the benefits as
2 determined by the Board, and

3 ~~15. "Life insurance coverage" shall include a maximum amount of~~
4 ~~basic life insurance or benefit with or without a double indemnity~~
5 ~~provision and an amount of accidental death and dismemberment~~
6 ~~insurance or benefit per employee to be provided by the State of~~
7 ~~Oklahoma, and the employee shall have the option to purchase~~
8 ~~additional life insurance or benefits on the employee's life up to~~
9 ~~the amount provided by the plan. Such basic life insurance~~
10 ~~benefits, with or without double indemnity, and accidental death and~~
11 ~~dismemberment benefits shall not exclude coverage for death or~~
12 ~~dismemberment resulting from war, insurrection or riot. The Board~~
13 ~~may also extend dependent life insurance in an amount to be~~
14 ~~determined by the Board to each insured employee who elects to~~
15 ~~insure the employee's eligible dependents. Premiums for the~~
16 ~~dependent life insurance shall be paid wholly by the employee.~~

17 SECTION 4. AMENDATORY 74 O.S. 2001, Section 1304, as
18 last amended by Section 2, Chapter 231, O.S.L. 2006 (74 O.S. Supp.
19 2009, Section 1304), is amended to read as follows:

20 Section 1304. ~~(1)~~ A. There is hereby created the ~~State and~~
21 ~~Education Employees Group~~ HealthChoice Health Insurance Board which
22 shall consist of eight (8) members as follows: The State Insurance
23 Commissioner, or the Commissioner's designee who shall be an
24 employee of the Insurance Department, the Director of the Office of

1 State Finance, two members appointed by the Governor, one of whom
2 shall be a practicing physician, two members appointed by the
3 Speaker of the House of Representatives, and two members appointed
4 by the President Pro Tempore of the Senate. The appointed members
5 shall each receive compensation of Five Hundred Dollars (\$500.00)
6 per month. Appointed members who fail to attend a regularly
7 scheduled monthly meeting of the Board shall not receive the related
8 monthly compensation. In the event an appointed member does not
9 attend at least seventy-five percent (75%) of the regularly
10 scheduled monthly meetings of the Board during a calendar year, the
11 appointing authority may remove the member. A member may also be
12 removed for any other cause as provided by law. A vacancy in the
13 office of the appointed member shall be filled for the unexpired
14 term of office in the same manner as the original appointment.

15 ~~(2)~~ B. The initial term of office of the members appointed by
16 the Governor shall expire on January 14, 1991. The members
17 thereafter appointed by the Governor shall serve a term of office of
18 four (4) years which is coterminous with the term of office of the
19 office of the appointing authority.

20 ~~(3)~~ C. The initial term of office of one of the members
21 appointed each by the Speaker of the House of Representatives and by
22 the President Pro Tempore of the Senate shall be for the period
23 ending June 30, 1992. The initial term of office of the other
24 member appointed each by the Speaker of the House of Representatives

1 and by the President Pro Tempore of the Senate shall be for the
2 period ending June 30, 1994. Thereafter, the term of office of the
3 members appointed by the Speaker of the House of Representatives and
4 by the President Pro Tempore of the Senate shall be four (4) years.

5 ~~(4)~~ D. The appointed members shall:

6 ~~(a)~~ have 1. Have demonstrated professional experience in
7 investment or funds management, public funds management, public or
8 private group health or pension fund management, or group health
9 insurance management; or

10 ~~(b)~~ be 2. Be licensed to practice law in this state and have
11 demonstrated professional experience in commercial matters; or

12 ~~(c)~~ be 3. Be licensed by the Oklahoma Accountancy Board to
13 practice in this state as a public accountant or a certified public
14 accountant.

15 In making appointments that conform to the requirements of this
16 subsection, at least one ~~(1)~~ but not more than three ~~(3)~~ members
17 shall be appointed each from paragraphs ~~(b)~~ 2 and ~~(c)~~ 3 of this
18 subsection by the combined appointing authorities.

19 ~~(5)~~ No E. Except as provided in subsection A of this section,
20 no appointed member of the State and Education Employees Group
21 HealthChoice Health Insurance Board shall be a lobbyist registered
22 in this state as provided by law, a health care provider, a plan
23 participant, be employed, directly or indirectly, by any insurance
24 company or carrier, or health care provider, or be employed directly

1 or indirectly, by any firm under contract to the Board for any goods
2 or services whatsoever. Provided, however, if an appointed member
3 of the Board was a plan participant of any insurance plans offered
4 by the Board at the time the member was appointed to serve as a
5 member of the Board, and the appointed member of the Board forfeited
6 participation in the insurance plans in order to serve on the Board,
7 the member of the Board may resume participation in said insurance
8 plans upon leaving the Board.

9 ~~(6)~~ F. The ~~State and Education Employees Group~~ HealthChoice
10 Health Insurance Board shall not be subject to the provisions of the
11 Oklahoma Sunset Law, Section 3901 et seq. of this title.

12 ~~(7)~~ G. The Attorney General shall furnish the Board with legal
13 representation.

14 ~~(8)~~ H. The Court Administrator shall designate grievance panel
15 members as shall be necessary. The members of the grievance panel
16 shall consist of two attorneys licensed to practice law in this
17 state and one state licensed health care professional or health care
18 administrator who has at least three (3) years practical experience,
19 has had or has admitting privileges to a State of Oklahoma hospital,
20 has a working knowledge of prescription medication, or has worked in
21 an administrative capacity at some point in their career. The state
22 health care professional shall be appointed by the Governor. At the
23 Governor's discretion, one or more qualified individuals may also be

24

1 appointed as an alternate to serve on the grievance panel in the
2 event the Governor's primary appointee becomes unable to serve.

3 ~~(9)~~ I. The Board shall at its first meeting elect one of its
4 members as chair. The chair shall preside over meetings of the
5 Board and perform such other duties as may be required by the Board.

6 ~~(10)~~ J. The Board shall elect another member to serve as vice-
7 chair who shall perform the duties of the chair in the absence of
8 the latter or upon the inability or refusal to act.

9 ~~(11)~~ K. The Board shall also elect a secretary who shall keep
10 minutes of all meetings and who shall certify to actions of the
11 Board.

12 ~~(12)~~ L. The Board shall adopt rules requiring payment for
13 medical and dental services and treatment rendered by duly licensed
14 hospitals, physicians and dentists. Unless the Board has otherwise
15 contracted with the out-of-state health care provider, the Board
16 shall reimburse for medical services and treatment rendered and
17 charged by an out-of-state health care provider at least at the same
18 percentage level as the network percentage level of the fee schedule
19 established by the ~~State and Education Employees Group~~ HealthChoice
20 Health Insurance Board if the insured employee was referred to the
21 out-of-state health care provider by a physician or it was an
22 emergency situation and the out-of-state provider was the closest in
23 proximity to the place of residence of the employee which offers the
24 type of health care services needed. For purposes of this

1 paragraph, health care providers shall include, but not be limited
2 to, physicians, dentists, hospitals and special care facilities.

3 ~~(13) The Board may contract with a pay for performance program~~
4 ~~provider. The contract shall be with a group practice of a medical~~
5 ~~school with at least three hundred fifty providers in its panel for~~
6 ~~a statistically significant demonstration project among employee~~
7 ~~enrollees that select to participate in the program. The purpose of~~
8 ~~the program is to test a program's value proposition that offers~~
9 ~~financial incentives to both the health care provider and the~~
10 ~~patient for incorporating evidence based medicine guidelines and~~
11 ~~information therapy prescriptions in the rendering and utilizing of~~
12 ~~health care. This program must offer the health care provider the~~
13 ~~flexibility to use the health care provider's clinical judgment to~~
14 ~~adhere to or deviate from the program's guidelines and still receive~~
15 ~~a financial incentive as long as the health care provider prescribes~~
16 ~~information therapy to the patient. The program shall offer a~~
17 ~~financial reward to the patient for responding to the information~~
18 ~~therapy prescription by demonstrating the patient's understanding of~~
19 ~~the patient's health condition, by demonstrating adherence to~~
20 ~~recommended care, and by judging the quality of care given to the~~
21 ~~patient against these guidelines. The program shall be offered and~~
22 ~~administered through an Internet application. This demonstration~~
23 ~~project shall collect and analyze data over a period of two (2)~~
24 ~~years in order to determine its effectiveness.~~

1 ~~(14)~~ M. The ~~State and Education Employees Group~~ HealthChoice
2 Health Insurance Board may enter into a contract with out-of-state
3 providers in connection with any PPO or hospital or medical network
4 plan which shall include, but not be limited to, special care
5 facilities and hospitals outside the borders of the State of
6 Oklahoma. The contract for out-of-state providers shall be
7 identical to the in-state provider contracts. The ~~State and~~
8 ~~Education Employees Group~~ HealthChoice Health Insurance Board may
9 negotiate for discounts from billed charges when the out-of-state
10 provider is not a network provider and the member sought services in
11 an emergency situation, when the services were not otherwise
12 available in the State of Oklahoma or when the Administrator
13 approved the service as an exceptional circumstance.

14 ~~(15)~~ N. The Administrator shall appoint an advisory committee
15 to the ~~State and Education Employees Group~~ HealthChoice Health
16 Insurance Board. The advisory committee shall consist of seven (7)
17 members. Of the members appointed to the advisory committee, at
18 least one member must be an active state employee, at least one
19 member must be a retired state employee, at least one member must be
20 an active education employee, at least one member must be a retired
21 education employee, and at least one member must be either an active
22 county employee or a retired county employee.

23 SECTION 5. AMENDATORY 74 O.S. 2001, Section 1305, is
24 amended to read as follows:

1 Section 1305. ~~(1)~~ A. The HealthChoice Health Insurance Board
2 shall hold regular meetings at least once each quarter in Oklahoma
3 City, the date, time, and place thereof to be fixed by the Board.
4 The Board shall in July of each year hold a regular meeting which
5 shall be the annual meeting, at which meeting it shall elect its
6 officers.

7 ~~(2)~~ B. Special meetings may be called upon written notice of
8 the chairman or by agreement of any five members of the Board.
9 Notice of a special meeting shall be delivered to all members in
10 person or by registered or certified United States mail not less
11 than seven (7) days prior to the date fixed for the meeting,
12 ~~provided, however, that notice.~~ Notice of such a special meeting
13 may be waived by any member either before or after such meeting and
14 attendance at such meeting shall constitute a waiver of notice of
15 such meeting, unless a member participates ~~therein~~ solely to object
16 to the transaction of any business because the meeting has not been
17 legally called or convened.

18 ~~(3)~~ C. A majority of the members of the Board shall constitute
19 a quorum for the transaction of business, and any official action of
20 the Board must have a favorable vote by a majority of the members of
21 the Board present.

22 ~~(4)~~ D. The members shall be reimbursed for their expenses,
23 according to the State Travel Reimbursement Act, as are incurred in
24 the performance of their duties, which shall be paid from the Health

1 Insurance Reserve Fund. No Board member shall be individually or
2 personally liable for any action of the Board.

3 ~~(5)~~ E. The members of the Board, the Administrator and the
4 employees of the Board shall not accept gifts or gratuities from an
5 individual organization with a value in excess of Fifty Dollars
6 (\$50.00) per year. The provisions of this section shall not be
7 construed to prevent the members of the Board, the Administrator or
8 the employees of the Board from attending educational seminars,
9 conferences, meetings or similar functions which are paid for,
10 directly or indirectly, by more than one organization.

11 SECTION 6. AMENDATORY 74 O.S. 2001, Section 1305.1, as
12 amended by Section 2, Chapter 196, O.S.L. 2002 (74 O.S. Supp. 2009,
13 Section 1305.1), is amended to read as follows:

14 Section 1305.1 ~~(1)~~ A. ~~The State and Education Employees Group~~
15 HealthChoice Health Insurance Board shall discharge their duties
16 with respect to the State and Education Employees Group Insurance
17 Act, ~~the State Employees Flexible Benefits Act and the State~~
18 ~~Employees Disability Program Act solely in the interest of said Acts~~
19 and:

20 ~~(a)~~ ~~for~~ 1. For the exclusive purpose of:

21 ~~(i)~~ providing health and dental benefits to the participants
22 and their dependents, and

23 ~~(ii)~~ defraying reasonable expenses of administering the State
24 and Education Employees Group Insurance Act, ~~the State Employees~~

1 ~~Flexible Benefits Act and the State Employees Disability Program~~
2 ~~Act;~~

3 ~~(b) with~~ 2. With the care, skill, prudence, and diligence
4 under the circumstances then prevailing that a prudent person acting
5 in a like capacity and familiar with such matters would use in the
6 conduct of an enterprise of a like character and with like aims;

7 ~~(c) by~~ 3. By diversifying investments so as to minimize the
8 risk of large losses, unless under the circumstances it is clearly
9 prudent not to do so; and

10 ~~(d) in~~ 4. In accordance with the laws, documents and
11 instruments governing the State and Education Employees Group
12 Insurance Act, ~~the State Employees Flexible Benefits Act and the~~
13 ~~State Employees Disability Program Act.~~

14 ~~(2) B.~~ The monies received by the ~~State and Education Employees~~
15 ~~Group~~ HealthChoice Health Insurance Board shall be invested only in
16 assets eligible for the investment of funds of legal reserve life
17 insurance companies in this state as provided for in Sections 1602
18 through 1611, 1613 through 1620, and 1622 through 1624 of Title 36
19 of the Oklahoma Statutes. The term admitted assets shall mean the
20 amount of the monies received by the Board and the provisions
21 relating to limitation of investments as a percentage of surplus and
22 loans to policyholders shall be inapplicable with respect to
23 investment of the monies received by the Board.

24

1 ~~(3)~~ C. The Board may procure insurance indemnifying the members
2 of the Board from personal loss or accountability from liability
3 resulting from a member's action or inaction as a member of the
4 Board.

5 ~~(4)~~ D. The Board may establish an investment committee. The
6 investment committee shall be composed of not more than five (5)
7 members of the Board appointed by the chairman of the Board. The
8 committee shall make recommendations to the full Board on all
9 matters related to the choice of custodians and managers of the
10 assets of the Board, on the establishment of investment and fund
11 management guidelines, and in planning future investment policy.
12 The committee shall have no authority to act on behalf of the Board
13 in any circumstances whatsoever. No recommendation of the committee
14 shall have effect as an action of the Board nor take effect without
15 the approval of the Board as provided by law.

16 ~~(5)~~ E. The Board shall retain qualified investment managers to
17 provide for the investment of the monies received by the Board. The
18 investment managers shall be chosen by a solicitation of proposals
19 on a competitive bid basis pursuant to standards set by the Board.
20 Subject to the overall investment guidelines set by the Board, the
21 investment managers shall have full discretion in the management of
22 those monies of the Board allocated to the investment managers. The
23 Board shall manage those monies not specifically allocated to the
24 investment managers. The monies of the Board allocated to the

1 investment managers shall be actively managed by the investment
2 managers, which may include selling investments and realizing losses
3 if such action is considered advantageous to longer term return
4 maximization. Because of the total return objective, no distinction
5 shall be made for management and performance evaluation purposes
6 between realized and unrealized capital gains and losses.

7 ~~(6)~~ F. Funds and revenues for investment by the investment
8 managers or the Board shall be placed with a custodian selected by
9 the Board. The custodian shall be a bank or trust company offering
10 pension fund master trustee and master custodial services. The
11 custodian shall be chosen by a solicitation of proposals on a
12 competitive bid basis pursuant to standards set by the Board. In
13 compliance with the investment policy guidelines of the Board, the
14 custodian bank or trust company shall be contractually responsible
15 for ensuring that all monies of the Board are invested in income-
16 producing investment vehicles at all times. If a custodian bank or
17 trust company has not received direction from the investment
18 managers of the Board as to the investment of the monies of the
19 Board in specific investment vehicles, the custodian bank or trust
20 company shall be contractually responsible to the Board for
21 investing the monies in appropriately collateralized short-term
22 interest-bearing investment vehicles.

23

24

1 ~~(7) By November 1, 1989, and prior~~ G. Prior to August 1 of
2 each year thereafter, the Board shall develop a written investment
3 plan for the monies received by the Board.

4 ~~(8) H.~~ H. The Administrator shall compile a quarterly financial
5 report of all the funds of the Board on a calendar year basis. The
6 report shall be compiled pursuant to uniform reporting standards
7 prescribed by the Insurance Commissioner for all domestic insurance
8 companies. The report shall include several relevant measures of
9 investment value, including acquisition cost and current fair market
10 value with appropriate summaries of total holdings and returns. The
11 report shall contain combined and individual rate of returns of the
12 investment managers by category of investment, over periods of time.
13 The report shall be distributed to the Governor, the Legislative
14 Service Bureau and the Joint Liaison Committee on ~~Fiscal Operations~~
15 State Benefits created in Section 38 of this act.

16 I. At the end of each plan year, the Board shall deposit all
17 amounts from reserve funds which are in excess of One Hundred Twenty
18 Million Dollars (\$120,000,000.00) into the Assistance to Agencies
19 Revolving Fund.

20 J. The Board shall establish a wellness and prevention program
21 for all participants in the plan. Components of the wellness plan
22 shall include, but not be limited to, financial incentives for
23 participation in prevention and wellness programs and healthy living
24 practices. Financial incentives for substantiated participation in

1 the wellness program shall include, but not be limited to, lower
2 copayment requirements and lower deductibles.

3 SECTION 7. AMENDATORY 74 O.S. 2001, Section 1305.2, is
4 amended to read as follows:

5 Section 1305.2 ~~(1)~~ A. A fiduciary with respect to the ~~State~~
6 ~~and Education Employees Group HealthChoice Health~~ Insurance Board
7 shall not cause the Board to engage in a transaction if the
8 fiduciary knows or should know that such transaction constitutes a
9 direct or indirect:

10 ~~(a) sale~~ 1. Sale or exchange, or leasing of any property from
11 the Board to a party in interest for less than adequate
12 consideration or from a party in interest to the Board for more than
13 adequate consideration;

14 ~~(b) lending~~ 2. Lending of money or other extension of credit
15 from the Board to a party in interest without the receipt of
16 adequate security and a reasonable rate of interest, or from a party
17 in interest to the Board with provision of excessive security or an
18 unreasonably high rate of interest;

19 ~~(c) furnishing~~ 3. Furnishing of goods, services or facilities
20 from the Board to a party in interest for less than adequate
21 consideration, or from a party in interest to the Board for more
22 than adequate consideration; or

23

24

1 ~~(d) transfer~~ 4. Transfer to, or use by or for the benefit of,
2 a party in interest of any assets of the Board for less than
3 adequate consideration.

4 ~~(2) B.~~ A fiduciary with respect to the Board shall not:

5 ~~(a) deal~~ 1. Deal with the assets of the Board in the
6 fiduciary's own interest or for the fiduciary's own account;

7 ~~(b) in~~ 2. In the fiduciary's individual or any other capacity
8 act in any transaction involving the Board on behalf of a party
9 whose interests are adverse to the interests of the Board or the
10 interests of its participants or beneficiaries; or

11 ~~(c) receive~~ 3. Receive any consideration for the fiduciary's
12 own personal account from any party dealing with the Board in
13 connection with a transaction involving the assets of the Board.

14 ~~(3) C.~~ A fiduciary with respect to the Board may:

15 ~~(a) invest~~ 1. Invest all or part of the assets of the Board in
16 deposits which bear a reasonable interest rate in a bank or similar
17 financial institution supervised by the United States or a state, if
18 such bank or other institution is a fiduciary of such plan; or

19 ~~(b) provide~~ 2. Provide any ancillary service by a bank or
20 similar financial institution supervised by the United States or a
21 state, if such bank or other institution is a fiduciary of such
22 plan.

23

24

1 ~~(4)~~ D. A person or a financial institution is a fiduciary with
2 respect to the Board to the extent that the person or the financial
3 institution:

4 ~~(a)~~ exercises 1. Exercises any discretionary authority or
5 discretionary control respecting management of the Board or
6 exercises any authority or control respecting management or
7 disposition of the assets of the Board;

8 ~~(b)~~ renders 2. Renders investment advice for a fee or other
9 compensation, direct or indirect, with respect to any monies or
10 other property of the Board, or has any authority or responsibility
11 to do so; or

12 ~~(c)~~ has 3. Has any discretionary authority or discretionary
13 responsibility in the administration of the Board.

14 SECTION 8. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1305.3 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 A. If the preferred provider health plan offered by the
18 HealthChoice Health Insurance Board is not selected as the plan
19 offered to public employees by the Oklahoma State Benefits and
20 Wellness Office, the assets of the HealthChoice Health Insurance
21 Board shall be placed into an endowment and shall not be expended.

22 B. Interest from the HealthChoice Health Insurance Board
23 endowment shall be used to fund the ongoing expense of the Board.

24

1 C. The Board shall develop and resubmit a proposal to the
2 Oklahoma State Benefits and Wellness Office during the next
3 solicitation for bids.

4 D. Upon being selected as the winning bidder the HealthChoice
5 endowment shall be used to provide resources for functioning as a
6 preferred provider organization.

7 SECTION 9. AMENDATORY 74 O.S. 2001, Section 1306, as
8 last amended by Section 3, Chapter 231, O.S.L. 2006 (74 O.S. Supp.
9 2009, Section 1306), is amended to read as follows:

10 Section 1306. ~~The State and Education Employees Group~~
11 HealthChoice Health Insurance Board shall administer and manage the
12 group health and dental insurance plans ~~and the flexible benefits~~
13 ~~plan and,~~ subject to the provisions of the State and Education
14 Employees Group Insurance Act and ~~the State Employees Flexible~~
15 ~~Benefits Act,~~ shall have the following powers and duties:

16 1. The preparation of specifications for such insurance plans
17 as the Board may determine to be appropriate;

18 2. The authority and duty to request bids through the
19 Purchasing Division of the Department of Central Services for a
20 contract to be the claims administrator for all or any part of such
21 insurance and benefit plans as the Board may offer;

22 3. The determination of the methods of claims administration
23 under such insurance and benefit plans as the Board may offer;

24

1 4. ~~The determination of the eligibility of employees and their~~
2 ~~dependents to participate in each of the Group Insurance Plans and~~
3 ~~in such other insurance and benefit plans as the Board may offer and~~
4 ~~the eligibility of employees to participate in the Life Insurance~~
5 ~~Plan provided that evidence of insurability shall not be a~~
6 ~~requirement in determining an employee's initial eligibility;~~

7 5. ~~The determination of the amount of employee payroll~~
8 ~~deductions and the responsibility of establishing the procedure by~~
9 ~~which such deduction shall be made;~~

10 6. The establishment of a grievance procedure by which a three-
11 member grievance panel shall act as an appeals body for complaints
12 by insured employees regarding the allowance and payment of claims,
13 ~~eligibility,~~ and other health coverage matters. Except for
14 grievances settled to the satisfaction of both parties prior to a
15 hearing, any person who requests in writing a hearing before the
16 grievance panel shall receive a hearing before the panel. The
17 grievance procedure provided by this paragraph shall be the
18 exclusive remedy available to insured employees having complaints
19 against the insurer. Such grievance procedure shall be subject to
20 the Oklahoma Administrative Procedures Act, including provisions
21 thereof for review of agency decisions by the district court. The
22 grievance panel shall schedule a hearing regarding the allowance and
23 payment of claims,~~eligibility~~ and other health coverage matters
24 within sixty (60) days from the date the grievance panel receives a

1 written request for a hearing unless the panel orders a continuance
2 for good cause shown. Upon written request by the insured employee
3 to the grievance panel and received not less than ten (10) days
4 before the hearing date, the grievance panel shall cause a full
5 stenographic record of the proceedings to be made by a competent
6 court reporter at the insured employee's expense;

7 ~~7.~~ 5. The continuing study of the operation of such insurance
8 and benefit plans as the Board may offer including such matters as
9 gross and net costs, administrative costs, benefits, utilization of
10 benefits, and claims administration;

11 ~~8.~~ 6. The administration of the Health, and Dental and Life
12 Insurance Reserve Fund or Funds, ~~the Flexible Benefits Revolving~~
13 ~~Fund and the Education Employees Group Insurance Reserve Fund;~~

14 ~~9.~~ 7. The auditing of the claims paid pursuant to the
15 provisions of the State and Education Employees Group Insurance Act,
16 ~~the State Employees Flexible Benefits Act and the State Employees~~
17 ~~Disability Program Act;~~

18 ~~10. a. To select and contract with federally qualified Health~~
19 ~~Maintenance Organizations under the provisions of 42~~
20 ~~U.S.C., Section 300e et seq. or with Health~~
21 ~~Maintenance Organizations granted a certificate of~~
22 ~~authority by the Insurance Commissioner pursuant to~~
23 ~~Sections 6901 through 6951 of Title 36 of the Oklahoma~~
24 ~~Statutes for consideration by employees as an~~

1 ~~alternative to the state self-insured health plan, and~~
2 ~~to transfer to the HMOs such funds as may be approved~~
3 ~~for an employee electing HMO alternative services.~~
4 ~~The Board may also select and contract with a vendor~~
5 ~~to offer a point of service plan. An HMO may offer~~
6 ~~coverage through a point of service plan, subject to~~
7 ~~the guidelines established by the Board. However, if~~
8 ~~the Board chooses to offer a point of service plan,~~
9 ~~then a vendor that offers both an HMO plan and a~~
10 ~~point of service plan may choose to offer only its~~
11 ~~point of service plan in lieu of offering its HMO~~
12 ~~plan.~~

13 ~~b. Benefit plan contracts with the State and Education~~
14 ~~Employees Group Insurance Board, Health Maintenance~~
15 ~~Organizations, and other third party insurance vendors~~
16 ~~shall provide for a risk adjustment factor for adverse~~
17 ~~selection that may occur, as determined by the Board,~~
18 ~~based on generally accepted actuarial principles. The~~
19 ~~risk adjustment factor shall include all members~~
20 ~~participating in the plans offered by the State and~~
21 ~~Education Employees Group Insurance Board. The~~
22 ~~Oklahoma State Employees Benefits Council shall~~
23 ~~contract with an actuary to provide the above~~

1 ~~actuarial services, and shall be reimbursed for these~~
2 ~~contract expenses by the Board.~~

3 ~~c. Effective for the plan year beginning January 1, 2007,~~
4 ~~and for each year thereafter, in setting health~~
5 ~~insurance premiums for active employees and for~~
6 ~~retirees under sixty five (65) years of age, HMOs,~~
7 ~~self-insured organizations and prepaid plans shall set~~
8 ~~the monthly premium for active employees to be equal~~
9 ~~to the premium for retirees under sixty five (65)~~
10 ~~years of age;~~

11 ~~11.~~ 8. To contract for reinsurance, catastrophic insurance, or
12 any other type of insurance deemed necessary by the Board.

13 Provided, however, that the Board shall not offer a health plan
14 which is owned or operated by the state and which utilizes a
15 capitated payment plan for providers which uses a primary care
16 physician as a gatekeeper to any specialty care provided by
17 physician-specialists, unless specifically authorized by the
18 Legislature;

19 ~~12.~~ 9. The Board, pursuant to the provisions of Section 250 et
20 seq. of Title 75 of the Oklahoma Statutes, shall adopt such rules
21 consistent with the provisions of the State and Education Employees
22 Group Insurance Act as it deems necessary to carry out its statutory
23 duties and responsibilities. Emergency Rules adopted by the Board
24 and approved by the Governor which are in effect on the first day of

1 the Regular Session of the Oklahoma Legislature shall not become
2 null and void until January 15 of the subsequent calendar year;

3 ~~13.~~ 10. The Board shall contract for claims administration
4 services with a private insurance carrier or a company experienced
5 in claims administration of any insurance that the Board may be
6 directed to offer. No contract for claims administration services
7 shall be made unless such contract has been offered for bids through
8 the Purchasing Division of the Department of Central Services. The
9 Board shall contract with a private insurance carrier or other
10 experienced claims administrator to process claims with software
11 that is normally used for its customers;

12 ~~14.~~ 11. The Board shall contract for utilization review
13 services with a company experienced in utilization review, data base
14 evaluation, market research, and planning and performance of the
15 health insurance plan;

16 ~~15.~~ 12. The Board shall have the authority to determine all
17 rates ~~and life,~~ for dental and health benefits. Except as otherwise
18 provided for in Section 1321 of this title, the Board shall not have
19 the authority to adjust the premium rates after approval. The Board
20 shall submit notice of the amount of employee premiums and dependent
21 premiums along with an actuarial projection of the upcoming fiscal
22 year's enrollment, employee contributions, employer contributions,
23 investment earnings, paid claims, internal expenses, external
24 expenses and changes in liabilities to the Director of the Office of

1 State Finance and the Director of the Legislative Service Bureau no
2 later than March 1 of the previous fiscal year.

3 ~~Effective for the plan year beginning January 1, 2007, and for~~
4 ~~each plan year thereafter, in~~ In setting health insurance premiums
5 for active employees and retirees under sixty-five (65) years of
6 age, the Board shall set the monthly premium for active employees to
7 be equal to the monthly premium for retirees under sixty-five (65)
8 years of age;

9 ~~16.~~ 13. Before December 1 of each year the Board shall submit
10 to the Director of the Office of State Finance a report outlining
11 the financial condition for the previous fiscal year of all
12 insurance plans offered by the Board. The report shall include a
13 complete explanation of all reserve funds and the actuarial
14 projections on the need for such reserves. The report shall include
15 and disclose an estimate of the future trend of medical costs, the
16 impact from HMO enrollment, antiselection, changes in law, and other
17 contingencies that could impact the financial status of the plan.
18 The Director of the Office of State Finance shall make written
19 comment on the report and shall provide such comment, along with the
20 report submitted by the Board, to the Governor, the President Pro
21 Tempore of the Senate, the Speaker of the House of Representatives
22 and the Chair of the Oklahoma State ~~Employees Benefits Council~~ and
23 Wellness Office by January 15;

24

1 ~~17.~~ 14. The Board shall establish a prescription drug card
2 network;

3 ~~18.~~ ~~The Board shall have the authority to intercept monies~~
4 ~~owing to plan participants from other state agencies, when those~~
5 ~~participants in turn, owe money to the Board. The Board shall be~~
6 ~~required to adopt rules and regulations ensuring the participants~~
7 ~~due process of law;~~

8 ~~19.~~ 15. The Board is authorized to make available to eligible
9 employees supplemental health care benefit plans to include but not
10 be limited to long-term care, deductible reduction plans and
11 employee co-payment reinsurance. Premiums for said plans shall be
12 actuarially based and the cost for such supplemental plans shall be
13 paid by the employee;

14 ~~20.~~ 16. Beginning with the plan year which begins on January 1,
15 2006, the Board shall select and contract with one or more providers
16 to offer a group TRICARE Supplement product to eligible employees
17 who are eligible TRICARE beneficiaries. Any membership dues
18 required to participate in a group TRICARE Supplement product
19 offered pursuant to this paragraph shall be paid by the employee.
20 As used in this paragraph, "TRICARE" means the Department of Defense
21 health care program for active duty and retired uniform service
22 members and their families;

23 ~~21.~~ ~~There is hereby created as a joint committee of the State~~
24 ~~Legislature, the Joint Liaison Committee on State and Education~~

1 ~~Employees Group Insurance Benefits, which Joint Committee shall~~
2 ~~consist of three members of the Senate to be appointed by the~~
3 ~~President Pro Tempore thereof and three members of the House of~~
4 ~~Representatives to be appointed by the Speaker thereof. The Chair~~
5 ~~and Vice Chair of the Joint Committee shall be appointed from the~~
6 ~~membership thereof by the President Pro Tempore of the Senate and~~
7 ~~the Speaker of the House of Representatives, respectively, one of~~
8 ~~whom shall be a member of the Senate and the other shall be a member~~
9 ~~of the House of Representatives. At the beginning of the first~~
10 ~~regular session of each Legislature, starting in 1991, the Chair~~
11 ~~shall be from the Senate; thereafter the chairship shall alternate~~
12 ~~every two (2) years between the Senate and the House of~~
13 ~~Representatives.~~

14 ~~The Joint Liaison Committee on State and Education Employees~~
15 ~~Group Insurance Benefits shall function as a committee of the State~~
16 ~~Legislature when the Legislature is in session and when the~~
17 ~~Legislature is not in session. Each appointed member of said~~
18 ~~committee shall serve until his or her successor is appointed.~~

19 ~~The Joint Liaison Committee on State and Education Employees~~
20 ~~Group Insurance Benefits shall serve as a liaison with the State and~~
21 ~~Education Employees Group Insurance Board regarding advice,~~
22 ~~guidance, policy, management, operations, plans, programs and fiscal~~
23 ~~needs of said Board. Said Board shall not be bound by any action of~~
24 ~~the Joint Committee, and~~

1 ~~22.~~ 17. ~~The State and Education Employees Group~~ HealthChoice
2 Health Insurance Board shall annually collect its own set of
3 performance measures comparable to the Health Plan Employer Data and
4 Information Set (HEDIS) for the purpose of assessing the quality of
5 its HealthChoice plans and the other services it provides. This
6 data shall be provided to the executive director of the Oklahoma
7 State Benefits and Wellness Office upon request.

8 SECTION 10. AMENDATORY 74 O.S. 2001, Section 1306.2, is
9 amended to read as follows:

10 Section 1306.2 A. ~~The State and Education Employees Group~~
11 HealthChoice Health Insurance Board shall submit to the Insurance
12 Commissioner the following information regarding utilization review
13 performed by employees of the board:

- 14 1. A utilization review plan that includes:
- 15 a. an adequate summary description of review standards,
16 protocol and procedures to be used in evaluating
17 proposed or delivered hospital and medical care,
 - 18 b. assurances that the standards and criteria to be
19 applied in review determinations are established with
20 input from health care providers representing major
21 areas of specialty and certified by the boards of the
22 various American medical specialties, and
 - 23 c. the provisions by which patients or health care
24 providers may seek reconsideration or appeal of

1 adverse decisions concerning requests for medical
2 evaluation, treatment or procedures;

3 2. The type and qualifications of the personnel either employed
4 or under contract to perform the utilization review;

5 3. The procedures and policies to ensure that an employee of
6 the board is reasonably accessible to patients and health care
7 providers five (5) days a week during normal business hours, such
8 procedures and policies to include as a requirement a toll-free
9 telephone number to be available during said business hours;

10 4. The policies and procedures to ensure that all applicable
11 state and federal laws to protect the confidentiality of individual
12 medical records are followed;

13 5. The policies and procedures to verify the identity and
14 authority of personnel performing utilization review by telephone;

15 6. A copy of the materials designed to inform applicable
16 patients and health care providers of the requirements of the
17 utilization review plan;

18 7. The procedures for receiving and handling complaints by
19 patients, hospitals and health care providers concerning utilization
20 review; and

21 8. Procedures to ensure that after a request for medical
22 evaluation, treatment, or procedures has been rejected in whole or
23 in part and in the event a copy of the report on said rejection is
24 requested, a copy of the report of the personnel performing

1 utilization review concerning the rejection shall be mailed by the
2 insurer, postage prepaid, to the ill or injured person, the treating
3 health care provider, hospital or to the person financially
4 responsible for the patient's bill within fifteen (15) days after
5 receipt of the request for the report.

6 B. The Board shall pay an annual fee to the Insurance
7 Commissioner of Five Hundred Dollars (\$500.00).

8 SECTION 11. AMENDATORY Section 1, Chapter 198, O.S.L.
9 2002 (74 O.S. Supp. 2009, Section 1306.5), is amended to read as
10 follows:

11 Section 1306.5 A network provider facility or physician
12 contract, or any part or section of it, may be amended at any time
13 during the term of the contract only by mutual written consent of
14 duly authorized representatives of the ~~State and Education Employees~~
15 ~~Group~~ HealthChoice Health Insurance Board and the facility or
16 physician.

17 SECTION 12. AMENDATORY Section 6, Chapter 319, O.S.L.
18 2003 (74 O.S. Supp. 2009, Section 1306.6), is amended to read as
19 follows:

20 Section 1306.6 The ~~State and Education Employees Group~~
21 HealthChoice Health Insurance Board, in accordance with
22 administering the Medical Expense Liability Revolving Fund pursuant
23 to Section 4 746.1 of ~~this act~~ Title 19 of the Oklahoma Statutes,

24

1 shall employ, appoint, or otherwise designate the necessary
2 personnel to carry out the duties of the fund.

3 SECTION 13. AMENDATORY 74 O.S. 2001, Section 1307, is
4 amended to read as follows:

5 Section 1307. ~~A.~~ The specifications drawn by the Board for the
6 Health Insurance Plan shall provide for comprehensive hospital
7 medical and surgical benefits. The Health Insurance Plan may limit
8 coverage for a particular illness, disease, injury or condition;
9 but, except for such limits, shall not exclude or limit particular
10 services or procedures that can be provided for the diagnosis and
11 treatment of an illness, disease, injury or condition, so long as
12 the services and procedures provided are of sound efficacy, are
13 medically necessary, and fall within the licensed scope of practice
14 of the practitioner providing same. The Health Insurance Plan may
15 provide for the application of deductibles and copayment or
16 coinsurance provisions, when equally applied to all covered charges
17 for services and procedures that can be provided by any practitioner
18 for the diagnosis and treatment of a particular illness, disease,
19 injury or condition.

20 ~~B. The Life Insurance Plan shall include Accidental Death and~~
21 ~~Dismemberment Benefits and additional optional life insurance~~
22 ~~coverage.~~

23 SECTION 14. AMENDATORY 74 O.S. 2001, Section 1307.2, is
24 amended to read as follows:

1 Section 1307.2 ~~On and after November 1, 1996, the State and~~
2 ~~Education Employees Group~~ The HealthChoice Health Insurance Board
3 shall include coverage for equipment, supplies and related services
4 for the treatment of Type I, Type II, and gestational diabetes as
5 provided by and pursuant to the provisions of Section ~~±~~ 6060.2 of
6 ~~this act~~ Title 36 of the Oklahoma Statutes.

7 SECTION 15. AMENDATORY 74 O.S. 2001, Section 1312, is
8 amended to read as follows:

9 Section 1312. ~~(1)~~ Except as otherwise provided by law, ~~all~~
10 ~~employee and employer contributions, appropriations and dividend~~
11 ~~payments~~ income related to the health and dental plans administered
12 by the ~~State and Education Employees Group~~ HealthChoice Health
13 Insurance Board shall be deposited in a fund in the State Treasury
14 which is hereby created and which shall be known as the Health and
15 Dental Insurance Reserve Fund. The money in such fund shall be
16 invested by the Board in the manner specified in Section 1305.1 of
17 this title. Investment income of the fund shall be added to the
18 fund. Money payable to the claims administrator and all expenses in
19 connection with the plans shall be paid from the fund. The Board
20 shall have responsibility for management of the fund.

21 ~~(2) All monies in the Health and Dental Insurance Reserve Fund~~
22 ~~that are reserves for the life insurance plan administered by the~~
23 ~~State and Education Employees Group Insurance Board shall be~~
24 ~~transferred to the Life Insurance Reserve Fund on July 1, 1989.~~

1 SECTION 16. AMENDATORY 74 O.S. 2001, Section 1312.1, is
2 amended to read as follows:

3 Section 1312.1 There is hereby created in the State Treasury a
4 Revolving Fund for the State and Education Employees Group Insurance
5 Plan. The revolving fund shall consist of funds transferred from
6 the Health and Dental Insurance Reserve Fund ~~and the Life Insurance~~
7 ~~Reserve Fund~~ for operational expenses of the State Health and Life
8 Insurance Plan ~~and monies assessed from or collected for and due a~~
9 ~~Health Maintenance Organization (HMO) as approved by the Board.~~
10 Expenditures from said funds shall be made pursuant to the laws of
11 the state and statutes relating to the Plan. This revolving fund
12 shall be a continuing fund, not subject to fiscal year limitations,
13 and shall be under the control and management of the ~~State and~~
14 ~~Education Employees Group~~ HealthChoice Health Insurance Board.

15 SECTION 17. AMENDATORY 74 O.S. 2001, Section 1312.2, is
16 amended to read as follows:

17 Section 1312.2 ~~(1)~~ There is hereby created in the State
18 Treasury, the Life Insurance Reserve Fund. Except as otherwise
19 provided by law, all contributions, appropriations, transfers,
20 dividend payments, and investment income of the fund received from
21 or for the benefit of the life insurance plan administered by the
22 ~~State and Education Employees Group Insurance Board~~ Benefits and
23 Wellness Office shall be deposited in the reserve fund.

24

1 The monies in said reserve fund shall be invested by the ~~Board~~
2 ~~in the manner specified in Section 1305.1 of this title~~ Office. The
3 ~~Board~~ Office shall have responsibility for management of the fund.

4 Money payable to the claims administrator and all expenses in
5 connection with the life insurance plan shall be paid from the
6 reserve fund.

7 ~~(2) All monies in the Life Insurance Reserve Fund that are~~
8 ~~reserves for the health and dental plans administered by the State~~
9 ~~and Education Employees Group Insurance Board shall be transferred~~
10 ~~to the Health and Dental Insurance Reserve Fund on July 1, 1989.~~

11 SECTION 18. AMENDATORY 74 O.S. 2001, Section 1314.3, as
12 amended by Section 1, Chapter 278, O.S.L. 2004 (74 O.S. Supp. 2009,
13 Section 1314.3), is amended to read as follows:

14 Section 1314.3 ~~(1)~~ A. All otherwise eligible employees hired
15 by the Oklahoma Employment Security Commission after the effective
16 date of this act shall participate in the State Plan and shall not
17 be entitled to the supplemental health insurance for which provision
18 is made in this act nor to any other Commission benefit plan not
19 generally available to state employees, and no other provisions of
20 this act shall apply to such future hirees.

21 ~~(2)~~ B. All otherwise eligible Commission employees not
22 participating in the Agency Plan as of the effective date of this
23 act shall be enrolled in the State Plan on July 1, 1990. Said
24 nonparticipating Commission employees shall not be entitled to the

1 supplemental health insurance for which provision is made in this
2 act.

3 ~~(3)~~ C. All Commission employees, retirees and dependents
4 participating in the Agency Plan as of the effective date of this
5 act shall be permitted to transfer to the State Plan and receive the
6 supplemental insurance benefits for which provision is made in
7 Section 1314.4 of this title at such time as the supplemental
8 insurance is available. If not sooner transferred, all Agency Plan
9 participants shall be transferred to the State Plan on January 1,
10 1991. Such mandatory transfer shall occur simultaneously with any
11 cancellation by the insurance provider of the Agency Plan, occurring
12 prior to January 1, 1991.

13 ~~(4)~~ D. All Commission employees, retirees and dependents
14 enrolling in or transferring to the State Plan under the provisions
15 of this section shall be given the opportunity to participate in all
16 options under the State Plan at the time of their enrollment or
17 transfer.

18 ~~(5)~~ E. For active employees of the Commission, the Commission
19 shall pay the same monthly premium toward employee-only coverage as
20 that set by the ~~State and Education Employees Group Insurance Board~~
21 Oklahoma State Benefits and Wellness Office and paid by the other
22 state agencies participating in the state health insurance program.
23 For retirees of the Commission who retired pursuant to the
24 provisions of the Oklahoma Public Employees Retirement System, the

1 Oklahoma Public Employees Retirement System shall pay the same
2 monthly contribution towards premiums for regular or Medicare
3 supplement health insurance coverage for those retirees as the
4 amount paid towards the premiums for the Oklahoma Public Employees
5 Retirement System retirees from other agencies. For retirees of the
6 Commission who retired under the provisions of another retirement
7 plan, the Commission shall pay the same monthly contribution towards
8 premiums for regular or Medicare supplement health insurance
9 coverage for those retirees as the amount paid towards premiums by
10 the Oklahoma Public Employees Retirement System for retirees of
11 other state agencies.

12 ~~(6) F.~~ Except as provided in this subsection, employees and
13 retirees of the Commission, and their dependents, shall be covered
14 under the dental ~~and life insurance plans~~ plan provided by the ~~State~~
15 ~~and Education Employees Group Insurance Board~~ Oklahoma State
16 Benefits and Wellness Office pursuant to the same provisions and
17 premiums as apply to the employees and retirees of other state
18 agencies. ~~Employees and retirees may elect to keep their present~~
19 ~~agency offered life insurance, in addition to the state life~~
20 ~~insurance. Any employee who elects to keep their agency offered~~
21 ~~life insurance shall pay the premium for the life insurance provided~~
22 ~~pursuant to the State and Education Employees Group Insurance Act.~~
23 ~~Any Commission retiree who elects to participate in the life~~
24 ~~insurance program provided pursuant to the State and Education~~

1 ~~Employees Group Insurance Act shall pay the premium for such~~
2 ~~coverage.~~

3 ~~(7) In the event that the agency offered life insurance plan is~~
4 ~~canceled by the insurer offering it, the Commission shall contract~~
5 ~~with the State and Education Employees Group Insurance Board for~~
6 ~~replacement coverage equal to that lost by said cancellation. Said~~
7 ~~Board is expressly authorized and directed to enter into such a~~
8 ~~contract. The Commission and the participants shall pay the full~~
9 ~~actuarial costs and all reasonable administrative costs for such~~
10 ~~coverage. Said actuarial and administrative costs shall be divided~~
11 ~~between the Commission and the participants in the same ratio as~~
12 ~~premiums are now divided for the agency offered life insurance. The~~
13 ~~Board shall maintain separate reserves for said coverage. On~~
14 ~~January 1, 2005, the Commission shall convert the agency offered~~
15 ~~life insurance to the life insurance plans provided by the State and~~
16 ~~Education Employees Group Insurance Board pursuant to the same~~
17 ~~provisions and premiums as apply to the employees and retirees of~~
18 ~~other state agencies. The Commission may offer eligible employees~~
19 ~~an opportunity to voluntarily relinquish their agency life insurance~~
20 ~~upon a payment to the eligible employee, provided funds exist to do~~
21 ~~so.~~

22 SECTION 19. AMENDATORY 74 O.S. 2001, Section 1314.5, as
23 amended by Section 3, Chapter 278, O.S.L. 2004 (74 O.S. Supp. 2009,
24 Section 1314.5), is amended to read as follows:

1 Section 1314.5 A. The Oklahoma Employment Security Commission
2 shall attempt to obtain the supplemental health insurance described
3 in Section 1314.4 of this title through competitive procurement
4 under the Central Purchasing Act. If the Commission does not obtain
5 such supplemental health insurance in this manner, it shall contract
6 with the ~~State and Education Employees Group Insurance Board~~
7 Oklahoma State Benefits and Wellness Office for such coverage or the
8 Commission may provide the supplemental health insurance through a
9 self-insurance program.

10 B. If the Commission decides to contract with the ~~State and~~
11 ~~Education Employees Group Insurance Board~~ Oklahoma State Benefits
12 and Wellness Office for the supplemental health insurance coverage,
13 the ~~Board Office~~ Office is expressly authorized and directed to enter into
14 such a contract and administer the supplemental benefit in such
15 manner to cause the least disruption to its systems and daily
16 operations. The supplemental benefit does not have to be offered as
17 a supplemental plan but can be combined with the state plan to be
18 administered and actuarially rated as a single plan. If this option
19 is chosen, all dependents of employees or former employees currently
20 eligible for the supplemental health insurance shall be included in
21 the plan, regardless of whether or not the dependents were
22 previously included in the plan, and this subsection will prevail
23 over the provisions of Section 1314.3 of this title. The Commission
24 shall pay the full actuarial cost to be determined by the ~~State and~~

1 ~~Education Employees Group Insurance Board~~ Oklahoma State Benefits
2 and Wellness Office and all reasonable administrative costs for such
3 coverage, if provided by or through the ~~Board~~ Office. The ~~Board~~
4 Office may consider the utilization experience of the group
5 participating in the benefit when calculating the rate for providing
6 the benefit. The ~~Board~~ Office shall maintain separate reserves for
7 said coverage.

8 C. If the Commission decides to provide supplemental health
9 insurance through a self-insurance program, the Commission shall be
10 authorized to contract with a private company to provide claims
11 adjusting services for the supplemental health insurance claims
12 adjusting and processing.

13 SECTION 20. AMENDATORY 74 O.S. 2001, Section 1316.1, as
14 amended by Section 1, Chapter 127, O.S.L. 2002 (74 O.S. Supp. 2009,
15 Section 1316.1), is amended to read as follows:

16 Section 1316.1 A. Any person who retires or who has elected to
17 receive a vested benefit under the provisions of the State of
18 Oklahoma retirement systems or persons who are currently drawing
19 disability benefits under Section 1331 et seq. of this title or who
20 meet each and every requirement of the State Employees Disability
21 Program or the spouse or dependent of any such employee may continue
22 in force the life insurance benefits ~~authorized by this act~~ offered
23 by the State Benefits and Wellness Office in a face amount of not
24 less than one-fourth (1/4) of the basic life insurance amount, if

1 such election to continue in force is made within thirty (30) days
2 from the time of severance. Persons electing to continue in force
3 life insurance benefits shall pay the full cost of the life
4 insurance and under such terms and conditions as established by the
5 ~~Board~~ Office. Further, any such retiree may continue in force any
6 additional life insurance that was purchased prior to retirement at
7 an actuarially adjusted rate and under such terms and conditions as
8 established by the ~~Board~~ Office.

9 Effective January 1, 2002, nonvested employees may also continue
10 their life insurance benefits as provided in this section following
11 termination of employment, if the employee has completed at least
12 eight (8) years of service with an employer participating in the
13 Oklahoma Public Employees Retirement System or at least ten (10)
14 years of service with an employer participating in the Teachers'
15 Retirement System of Oklahoma. The election to continue the
16 employee's life insurance in force must be made within thirty (30)
17 days after the date of termination.

18 B. Any retired employee who is receiving a benefit or
19 terminates employment with a vested benefit from the Teachers'
20 Retirement System of Oklahoma and who becomes enrolled in the health
21 insurance plan offered by the State and Education Employees Group
22 Insurance Act, pursuant to subsection E of Section 5-117.5 of Title
23 70 of the Oklahoma Statutes, may elect to purchase life insurance
24 benefits in amounts and at a cost as provided for in this section.

1 C. In lieu of subsection A of this section, any person who
2 retires or who has elected to receive a vested benefit under the
3 provisions of the State of Oklahoma retirement systems and who is
4 participating in a health insurance plan, and the dental insurance
5 plan, ~~or the life insurance plan offered by the State and Education~~
6 ~~Employees Group Insurance Board~~ Oklahoma State Benefits and Wellness
7 Office, including such persons who are currently drawing disability
8 benefits under Section 1331 et seq. of this title or who meet each
9 and every requirement of the State Employees Disability Program on
10 or before July 1, 1999, or the spouse of any such person may elect
11 to purchase life insurance benefits authorized by this subsection in
12 a face amount not to exceed Fifty Thousand Dollars (\$50,000.00).
13 Eligible persons pursuant to this subsection shall make an election
14 by January 1, 2000, to purchase the life insurance coverage provided
15 in this subsection. Life insurance coverage pursuant to this
16 subsection shall depend upon providing satisfactory evidence of
17 insurability for the person who is to be covered. Life insurance
18 coverage, pursuant to this subsection, shall be purchased in blocks
19 of Five Thousand Dollars (\$5,000.00). The premium for such life
20 insurance coverage shall be at a blended rate and shall be set by
21 the ~~Board~~ Office. The ~~Board~~ Office shall promulgate rules necessary
22 for the implementation of the provisions of this subsection.

23
24

1 SECTION 21. AMENDATORY 74 O.S. 2001, Section 1316.2, as
2 last amended by Section 2, Chapter 198, O.S.L. 2005 (74 O.S. Supp.
3 2009, Section 1316.2), is amended to read as follows:

4 Section 1316.2 A. Any employee other than an education
5 employee who retires pursuant to the provisions of the Oklahoma
6 Public Employees Retirement System or who has a vested benefit
7 pursuant to the provisions of the Oklahoma Public Employees
8 Retirement System may continue in force the health and dental
9 insurance benefits authorized by the provisions of the Oklahoma
10 State and Education Employees Group Insurance Benefits Act, or other
11 employer insurance benefits if the employer does not participate in
12 the plans offered by the Oklahoma State and Education Employees
13 Group Insurance Board Benefits and Wellness Office, if such election
14 to continue in force is made within thirty (30) days from the date
15 of termination of service. Except as otherwise provided for in
16 Section 840-2.27I of this title and subsection H of this section,
17 health and dental insurance coverage may not be reinstated at a
18 later time if the election to continue in force is declined. Vested
19 employees other than education employees who have terminated service
20 and are not receiving benefits and effective July 1, 1996, nonvested
21 persons who have terminated service with more than eight (8) years
22 of participating service with a participating employer, who within
23 thirty (30) days from the date of termination of service elect to
24 continue such coverage, shall pay the full cost of said insurance

1 premium at the rate and pursuant to the terms and conditions
2 established by the Board. Provided also, any employee other than an
3 education employee who commences employment with a participating
4 employer on or after September 1, 1991, who terminates service with
5 such employer on or after July 1, 1996, but who otherwise has
6 insufficient years of service to retire or terminate service with a
7 vested benefit pursuant to the provisions of the Oklahoma Public
8 Employees Retirement System or to elect to continue coverage as a
9 nonvested employee as provided in this section, but who, immediately
10 prior to employment with the participating employer was covered as a
11 dependent on the health and dental insurance policy of a spouse who
12 was an active employee other than an education employee, may count
13 as part of his or her credited service for the purpose of
14 determining eligibility to elect to continue coverage under this
15 section, the time during which said terminating employee was covered
16 as such a dependent.

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

19 a. indemnity plans offered through the ~~State and~~
20 ~~Education Employees Group~~ HealthChoice Health
21 Insurance Board,

22 b. managed care plans offered as alternatives to the
23 indemnity plans offered through the ~~State and~~

24

1 ~~Education Employees Group~~ HealthChoice Health

2 Insurance Board,

3 c. Medicare supplements offered pursuant to the State and
4 Education Employees Group Insurance Act,

5 d. Medicare risk-sharing contracts offered as
6 alternatives to the Medicare supplements offered
7 through the ~~State and Education Employees Group~~
8 HealthChoice Health Insurance Board. All Medicare
9 risk-sharing contracts shall be subject to a risk
10 adjustment factor, based on generally accepted
11 actuarial principles for adverse selection which may
12 occur, and

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

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

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

5 a. a retired employee other than an education employee
6 who is receiving benefits from the Oklahoma Public
7 Employees Retirement System after September 30, 1988,
8 shall have One Hundred Five Dollars (\$105.00), or the
9 premium rate of the health insurance benefit plan,
10 whichever is less, paid by the Oklahoma Public
11 Employees Retirement System to the Board or other
12 insurance carrier of the employer if the employer does
13 not participate in the plans offered by the Oklahoma
14 ~~State and Education Employees Group Insurance Board~~
15 Benefits and Wellness Office in the manner specified
16 in subsection G of this section,

17 b. a retired employee or surviving spouse other than an
18 education employee who is receiving benefits from the
19 Oklahoma Law Enforcement Retirement System after
20 September 30, 1988, is under sixty-five (65) years of
21 age and is not otherwise eligible for Medicare shall
22 have the premium rate for the health insurance benefit
23 plan or One Hundred Five Dollars (\$105.00), whichever
24 is less, paid by the Oklahoma Law Enforcement

1 Retirement System to the Board in the manner specified
2 in subsection G of this section,

3 c. a retired employee other than an education employee
4 who is receiving benefits from the Oklahoma Law
5 Enforcement Retirement System after September 30,
6 1988, is sixty-five (65) years of age or older or who
7 is under sixty-five (65) years of age and is eligible
8 for Medicare shall have One Hundred Five Dollars
9 (\$105.00), or the premium rate of the health insurance
10 benefit plan, whichever is less, paid by the Oklahoma
11 Law Enforcement Retirement System to the Board in the
12 manner specified in 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 Oklahoma State ~~and Education~~ Employees Group

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

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

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

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

23 D. For any member of the Oklahoma Law Enforcement Retirement
24 System killed in the line of duty, whether the member was killed in

1 the line of duty prior to the effective date of this act or on or
2 after the effective date of this act, 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~~ HealthChoice Health Insurance Board, such

24

1 contributions will first be applied in whole or in part to the
2 prescription drug coverage 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~~ HealthChoice Health Insurance Board for
23 deposit in the Health, and Dental ~~and Life~~ Insurance Reserve Fund or
24

1 to another insurance carrier as provided for in subsection H of
2 Section 1315 of this 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 Oklahoma State and
13 ~~Education Employees Group Insurance Benefits~~ Act for retired
14 participants, including health, dental and life insurance benefits,
15 if such election to participate is made within thirty (30) days from
16 the date of termination of service. Life insurance benefits for any
17 such person who transferred employment shall not exceed the coverage
18 the person had at the time of such transfer. Retirees who
19 transferred employment and who participate pursuant to this
20 paragraph shall pay the premium for elected benefits less any
21 amounts paid by a state retirement system pursuant to this section.

22 SECTION 22. AMENDATORY 74 O.S. 2001, Section 1317, is
23 amended to read as follows:

24

1 Section 1317. Any legally blind person who is licensed by the
2 Department of Rehabilitation Services as a vending stand operator or
3 managing operator shall be eligible for membership in the Health
4 Insurance Plan, and Dental Insurance Plan ~~and Life Insurance Plan~~
5 referred to in the State and Education Employees Group Insurance
6 Act. Enrollment in the Plan shall be optional with each operator
7 pursuant to the rules prescribed by the ~~State and Education~~
8 ~~Employees Group~~ HealthChoice Health Insurance Board. Any payments
9 required to be made for enrollees in the Plan shall be payable by
10 the operator in such manner as may be determined by the Department
11 of Rehabilitation Services; provided, that the Department may, in
12 its discretion, make all or a part of such payments.

13 SECTION 23. AMENDATORY 74 O.S. 2001, Section 1318, is
14 amended to read as follows:

15 Section 1318. No former employee who is reemployed by a
16 participating entity within twenty-four (24) months after the date
17 of termination of previous employment shall be enrolled ~~in the State~~
18 ~~and Education Employees Group Insurance Plan authorized by Section~~
19 ~~1301 et seq. of this title,~~ for a greater amount of life insurance
20 or life benefit than the amount for which the life of the
21 ex-employee was insured under said plan at the date of termination
22 of his employment, except upon his furnishing evidence of his
23 insurability, satisfactory to the ~~Board~~ Oklahoma State Benefits and

24

1 Wellness Office, and any greater amount of benefit or insurance
2 provided him shall be at the ex-employee's cost.

3 SECTION 24. AMENDATORY 74 O.S. 2001, Section 1320, as
4 amended by Section 73, Chapter 264, O.S.L. 2006 (74 O.S. Supp. 2009,
5 Section 1320), is amended to read as follows:

6 Section 1320. A. ~~The State and Education Employees Group~~
7 HealthChoice Health Insurance Board is authorized to hire and
8 appoint an administrator who shall be in the unclassified service.

9 The Board may hire a director of internal audit and one attorney
10 licensed to practice law in this state. The attorney hired by the
11 Board shall have not less than five (5) years of experience in
12 matters related to the insurance industry. The Board shall directly
13 supervise the duties of the director of internal audit, and shall
14 not delegate said supervision to the Administrator or any other
15 employee of the Board. In addition to duties assigned by the Board,
16 the director of internal audit is authorized to audit all records of
17 health providers and pharmacists who enter into any contract with
18 the Board in order to ensure compliance with said contract
19 provisions.

20 B. The administrator shall employ such persons as are necessary
21 to administer the provisions of the State and Education Employees
22 Group Insurance Act, ~~the State Employees Flexible Benefits Act and~~
23 ~~the State Employees Disability Program Act~~. The administrator may
24 employ a maximum of two (2) attorneys. The administrator or one of

1 the deputy administrators shall have not less than seven (7) years
2 of group health insurance administration experience on a senior
3 managerial level.

4 C. The Board shall not contract for private legal counsel
5 except for extraordinary situations other than normal day to day
6 situations, and when approved by the Attorney General. The Board
7 may contract with a nonemployee consulting actuary, a nonemployee
8 medical consultant and a nonemployee dental consultant subject to
9 competitive bid at least every three (3) years. The Board may
10 contract with health care providers for a level of reimbursement for
11 the payment of claims incurred by the plan participants. The Board
12 may at its request use the services of the office of the Attorney
13 General and the actuarial services of any actuary employed by the
14 Insurance Commissioner and may also seek the advice and counsel of
15 the Commissioner of the State of Oklahoma or any employee of the
16 Office of the Commissioner.

17 SECTION 25. AMENDATORY 74 O.S. 2001, Section 1321, as
18 last amended by Section 5, Chapter 231, O.S.L. 2006 (74 O.S. Supp.
19 2009, Section 1321), is amended to read as follows:

20 Section 1321. A. The HealthChoice Health Insurance Board shall
21 have the authority to determine all rates and ~~life~~, dental and
22 health benefits. All rates shall be compiled in a comprehensive
23 Schedule of Benefits. The Schedule of Benefits shall be available
24 for inspection during regular business hours at the office of the

1 ~~State and Education Employees Group Insurance~~ Board. The Board
2 shall have the authority to annually adjust the rates and benefits
3 based on claim experience.

4 B. The premiums for such insurance plans offered for the next
5 plan year shall be established as follows:

6 1. For active employees and their dependents, the Board's
7 premium determination shall be made no later than the bid submission
8 date for health maintenance organizations set by the Oklahoma State
9 ~~Employees Benefits Council~~ and Wellness Office, which shall be set
10 in August no later than the third Friday of that month; and

11 2. For all other covered members and dependents, the Board's
12 and the health maintenance organizations' premium determinations
13 shall be no later than the fourth Friday of September.

14 C. The Board may approve a mid-year adjustment provided the
15 need for an adjustment is substantiated by an actuarial
16 determination or more current experience rating. The only
17 publication or notice requirements that shall apply to the Schedule
18 of Benefits shall be those requirements provided in the Oklahoma
19 Open Meeting Act. It is the intent of the Legislature that the
20 benefits provided not include cosmetic dental procedures except for
21 certain orthodontic procedures as adopted by the Board.

22 SECTION 26. AMENDATORY 74 O.S. 2001, Section 1332, is
23 amended to read as follows:

24

1 Section 1332. A. The Oklahoma State and Education Employees
2 Group Insurance Board Benefits and Wellness Office shall establish a
3 Disability Insurance Program for state employees. The program shall
4 consist of a long-term disability plan and a short-term disability
5 plan. Participation in the program shall be limited to state
6 employees who have been state employees for a period of not less
7 than one (1) month and who are eligible for enrollment in the Health
8 Insurance Plan administered by the Board Office. No state employee
9 shall be eligible to receive any benefits from the long-term
10 disability program unless the state employee has used all of the
11 sick leave of the employee. The Board Office shall promulgate such
12 rules as are necessary for adoption and administration of the
13 Disability Insurance Program, including but not limited to benefit
14 eligibility requirements, methods for computing benefit amounts,
15 benefits amounts, and verification of medical and health status of
16 employees applying for or receiving benefits.

17 B. The Disability Insurance Program shall be funded from
18 appropriations made by the Legislature. Employees shall not be
19 required to make contributions to participate in the program.

20 C. Employee disability insurance coverage shall begin on March
21 1, 1986.

22 D. The Board Office shall establish a grievance procedure by
23 which a three-member grievance panel established in the same manner
24 as specified in paragraph ~~6~~ 4 of Section 1306 of this title shall

1 act as an appeals body for complaints regarding the allowance and
2 payment of claims, eligibility, and other matters. The grievance
3 procedure provided by this subsection shall be the exclusive remedy
4 available to persons having complaints against the insurer. Such
5 grievance procedure shall be subject to the Oklahoma Administrative
6 Procedures Act, including provisions for the review of agency
7 decisions by the district court. The grievance panel shall schedule
8 a hearing regarding the allowance and payment of claims, eligibility
9 and other matters within sixty (60) days from the date the grievance
10 panel receives a written request for a hearing. Upon written
11 request to the grievance panel received not less than ten (10) days
12 before the hearing date, the grievance panel shall cause a full
13 stenographic record of the proceedings to be made by a licensed or
14 certified court reporter at the insured employee's expense.

15 E. The ~~Board~~ Office may establish a claim processing division
16 for claims administration or may contract for claims administration
17 services with a private insurance carrier or a company that
18 specializes in claims administration of any insurance that the ~~Board~~
19 Office may be directed to offer.

20 SECTION 27. AMENDATORY 74 O.S. 2001, Section 1332.1, is
21 amended to read as follows:

22 Section 1332.1 A. The State ~~and Education Employees Group~~
23 ~~Insurance Board~~ Benefits and Wellness Office shall collect from
24 state agencies each month, the premium amount, as determined by the

1 ~~Board~~ Office, for each employee of a state agency that participates
2 in the Disability Insurance Program. Said sum shall be deposited in
3 the State Employees Disability Insurance Reserve Fund for use in
4 accordance with law.

5 B. ~~The State and Education Employees Group Insurance Board~~
6 Office shall submit a monthly statement of the revenues and
7 disbursements of the Disability Insurance Program to the Governor,
8 the Speaker of the House of Representatives, the President Pro
9 Tempore of the Senate and the Legislative Service Bureau. The
10 Legislative Service Bureau shall distribute copies of such monthly
11 statements to the fiscal staff of the House of Representatives and
12 the State Senate.

13 C. On or before March 1 of each year, the ~~State and Education~~
14 ~~Employees Group Insurance Board~~ Office shall submit a report of the
15 actuarially-determined future needs of the Disability Insurance
16 Program. Said report shall be submitted and distributed as provided
17 for in subsection B of this section.

18 D. The ~~Board~~ Office shall provide for the continuation of
19 dependent health coverage to disability recipients for that period
20 of time when the employee is qualified as disabled but not yet
21 received disability benefit income.

22 E. The ~~Board~~ Office shall deduct all dependent health coverage
23 premiums due and owing from the first retroactive disability payment
24 and each payment thereafter.

1 SECTION 28. AMENDATORY 74 O.S. 2001, Section 1333, is
2 amended to read as follows:

3 Section 1333. A. There is hereby created in the State Treasury
4 the State Employees Disability Insurance Reserve Fund. All
5 appropriations, dividend payments, and investment income received
6 pursuant to the provisions of the State Employees Disability
7 Insurance Act, Section 1331 et seq. of this title, shall be
8 deposited in the reserve fund.

9 B. The monies in said reserve fund shall be invested by the
10 Oklahoma State and Education Employees Group Insurance Board
11 Benefits and Wellness Office in the manner specified in Section 6
12 1305.1 of this ~~act~~ title. The ~~Board~~ Office shall have
13 responsibility for management of the fund.

14 C. Money payable to the claims administrator and all expenses
15 in connection with the Disability Insurance Program shall be paid
16 from the reserve fund.

17 SECTION 29. AMENDATORY 74 O.S. 2001, Section 1335, is
18 amended to read as follows:

19 Section 1335. A county, upon adoption of a resolution by the
20 board of county commissioners, may participate in the Disability
21 Insurance Program administered by the State ~~and Education Employees~~
22 ~~Group Insurance Board~~ Benefits and Wellness Office. Upon the filing
23 of a certified copy of the resolution with the ~~Board~~ Office, the
24 county shall become a participant on the first day of the second

1 full month following the filing of the resolution. All employees of
2 any county electing to participate in the Program shall have
3 disability insurance coverage. The county shall forward to the
4 Board Office, at such times as determined by the Board Office, the
5 contributions necessary to pay for the disability insurance coverage
6 of the employees of the county. The Board Office shall determine
7 the amount of contribution required for the disability insurance
8 coverage.

9 SECTION 30. AMENDATORY 74 O.S. 2001, Section 1362, is
10 amended to read as follows:

11 Section 1362. It is hereby declared that the purpose of Section
12 1361 et seq. of this title is:

13 1. To recognize that the employee benefit needs of individual
14 ~~state~~ public employees differ, depending on the age, salary and
15 family status of the employee, and that it is needful to permit
16 participating employees to select and tailor the benefits they
17 receive in a manner calculated to best meet the particular needs of
18 themselves and their families;

19 2. To furnish ~~state~~ public employees with choices among various
20 employee benefits or cash compensation;

21 3. To provide ~~state~~ public employees and their dependents with
22 basic group health insurance, basic group term life insurance,
23 vision plan insurance and basic long-term disability insurance;

24

1 4. To provide ~~state~~ public employees and their dependents with
2 optional employee benefits, to include, but not be limited to,
3 enhanced health insurance coverage, health maintenance organization
4 services, life insurance, vision plan insurance, dental insurance
5 and enhanced long-term disability insurance;

6 5. To provide ~~state~~ public employees with reimbursement for
7 qualifying dependent care expenses for which a dependent care tax
8 credit is not taken, reimbursement for qualifying health care
9 expenses not reimbursed by any other insurance plan or taken as a
10 tax deduction, additional benefits which are currently taxable,
11 additional benefits which are not currently taxable, and cash
12 compensation;

13 6. To provide ~~state~~ public employees with tax-sheltered income
14 deferment plans;

15 7. To provide uniform benefit options for all ~~state~~ public
16 employees regardless of their place of residence within this state;

17 8. To manage the provision of health care benefits in a manner
18 that allows for the long term control of costs;

19 9. To provide for the coordination and design, in accordance
20 with applicable law, of all employee benefits ~~offered to state~~
21 ~~employees~~ so as to increase the efficient delivery and effectiveness
22 of those benefits;

23

24

1 10. To enable the state to attract and retain qualified
2 employees by providing employee benefits which are competitive with
3 those provided private industry;

4 11. To offer uniformity in those benefits that are offered to
5 both state public employees ~~and those eligible for participation in~~
6 ~~the State and Education Employees Group Insurance Act, Section 1301~~
7 ~~et seq. of this title;~~

8 12. To recognize and protect the state's investment in each
9 employee by promoting and preserving good health and longevity among
10 state public employees;

11 13. To recognize the service to the state by ~~elected and~~
12 appointed officials by extending to them the same benefits as are
13 provided under the flexible benefits program to state public
14 employees; and

15 14. To recognize long and faithful service, and to encourage
16 employees to remain in state public service until eligible for
17 retirement by providing employee benefits.

18 SECTION 31. AMENDATORY 74 O.S. 2001, Section 1363, is
19 amended to read as follows:

20 Section 1363. The following words and phrases as used in this
21 act, unless a different meaning is clearly required by the context,
22 shall have the following meanings:

23 1. "Authority" means the Oklahoma Health Care Authority;

24

1 2. "Basic plan" means the plan that provides the least amount
2 of benefits each participant is required to purchase pursuant to the
3 provisions of the plan. The basic plan shall include only health,
4 dental, disability and life benefits;

5 3. "Benefit" means any of the benefits which may be purchased
6 or is required to be purchased under the plan;

7 4. "Benefit plan" means the specific terms and conditions
8 regarding a benefit which may be purchased under the plan, including
9 the terms and conditions of any separate plan document, group
10 insurance policy or administrative services contract entered into by
11 the ~~Council~~ oversight board of the Oklahoma State Health and
12 Wellness Office;

13 5. "Benefit price" means the number of flexible benefit dollars
14 needed to purchase a benefit under the plan;

15 6. "Board" means the ~~State and Education Employees Group~~
16 HealthChoice Health Insurance Board, as created by the State and
17 Education Employees Group Insurance Act;

18 7. "Code" means the Internal Revenue Code of 1986, as amended,
19 from time to time;

20 8. "Compensation" means the remuneration directly paid to a
21 ~~participating~~ public employee by a ~~participating~~ public employer
22 exclusive of overtime pay, and longevity pay, calculated prior to
23 and without regard to adjustments arising out of an employee's
24 participation in the plan authorized pursuant to this act, or

1 amounts deferred under the tax sheltered income deferment plans as
2 authorized by Section 1701 et seq. of this title;

3 ~~9. "Council" means the Oklahoma State Employees Benefits~~
4 ~~Council, as created by this act;~~

5 ~~10.~~ "Default benefit" means any benefit a ~~participant~~ public
6 employee who fails to make a proper election under the plan shall be
7 deemed to have purchased;

8 ~~11.~~ 10. "Dependent" means a ~~participant's~~ public employee's
9 spouse or any ~~of his or her~~ dependents as defined in Code Section
10 152 and regulations promulgated thereunder;

11 ~~12.~~ 11. "Flexible benefit allowance" means the annual amounts
12 credited by ~~the participating~~ public employer for each ~~participant~~
13 public employee for the purchase of benefits under the plan;

14 ~~13.~~ 12. "Flexible benefit dollars" means the sum of the
15 flexible benefit allowance and pay conversion dollars allocated by a
16 ~~participant~~ public employee pursuant to provisions of the plan;

17 ~~14.~~ 13. "Office" means the State Benefits and Wellness Office,
18 as created in Section 1364 of this title;

19 14. "Oversight board" means the oversight board of the Oklahoma
20 State Benefits and Wellness Office, as created in Section 1364 of
21 this title;

22 15. "Participant" means any officer or employee of a
23 participating employer who is a member of the Oklahoma Law
24 Enforcement Retirement System, the Oklahoma Public Employees

1 Retirement System or the Uniform Retirement System for Justices and
2 Judges, any officer or employee of a participating employer, whose
3 employment is not seasonal or temporary and whose employment
4 requires at least one thousand (1,000) hours of work per year and
5 whose salary and wage is equal to or greater than the hourly wage
6 for state employees ~~as provided in Section 284 of this title~~, and
7 any employee of a participating employer who is a member of the
8 Teachers' Retirement System of Oklahoma;

9 ~~15.~~ 16. "Participating employer" means any state agency, board,
10 commission, department, institution, authority, officer, bureau,
11 council, office or other entity created by the Oklahoma Constitution
12 or statute that is a participating employer of the Oklahoma Law
13 Enforcement Retirement System, the Oklahoma Public Employees
14 Retirement System or the Uniform Retirement System for Justices and
15 Judges, but shall not include any county, county hospital, city or
16 town, conservation district, any private or public trust in which a
17 county, city or town participates and is the primary beneficiary,
18 any school district or technology center school district, or
19 political subdivision of the state, but shall include the State
20 Department of Education, the Oklahoma Department of Wildlife
21 Conservation, the Oklahoma Employment Security Commission, the
22 Teachers' Retirement System of Oklahoma and the Oklahoma Department
23 of Career and Technology Education. Provided the term
24 "participating employer" shall also mean the State Regents for

1 Higher Education or any institution under the authority of the State
2 Regents for Higher Education upon agreement between the State
3 Regents for Higher Education or the appropriate governing board of
4 an institution under the authority of the State Regents for Higher
5 Education and the ~~Council~~ Oklahoma State Benefits and Wellness
6 Office;

7 17. "Participating insurance provider" means the one
8 participating health maintenance organization and one preferred
9 provider organization awarded a contract under the terms of this
10 act;

11 ~~16.~~ 18. "Pay conversion dollars" means amounts by which a
12 participant public employee elects to reduce his compensation to
13 purchase benefits under the plan;

14 ~~17.~~ 19. "Plan" means the flexible benefits plan authorized
15 pursuant to the State Employees Flexible Benefits Act as modified by
16 the provisions of this act;

17 ~~18.~~ 20. "Plan year" means for the plan year beginning July 1,
18 2001, the six month period commencing on July 1 and ending on the
19 following December 31. The next plan year shall begin January 1,
20 2002. It shall mean the twelve-month period commencing on January
21 July 1 and ending on the following December 31 June 30;

22 21. "Public employee" means a participant, secondary
23 participant or tertiary participant;

24

1 22. "Public employer" means a participating employer, secondary
2 employer or tertiary employer;

3 ~~19.~~ 23. "Salary adjustment agreement" means a written agreement
4 between a ~~participant~~ public employee and ~~participating~~ public
5 employer whereby the employer agrees to adjust the salary of the
6 ~~participant~~ public employee by a stated amount or an amount equal to
7 the cost of benefits selected under the plan and the ~~participating~~
8 public employer agrees to contribute such amount to cover certain
9 costs of the benefits selected by the ~~participant~~ public employer to
10 the ~~Council~~ Oklahoma State Benefits and Wellness Office;

11 24. "Secondary employer" means school districts and technology
12 center school districts;

13 25. "Secondary participant" means employees who are employed
14 with a secondary employer and who are employed in positions
15 requiring actual performance of duty of not less than one thousand
16 (1,000) hours per year;

17 26. "School district certified personnel" means a certified
18 person employed on a full-time basis to serve as a teacher,
19 principal, supervisor, administrator, counselor, librarian, or
20 certified or registered nurse, but shall not mean a superintendent
21 of a school district;

22 27. "School district self-insurance plan" means a health care
23 program in which the school district funds the benefit plans from
24 its own resources without purchasing insurance and which may be

1 administered by the school district or by an outside administrator
2 under contract with the school district for administrative services.
3 The State Board of Education shall prepare by May 1 of each year a
4 list of each school district in the state that is self-insured and
5 the number of support personnel and the number of certified
6 personnel that are participating in each self-insured school
7 district plan;

8 28. "School district support personnel" means full-time
9 employees of a school district as determined by the standard period
10 of labor which is customarily understood to constitute full-time
11 employment for the type of services performed by the employees who
12 are employed a minimum of six (6) hours per day for a minimum of one
13 hundred seventy-two (172) days and who provide services not
14 performed by certified personnel, which is necessary for the
15 efficient and satisfactory functioning of a school district, and
16 shall include cooks, janitors, maintenance personnel, bus drivers,
17 noncertified or nonregistered nurses, noncertified librarians, and
18 clerical employees of a school district but shall not include adult
19 education instructors or adult coordinators employed by technology
20 center school districts;

21 29. "Tertiary employer" means the counties, cities, towns and
22 public trusts for which the State of Oklahoma is the primary
23 beneficiary, and conservation districts. The above-listed groups
24 must participate in the Oklahoma Public Employees Retirement System

1 in order to qualify as tertiary employers. Tertiary employers may
2 also include county hospitals, rural water districts, sewer
3 districts, gas districts, solid waste management districts, fire
4 protection districts organized under Title 19 of the Oklahoma
5 Statutes, nonprofit water corporations, conservancy or master
6 conservancy districts authorized by the provisions of Section 541 of
7 Title 82 of the Oklahoma Statutes, county election board secretaries
8 pursuant to subsection I of Section 42 of this act, voluntary
9 organizations of Oklahoma local government jurisdictions listed in
10 Section 2003 of Title 62 of the Oklahoma Statutes, including any
11 council created by the voluntary organizations, voluntary
12 association designated to administer the County Government Council
13 as authorized in Section 7 of Title 19 of the Oklahoma Statutes, and
14 statewide nonprofit entities receiving state funds to provide no-
15 cost legal services to low-income and senior citizens. In order to
16 qualify as a tertiary employer the governing body of the group must
17 have by majority action elected to participate in a plan offered
18 under the purview of the Oklahoma State Benefits and Wellness
19 Office;

20 30. "Tertiary participant" means employees who are employed
21 with a tertiary employer and who are employed in positions requiring
22 actual performance of duty of not less than one thousand (1,000)
23 hours per year; and
24

1 ~~20.~~ 31. "Termination" means the termination of a ~~participant's~~
2 public employee's employment as an employee of a ~~participating~~
3 public employer, whether by reasons of discharge, voluntary
4 termination, retirement, death or reduction-in-force.

5 SECTION 32. AMENDATORY 74 O.S. 2001, Section 1364, is
6 amended to read as follows:

7 Section 1364. A. There is hereby created the Oklahoma State
8 ~~Employees Benefits Council~~ and Wellness Office.

9 B. The Oklahoma State ~~Employees Benefits Council~~ and Wellness
10 Office oversight board shall be composed of the ~~five (5)~~ seven (7)
11 following individuals:

12 1. The Administrator of the Office of Personnel Management;

13 2. Two members appointed by the Governor;

14 3. One member appointed by the President Pro Tempore of the
15 Senate; ~~and~~

16 4. One member appointed by the Speaker of the House of
17 Representatives;

18 5. The executive director of the HealthChoice Health Insurance
19 Board; and

20 6. The Commissioner of Labor or designee.

21 C. The members appointed by the Governor shall serve a term of
22 office of four (4) years which is coterminous with the term of
23 office of the office of the appointing authority. The members
24 appointed by the Speaker of the House of Representatives and the

1 President Pro Tempore of the State Senate shall serve a term of
2 office of four (4) years.

3 D. No member of the ~~Council~~ oversight board shall be a lobbyist
4 registered in this state as provided by law, or be employed,
5 directly or indirectly, by any firm or health care provider under
6 contract to the ~~Council or Board~~ Office, or any benefit program
7 under its jurisdiction, for any goods or services whatsoever.

8 E. Any vacancy that occurs on the ~~Council~~ oversight board shall
9 be filled for the unexpired term in the same manner as the office
10 was previously filled.

11 F. The general administration and responsibility for the proper
12 design, selection or operation of the benefits offered under the
13 plan and for making effective the provisions of Section 1361 et seq.
14 of this title are hereby vested in the ~~Council~~ oversight board.

15 G. The ~~Council~~ oversight board shall elect one of its members
16 as chair. The chair shall preside over meetings of the ~~Council~~
17 oversight board and perform such other duties as may be required by
18 the ~~Council~~ oversight board. The ~~Council~~ oversight board shall
19 elect one of its members to serve as vice-chair who shall perform
20 the duties of the chair in the absence of the latter or upon the
21 inability or refusal of the chair to act. The ~~Council~~ oversight
22 board shall elect one of its members to serve as secretary.

23 H. The ~~Council~~ oversight board and staff shall act in
24 accordance with the provisions of the Oklahoma Open Meeting Act, the

1 Oklahoma Open Records Act and the Administrative Procedures Act.

2 The ~~Council~~ oversight board shall, ~~in July of each year,~~ hold a
3 regular meeting which shall be the annual meeting, at which meeting
4 it shall elect officers.

5 I. Special meetings may be called upon written notice by the
6 chair or by agreement of any three members of the ~~Council~~ oversight
7 board. Notice of a special meeting shall be delivered to all
8 members in person or by registered or certified United States mail
9 not less than seven (7) days prior to the date fixed for the
10 meeting; provided, however, that notice of such meeting may be
11 waived by any member either before or after such meeting and
12 attendance at such meeting shall constitute a waiver of notice of
13 such meeting, unless a member participates therein solely to object
14 to the transaction of any business because the meeting has not been
15 legally called or convened.

16 J. The majority of the members of the ~~Council~~ oversight board
17 shall constitute a quorum for the transaction of business. Each
18 ~~Council~~ oversight board member shall be entitled to one vote on the
19 ~~Council~~ oversight board. Any official action of the ~~Council~~
20 oversight board must have three votes of the members of the ~~Council~~
21 oversight board present.

22 K. All resolutions, proceedings, acts and determinations of the
23 ~~Council~~ oversight board shall be recorded and all such records,
24 together with such documents and instruments as may be necessary for

1 the administration of the plan, shall be preserved in the custody of
2 the executive director.

3 L. Each member of the ~~Council~~ oversight board shall serve
4 without compensation except that each of the ~~Council~~ oversight board
5 members shall receive travel expenses in accordance with the State
6 Travel Reimbursement Act.

7 ~~M. The Council shall not be subject to the provisions of the~~
8 ~~Oklahoma Sunset Law, Section 3901 et seq. of this title.~~

9 SECTION 33. AMENDATORY 74 O.S. 2001, Section 1365, as
10 last amended by Section 1, Chapter 28, O.S.L. 2009 (74 O.S. Supp.
11 2009, Section 1365), is amended to read as follows:

12 Section 1365. A. The Oklahoma State ~~Employees~~ Benefits ~~Council~~
13 and Wellness Office oversight board shall have the following duties,
14 responsibilities and authority with respect to the administration of
15 the plan:

16 1. To construe and interpret the plan, and decide all questions
17 of eligibility in accordance with the Oklahoma State Employees
18 Benefits Act and 26 U.S.C.A., Section 1 et seq.;

19 2. To select those benefits which shall be made available to
20 ~~participants under the plan~~ public employees, according to the
21 Oklahoma State Employees Benefits Act, and other applicable laws and
22 rules;

23 3. To retain or employ qualified agencies, persons or entities
24 to design, develop, communicate, implement or administer the plan;

1 4. To prescribe procedures to be followed by ~~participants~~
2 public employees in making elections and filing claims under the
3 plan;

4 5. To prepare and distribute information communicating and
5 explaining the plan to participating employers and participants.

6 ~~The State and Education Employees Group Insurance Board~~ preferred
7 provider organization, health maintenance ~~Organizations~~

8 organization, or other third-party insurance vendors may be directly
9 or indirectly involved in the distribution of communicated

10 information to participating ~~state-agency~~ public employers and ~~state~~
11 ~~employee participants~~ public employees subject to the following

12 conditions:

13 a. the ~~Council~~ oversight board shall verify all marketing
14 and communications information for factual accuracy
15 prior to distribution,

16 b. the ~~Board~~ preferred provider organization or vendors
17 shall provide timely notice of any marketing,
18 communications, or distribution plans to the ~~Council~~
19 oversight board and shall coordinate the scheduling of
20 any group presentations with the ~~Council~~ oversight
21 board, and

22 c. the ~~Board~~ preferred provider organization or vendors
23 shall file a brief summary with the ~~Council~~ oversight

1 board outlining the results following any marketing
2 and communications activities;

3 6. To receive from ~~participating~~ public employers and
4 ~~participants~~ public employees such information as shall be necessary
5 for the proper administration of the plan, and any of the benefits
6 offered thereunder;

7 7. To furnish the ~~participating~~ public employers and
8 ~~participants~~ public employees such annual reports with respect to
9 the administration of the plan as are reasonable and appropriate;

10 8. To keep reports of benefit elections, claims and
11 disbursements for claims under the plan;

12 9. To appoint an executive director who shall serve at the
13 pleasure of the ~~Council~~ oversight board. The executive director
14 shall employ or retain such persons in accordance with the Oklahoma
15 State Employees Benefits Act and the requirements of other
16 applicable law, including but not limited to actuaries and certified
17 public accountants, as ~~he or she~~ the director deems appropriate to
18 perform such duties as may from time to time be required under the
19 Oklahoma State Employees Benefits Act and to render advice upon
20 request with regard to any matters arising under the plan subject to
21 the approval of the ~~Council~~ oversight board. The executive director
22 shall have not less than seven (7) years of group insurance
23 administration experience on a senior managerial level or not less
24 than three (3) years of flexible benefits experience on a senior

1 managerial level. Any actuary or certified public accountant
2 employed or retained under contract by the ~~Council~~ oversight board
3 shall have not less than three (3) years' experience in group
4 insurance or employee benefits administration. The compensation of
5 all persons employed or retained by the ~~Council~~ oversight board and
6 all other expenses of the ~~Council~~ Oklahoma State Benefits and
7 Wellness Office shall be paid at such rates and in such amounts as
8 the ~~Council~~ oversight board shall approve, subject to the provisions
9 of applicable law;

10 10. To negotiate for best and final offer through competitive
11 negotiation and contract with a preferred provider organization and
12 one federally qualified health maintenance ~~organizations~~
13 organization under the provisions of 42 U.S.C., Section 300e et
14 seq., or with one health maintenance ~~Organizations~~ organization
15 granted a certificate of authority by the Insurance Commissioner
16 pursuant to Sections 6901 through 6951 of Title 36 of the Oklahoma
17 Statutes for consideration by participants as an alternative to the
18 preferred provider health plans plan offered by through the ~~Board,~~
19 ~~and~~ Oklahoma State Benefits and Wellness Office. The Oklahoma State
20 Benefits and Wellness Office shall transfer to the health
21 maintenance ~~organizations~~ organization such funds as may be approved
22 for a participant public employee electing health maintenance
23 organization alternative services. The oversight board shall
24 negotiate for best and final offer through competitive negotiation

1 for a preferred provider health plan with the Board and other
2 insurance providers. The ~~Council~~ oversight board may also select
3 and contract with a vendor to offer a point-of-service plan. ~~An~~ The
4 HMO may offer coverage through a point-of-service plan, subject to
5 the guidelines established by the ~~Council~~ oversight board. ~~However,~~
6 ~~if the Council chooses to offer a point of service plan, then a~~
7 ~~vendor that offers both an HMO plan and a point of service plan may~~
8 ~~choose to offer only its point of service plan in lieu of offering~~
9 ~~its HMO plan.~~

10 The ~~Oklahoma State Employees Benefits Council~~ oversight board
11 ~~may, however,~~ renegotiate rates with successful bidders after
12 contracts have been awarded if there is an extraordinary
13 circumstance. An extraordinary circumstance shall be limited to
14 insolvency of ~~a participating~~ the health maintenance organization,
15 preferred provider organization or point-of-service plan,
16 dissolution of ~~a participating~~ the preferred provider organization,
17 health maintenance organization or point-of-service plan or
18 withdrawal of ~~another participating~~ a preferred provider
19 organization, health maintenance organization or point-of-service
20 plan at any time during the calendar year. Nothing in this section
21 of law shall be construed to permit either party to unilaterally
22 alter the terms of the contract;

23 11. To retain as confidential information the initial Request
24 For Proposal offers as well as any subsequent bid offers made by the

1 health plans prior to final contract awards as a part of the best
2 and final offer negotiations process for the benefit plan;

3 12. To promulgate administrative rules for the competitive
4 negotiation process;

5 13. To require vendors offering coverage through the ~~Council~~
6 ~~including the Board,~~ Oklahoma State Benefits and Wellness Office, to
7 provide such enrollment and claims data as is determined by the
8 ~~Council~~ oversight board. The Oklahoma State ~~Employees~~ Benefits
9 ~~Council~~ and Wellness Office with the cooperation of the Department
10 of Central Services acting pursuant to Section 85.1 et seq. of this
11 title, shall be authorized to retain as confidential, any
12 proprietary information submitted in response to the ~~Council's~~
13 oversight board's Request For Proposal. Provided, however, that any
14 such information requested by the ~~Council~~ oversight board from the
15 vendors shall only be subject to the confidentiality provision of
16 this paragraph if it is clearly designated in the Request For
17 Proposal as being protected under this provision. All requested
18 information lacking such a designation in the Request For Proposal
19 shall be subject to Section 24A.1 et seq. of Title 51 of the
20 Oklahoma Statutes. From health maintenance organizations and
21 preferred provider organizations, data provided shall include the
22 current Health Plan Employer Data and Information Set (HEDIS);

23 14. To purchase any insurance deemed necessary for providing
24 benefits under the plan including indemnity dental plans, ~~provided~~

1 ~~that the only indemnity health plan selected by the Council shall be~~
2 ~~the indemnity plan offered by the Board, and to transfer to the~~
3 ~~Board such funds as may be approved for a participant electing a~~
4 ~~benefit plan offered by the Board. All indemnity dental plans,~~
5 ~~including the one offered by the Oklahoma State and Education Group~~
6 ~~Insurance Board,~~ must meet or exceed the following requirements:

- 7 a. they shall have a statewide provider network,
- 8 b. they shall provide benefits which shall reimburse the
9 expense for the following types of dental procedures:
 - 10 (1) diagnostic,
 - 11 (2) preventative,
 - 12 (3) restorative,
 - 13 (4) endodontic,
 - 14 (5) periodontic,
 - 15 (6) prosthodontics,
 - 16 (7) oral surgery,
 - 17 (8) dental implants,
 - 18 (9) dental prosthetics, and
 - 19 (10) orthodontics, and
- 20 c. they shall provide an annual benefit of not less than
21 One Thousand Five Hundred Dollars (\$1,500.00) for all
22 services other than orthodontic services, and a
23 lifetime benefit of not less than One Thousand Five
24 Hundred Dollars (\$1,500.00) for orthodontic services;

1 15. To communicate deferred compensation programs as provided
2 in Section 1701 of this title;

3 16. To assess and collect reasonable fees from ~~the Board~~ any
4 insurance provider contracting with the Oklahoma State Benefits and
5 Wellness Office for a preferred provider plan, and from ~~such~~ the
6 contracted health maintenance ~~organizations~~ organization and third
7 party insurance vendors to offset the costs of administration as
8 determined by the Council. ~~The Council shall have the authority to~~
9 ~~transfer income received pursuant to this subsection to the Board~~
10 ~~for services provided by the Board~~ oversight board;

11 17. To accept, modify or reject elections under the plan in
12 accordance with the Oklahoma State Employees Benefits Act and 26
13 U.S.C.A., Section 1 et seq.;

14 18. To promulgate election and claim forms to be used by
15 ~~participants~~ public employees;

16 19. To take all steps deemed necessary to properly administer
17 the plan in accordance with the Oklahoma State Employees Benefits
18 Act and the requirements of other applicable law; ~~and~~

19 20. To manage, license or sell software developed for and
20 acquired by the ~~Council~~ Oklahoma State Benefits and Wellness Office,
21 whether or not such software is patented or copyrighted. The
22 ~~Council~~ Oklahoma State Benefits and Wellness Office shall have the
23 authority to license and sell such software or any rights to such
24 software without declaring such property to be surplus. All

1 proceeds from any such sale shall be deposited in the Benefits
2 Council Administration Revolving Fund and used to defray the costs
3 of administration;

4 21. To establish and administer or contract for the
5 administration of a disability insurance program for public
6 employees;

7 22. To provide and administer life insurance benefits for
8 public employees;

9 23. To provide and administer vision plan insurance benefits
10 for public employees; and

11 24. To determine the amount of public employee payroll
12 deductions and be responsible for establishing the procedure by
13 which such deductions shall be made.

14 B. The ~~Council~~ oversight board members shall discharge their
15 duties as fiduciaries with respect to the participants and their
16 dependents of the plan, and all fiduciaries shall be subject to the
17 following definitions and provisions:

18 1. A person or organization is a fiduciary with respect to the
19 ~~Council~~ Oklahoma State Benefits and Wellness Office to the extent
20 that the person or organization:

21 a. exercises any discretionary authority or discretionary
22 control respecting administration or management of the
23 ~~Council~~ Oklahoma State Benefits and Wellness Office,

24

- 1 b. exercises any authority or control respecting
2 disposition of the assets of the ~~Council~~ Oklahoma
3 State Benefits and Wellness Office,
- 4 c. renders advice for a fee or other compensation, direct
5 or indirect, with respect to any participant or
6 dependent benefits, monies or other property of the
7 ~~Council~~ Oklahoma State Benefits and Wellness Office,
8 or has any authority or responsibility to do so, or
- 9 d. has any discretionary authority or discretionary
10 responsibility in the administration of the ~~Council~~
11 Oklahoma State Benefits and Wellness Office;

12 2. The ~~Council~~ oversight board may procure insurance
13 indemnifying the members of the ~~Council~~ oversight board from
14 personal loss or accountability from liability resulting from a
15 member's action or inaction as a member of the ~~Council~~ oversight
16 board;

17 3. Except for a breach of fiduciary obligation, a ~~Council~~ an
18 oversight board member shall not be individually or personally
19 responsible for any action of the ~~Council~~ oversight board;

20 4. Any person who is a fiduciary with respect to the ~~Council~~
21 oversight board shall be entitled to rely on representations made by
22 ~~participants, participating employers~~ public employees, public
23 employers, third-party administrators and beneficiaries with respect
24 to age and other personal facts concerning a participant public

1 employee or beneficiaries, unless the fiduciary knows the
2 representations to be false;

3 5. Each fiduciary shall discharge ~~his or her~~ the duties and
4 responsibilities of the fiduciary with respect to the ~~Council~~
5 oversight board and the plan solely in the interest of the
6 ~~participants~~ public employees and beneficiaries of the plan
7 according to the terms hereof, for the exclusive purpose of
8 providing benefits to ~~participants~~ public employees and their
9 beneficiaries, with the care, skill, prudence and diligence under
10 the circumstances prevailing from time to time that a prudent person
11 acting in a like capacity and familiar with such matters would use
12 in the conduct of an enterprise of like character and with like
13 aims; and

14 6. The duties and responsibilities allocated to each fiduciary
15 by the Oklahoma State Employees Benefits Act or by the ~~Council~~
16 oversight board shall be the several and not joint responsibility of
17 each, and no fiduciary shall be liable for the act or omission of
18 any other fiduciary unless:

19 a. by ~~his or her~~ the fiduciary's failure to properly
20 administer ~~his or her~~ the fiduciary's specific
21 responsibility, the fiduciary enabled such other
22 person or organization to commit a breach of fiduciary
23 responsibility, or

24

1 b. ~~he or she~~ the fiduciary knowingly participates in, or
2 knowingly undertakes to conceal, an act or omission of
3 another person or organization, knowing such act or
4 omission to be a breach, or

5 c. having knowledge of the breach of another person or
6 organization, ~~he or she~~ the fiduciary fails to make
7 reasonable efforts under the circumstances to remedy
8 said breach.

9 C. The oversight board of the Oklahoma State Benefits and
10 Wellness Office shall be responsible for making all determinations
11 as to the rights of any public employee or any beneficiary of a
12 public employee to receive amounts under a flexible spending account
13 benefits plan. The Office shall prescribe forms and procedures for
14 making claims for flexible spending account benefits under the plan.
15 Each person making a claim for benefits under the flexible spending
16 account benefits plan shall also furnish the Office with such
17 documents, evidence, data or information in support of such claim as
18 the Office considers necessary or desirable. If any claim for the
19 flexible spending account benefits plan is wholly or partially
20 denied, the claimant shall be given notice in writing of such denial
21 within a reasonable period of time, but no later than forty-five
22 (45) days after the claim is filed. A claimant whose claim is
23 denied shall have the right to a hearing before the executive
24 director of the Office or hearing officer designated by the

1 executive director. Written notification by a claimant for a
2 hearing shall be received by the executive director within ten (10)
3 business days of notification of claim denial. The hearing shall be
4 conducted within thirty (30) days in accordance with the provisions
5 of the Administrative Procedures Act. The Office shall promulgate
6 administrative rules establishing policies and procedures specific
7 to the notice of denial, request for explanation, and hearing for
8 flexible spending account benefit claims denial.

9 SECTION 34. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 1365.1 of Title 74, unless there
11 is created a duplication in numbering, reads as follows:

12 A. The Oklahoma State Benefits and Wellness Office shall
13 establish a flexible benefits plan in accordance with the provisions
14 of the Oklahoma State Employees Benefits Act. All public employers
15 shall offer the plan to their eligible employees.

16 B. The Office shall interpret the plan and decide any matters
17 arising thereunder and may adopt such rules and procedures as it
18 deems necessary, desirable or appropriate in the administration of
19 the plan subject to the Administrative Procedures Act. All rules
20 and decisions of the Office shall be uniformly and consistently
21 applied to all public employees in similar circumstances and shall
22 be conclusive and binding on all persons having an interest in the
23 plan. When making any decision or determination, the Office shall
24 be entitled to rely upon such information as may be furnished to it

1 by a public employee, a public employer, legal counsel, third-party
2 administrator or the management of any individual benefit plan which
3 is incorporated in the plan.

4 C. The executive director, under the direction of the oversight
5 board of the Oklahoma State Benefits and Wellness Office, may
6 contract with one or more firms or organizations to administer or
7 provide consulting services with respect to all or any portion of
8 the plan.

9 The Office shall solicit proposals on a competitive bid basis.
10 Contracts for the flexible benefits plan shall not be subject to the
11 provisions of The Oklahoma Central Purchasing Act. The Office shall
12 promulgate rules establishing appropriate competitive bidding
13 criteria and procedures for contracts awarded for flexible benefits
14 plans. If requested by the Office, the Department of Central
15 Services shall assist the Office in the process of selecting any
16 contracts for the design, development, communication or
17 implementation of the plan.

18 When awarding a contract for services pursuant to this
19 subsection, the Office shall satisfy itself that the contractor has
20 no interests which would impair its ability to perform the tasks and
21 services required and that the contractor will exercise proper
22 independent judgment when performing its responsibilities under the
23 Oklahoma State Employees Benefits Act and under the contract.

24

1 D. Expenses included in an employee's salary adjustment
2 agreement pursuant to the flexible benefits plan shall be limited to
3 expenses for:

4 1. Premiums for any health insurance, health maintenance
5 organization, life insurance, the disability program administered by
6 the Office, long-term disability insurance, dental insurance or
7 high-deductible health benefit plan offered to employees and their
8 dependents;

9 2. Insurance premiums or retirement plan premiums or payments
10 which are supplemental to insurance or retirement programs offered
11 by this state or which are paid for under salary adjustment
12 agreements pursuant to the provisions of Section 34.70 of Title 62
13 of the Oklahoma Statutes;

14 3. Dependent care;

15 4. Medical care, as defined by the Office; and

16 5. All other eligible benefit programs offered pursuant to the
17 provisions of 26 U.S.C., Section 125.

18 E. The amount by which the salary of an employee is adjusted
19 pursuant to a salary adjustment agreement shall be excluded from
20 income in computation of income tax withholding, federal insurance
21 contributions act taxes, unemployment payments and workers'
22 compensation coverage. The amount shall be included as income in
23 computation of state retirement contributions and benefits. If the
24 inclusions and exclusions provided in this subsection conflict with

1 the provisions of federal law or regulations pertaining to flexible
2 benefits plans, the Office is authorized to modify or abolish the
3 inclusions and exclusions.

4 F. 1. Legal representation shall be provided by the Office of
5 the Attorney General.

6 2. The executive director shall be the appointing authority and
7 agency head. All other positions and employees shall be classified
8 and subject to the provisions of the Merit System of Personnel
9 Administration except actuaries and other personnel and positions in
10 the unclassified service as provided in Section 840-5.5 of this
11 title.

12 SECTION 35. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1365.2 of Title 74, unless there
14 is created a duplication in numbering, reads as follows:

15 The Oklahoma State Benefits and Wellness Office shall comply
16 with and enforce the following criteria:

17 1. The oversight board of the Oklahoma State Benefits and
18 Wellness Office shall develop geographic service areas and list the
19 zip codes contained in the service areas. Participating insurance
20 providers including the preferred provider organization and health
21 maintenance organization shall be required to offer enrollment in
22 every service area as a condition to participation in the state
23 benefit plan;

24

1 2. The Office shall not require participating insurance
2 providers to offer a Medicare supplement plan. However, if the
3 participating insurance providers offer or have offered in the
4 previous twelve (12) months a Medicare supplement plan to other
5 entities within the state then it shall be required to offer a
6 Medicare supplement plan;

7 3. The Office shall require participating insurance providers
8 to meet the standardized benefit plan as required by the Office.
9 However, the participating health maintenance organization and the
10 preferred provider organization may offer enhancements in an effort
11 to make their plans more attractive and competitive;

12 4. The Office shall ensure that all premiums are paid to
13 participating insurance providers within sixty (60) calendar days
14 from receipt of the bill;

15 5. The Office shall contract and offer health, disability, life
16 and dental coverage to all participants and their dependents. In
17 setting health insurance premiums for active employees and for
18 retirees under sixty-five (65) years of age, the Office shall ensure
19 the monthly premium for active employees is equal to the monthly
20 premium for retirees under sixty-five (65) years of age;

21 6. Each public employee of a public employer who meets the
22 eligibility requirements for participation in the flexible benefits
23 plan shall make an annual election of benefits under the plan during
24 an enrollment period to be held prior to the beginning of each plan

1 year. The enrollment period dates shall be determined annually and
2 shall be announced by the Office. The enrollment period shall end
3 no later than thirty (30) days before the beginning of the plan
4 year. Each public employee shall make an irrevocable advance
5 election for the plan year or the remainder of the plan year
6 pursuant to such procedures as the Office shall prescribe. Any
7 employee of a participating employer who fails to make a proper
8 election under the plan shall, nevertheless, be a participant in the
9 plan and shall be deemed to have purchased the default benefits
10 described in this section;

11 7. The Office shall prescribe the forms that public employees
12 shall be required to use in making their elections, and may
13 prescribe deadlines and other procedures for filing the elections;

14 8. Any participant who, in the first year for which the
15 participant is eligible to participate in the plan, fails to make a
16 proper election under the plan in conformance with the procedures
17 set forth in this section or as prescribed by the Office shall be
18 deemed automatically to have purchased the default benefits. The
19 default benefits shall be the same as the basic plan benefits. Any
20 participant who, after having participated in the plan during the
21 previous plan year, fails to make a proper election under the plan
22 in conformance with the procedures set forth in this section or
23 prescribed by the Office, shall be deemed automatically to have
24 purchased the same benefits which the participant purchased in the

1 immediately preceding plan year, except that the participant shall
2 not be deemed to have elected coverage under the health care
3 reimbursement account plan or the dependent care reimbursement
4 account plan; and

5 9. Benefit plan contracts with the Office including third-party
6 insurance vendors shall provide for a risk adjustment factor for
7 adverse selection that may occur, as determined by the Office, based
8 on generally accepted actuarial principles.

9 SECTION 36. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 1365.3 of Title 74, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Commencing with the 2012 plan year and on each even-numbered
13 year thereafter, the oversight board of the Oklahoma State Benefits
14 and Wellness Office shall solicit bids for the award of a two-year
15 contract for the preferred provider organization component of the
16 plan. The contract shall include a two-year term with an optional
17 one-year extension which may be exercised by the oversight board
18 pursuant to the terms of this act.

19 B. No contract for the preferred provider organization
20 component of the plan shall be issued without including a wellness
21 and prevention component. Components of the wellness component
22 shall include, but not be limited to, financial incentives for
23 participation in prevention and wellness programs and healthy living
24 practices. Financial incentives for substantiated participation in

1 the wellness program shall include but not be limited to lower
2 copayment requirements and lower deductibles.

3 C. The oversight board shall ensure that the health insurance
4 plan offered by the health maintenance organization and the
5 preferred provider organization provide for the inclusion of a high
6 deductible plan and a health savings account as authorized by the
7 provisions of the Health Savings Account Act established in Section
8 6060.14 of Title 36 of the Oklahoma Statutes to be made available
9 for purposes of any health care insurance offered through or under
10 the supervision of the Office. Any public employee who elects to
11 participate in a high deductible health plan offered through the
12 Office shall establish a health savings account (HSA) as defined in
13 Section 223 of the Internal Revenue Code. The employee shall
14 provide confirmation of such account to the Office prior to the
15 effective date of coverage.

16 D. The Office shall complete an report on an annual basis
17 reporting the participation in and effect of the wellness component
18 of the plan provided for in subsection B of this section. The
19 report shall be displayed and made available in a prominent place on
20 the Office's official website.

21 SECTION 37. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1365.4 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

24

1 A. The revolving fund previously existing in the State Treasury
2 under the designation "Benefits Council Administration Revolving
3 Fund" is hereby redesignated as the "Benefits and Wellness Office
4 Administration Revolving Fund" and shall be a continuing fund, not
5 subject to fiscal year limitations, and shall consist of all monies
6 properly credited and paid to the Oklahoma State Benefits and
7 Wellness Office other than flexible benefit dollars. Disbursements
8 from the fund shall be limited to the direct operation of the Office
9 as authorized by the Office.

10 B. The revolving fund for the Office designated as the
11 "Wellness Program Fund", shall be a continuing fund, not subject to
12 fiscal year limitations and shall consist of monies received by the
13 Oklahoma State Benefits and Wellness Office from money received
14 through grants, donations, contributions and gifts from any public
15 or private source and transfer of funds from the Benefits Council
16 Administration Revolving Fund as approved by the Oklahoma State
17 Benefits and Wellness Office. The Office may expend funds to raise
18 public employee awareness of the wellness plan component of the
19 plan.

20 C. Except as provided in subsection B of this section, each
21 public employer participating in the plan shall appropriate and pay
22 to the appropriate reserve fund an amount to be established by the
23 Office for each public employee.

24

1 D. All education entities that participate in the insurance
2 plans offered through this act shall forward the appropriate
3 premiums for each employee to the Office no later than the tenth day
4 of each month following the month for which payment is due.

5 E. The amount of monthly contribution to be made by persons
6 receiving disability benefits under the State Employees Disability
7 Program Act and who are enrolled in the group insurance plans shall
8 be deducted from the monthly disability benefits of such persons and
9 remitted to the Office. The procedures for such deductions and
10 remittances shall be established by the Office.

11 F. The revolving fund in the State Treasury known as the "Life
12 Insurance Reserve Fund" is hereby transferred to the Office. Except
13 as otherwise provided by law, all contributions, appropriations,
14 transfers, dividend payments, and investment income of the fund
15 received from or for the benefit of the life insurance plan
16 administered by the Office shall be deposited in the reserve fund.
17 The monies in said reserve fund shall be invested by the Office in
18 the manner specified in Section 1305.1 of Title 74 of the Oklahoma
19 Statutes. The Office shall have responsibility for management of
20 the fund. Money payable to the claims administrator and all
21 expenses in connection with the life insurance plan shall be paid
22 from the reserve fund.

23 G. There is hereby created in the State Treasury a revolving
24 fund to be known as the "Assistance to Agencies Revolving Fund".

1 The Office shall have responsibility for management of the fund. At
2 the start of each plan year the Office shall divide the entirety of
3 the fund and provide it to participating employers. The fund shall
4 be divided evenly on a per capita basis by participants.

5 SECTION 38. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1365.5 of Title 74, unless there
7 is created a duplication in numbering, reads as follows:

8 A. There is hereby created a joint committee of the State
9 Legislature, to be called the Joint Liaison Committee on State
10 Benefits. The Joint Committee shall consist of three members of the
11 Senate to be appointed by the President Pro Tempore of the Senate
12 and three members of the House of Representatives to be appointed by
13 the Speaker of the House of Representatives. The Chair and Vice
14 Chair of the Joint Committee shall be appointed from the membership
15 of the Joint Committee by the President Pro Tempore of the Senate
16 and the Speaker of the House of Representatives, respectively, one
17 of whom shall be a member of the Senate and the other shall be a
18 member of the House of Representatives. At the beginning of the
19 first regular session of each Legislature, starting in 2011, the
20 Chair shall be from the Senate. Thereafter the chair position shall
21 alternate every two (2) years between the Senate and the House of
22 Representatives.

23 B. The Joint Committee shall function as a committee of the
24 State Legislature when the Legislature is in session and when the

1 Legislature is not in session. Each appointed member of the Joint
2 Committee shall serve until a successor is appointed.

3 C. The Joint Committee shall serve as a liaison with the
4 Oklahoma State Benefits and Wellness Office and the HealthChoice
5 Health Insurance Board regarding advice, guidance, policy,
6 management, operations, plans, programs and fiscal needs of the
7 Office and Board. The Office and the Board shall not be bound by
8 any action of the Joint Committee.

9 D. The Joint Committee shall create the Payment Rate Review
10 Task Force, which shall review all payments made to providers of
11 medical care by the HealthChoice Health Insurance Board. The Task
12 Force shall be composed of independent experts appointed by the
13 Joint Liaison Committee. The Task Force shall annually review
14 applicable changes in payment rates which will affect hospital
15 inpatient and outpatient payment methodologies.

16 E. The Task Force shall study and make recommendations, as part
17 of its annual report, regarding new institutional reimbursement
18 policy and changes in each existing reimbursement policy by the
19 HealthChoice Health Insurance Board under which payments to an
20 institution are made.

21 F. No later than January 1 of each year, the Task Force shall
22 submit a report to the Joint Liaison Committee containing an
23 examination of issues affecting health care delivery to state and
24 education employees in Oklahoma, including issues related to:

- 1 1. Trends in health care costs;
- 2 2. The financial condition of hospitals and the effect of the
3 payments made to hospitals under this act on such condition;
- 4 3. Trends in the use of health care services under the
5 HealthChoice Health Insurance Board health plans; and
- 6 4. New methods used by employers, insurers, and others to
7 address the use of health care services.

8 The Task Force shall make, as part of its annual report,
9 recommendations to the Joint Liaison Committee concerning
10 appropriate changes in reimbursement rates which should be used for
11 inpatient and outpatient hospital services.

12 G. The Task Force shall consist of nine (9) members. The
13 membership of the Task Force shall include individuals with
14 recognized expertise in health economics, health facility
15 management, reimbursement of health facilities or other providers of
16 services which reflect the scope of the Task Force's
17 responsibilities, a balance of urban and rural representatives,
18 including hospital administrators, physicians, and registered
19 nurses, employers, third-party payors, individuals skilled in the
20 conduct and interpretation of biomedical, health services, and
21 health economics research, and individuals having expertise in the
22 research and development of technological and scientific advances in
23 health care.

24

1 H. In order to identify medically appropriate patterns of
2 health resources, the Task Force shall collect and assess
3 information on medical and surgical procedures and services,
4 including information on variations of medical practice and lengths
5 of hospitalization and on other patient care data, giving special
6 attention to treatment patterns for conditions which appear to
7 involve excessively costly or inappropriate services not adding to
8 the quality of care provided. The Task Force shall give special
9 attention to the needs of updating existing diagnosis-related groups
10 and establishing new diagnosis-related groups, to reflect
11 appropriate differences in resource consumption in delivering safe,
12 efficacious and cost-effective care.

13 I. In order to conduct its duties, members of the Task Force
14 and the Joint Committee shall have unrestricted access to all
15 payment rate information and performance measures comparable to the
16 Health Plan Employer Data and Information Set (HEDIS) of the
17 HealthChoice Group Insurance Board immediately upon request.

18 SECTION 39. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1365.6 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 A. A public employee shall be eligible to participate in the
22 plan, provided such employee qualifies as a public employee as
23 provided in this act.

24

1 B. Except to the extent a benefit plan provides otherwise, the
2 eligibility of a public employee to participate in the plan and each
3 benefit plan shall terminate on the termination of the public
4 employee.

5 C. Each of the benefit plans incorporated in the plan may have
6 its own eligibility requirements for participation which differ from
7 those set forth in the plan to govern participation in the plan.
8 The eligibility requirements set forth in the plan relate only to
9 participation in the plan and shall have no effect on such
10 eligibility requirements.

11 D. Subject to the requirement that a participant or tertiary
12 participant must elect the default benefits, the basic plan, that a
13 secondary participant may elect to participate in the plan, or is a
14 person who has retired from a branch of the United States federal
15 government and has been provided with health care through a federal
16 plan, to the extent that it is consistent with federal law, and
17 provides proof of this coverage, flexible benefit dollars may be
18 used to purchase any of the benefits offered by the Oklahoma State
19 Benefits and Wellness Office under the flexible benefits plan. A
20 participant employee who has provided proof of other coverage as
21 described in this subsection shall not receive flexible benefit
22 dollars if the person elects not to purchase any benefits. A public
23 employee's flexible benefit dollars for a plan year shall consist of
24 the sum of:

1 1. Flexible benefit allowance credited to a participant by the
2 public employer; and

3 2. Pay conversion dollars elected by a public employee.

4 E. Each public employee shall be credited annually with a
5 specified amount as a flexible benefit allowance which shall be
6 available for the purchase of benefits. The amount of the flexible
7 benefit allowance credited to each public employee shall be
8 communicated to the public employee prior to the enrollment period
9 for each plan year.

10 F. For the plan year ending June 30, 2012, and each plan year
11 thereafter, the amount of a participant's benefit allowance shall be
12 the total amount the participating employer contributes for the
13 payment of insurance premiums or other benefits, and shall be:

14 1. The greater of the amount of benefit which the participant
15 would have qualified for as of plan year 2010 or an amount equal to
16 the monthly premiums of the health maintenance organization plan
17 offered to the participant, excluding the point-of-service plans,
18 the monthly premium of the dental plan offered to participants, the
19 monthly premium of the disability plan, and the monthly premium of
20 the basic life insurance plan offered to participants or the amount
21 determined by the Office based on a formula for determining a
22 participant's benefit credits consistent with the requirements of 26
23 U.S.C., Section 125(g)(2) and regulations thereunder; or

24

1 2. The greater of the amount of benefit which the participant
2 would have qualified for as of plan year 2010 or an amount equal to
3 the monthly premiums of the health maintenance organization plan
4 offered to participants, excluding the point-of-service plans, the
5 monthly premium of the dental plan offered to participants, the
6 monthly premium of the disability plan, and the monthly premium of
7 the basic life insurance plan offered to participants plus one of
8 the additional amounts as follows for participants who elect to
9 include one or more dependents:

10 a. for a spouse, seventy-five percent (75%) of the price
11 of the health maintenance organization health benefit
12 plan, excluding the point-of-service plan available
13 for coverage of a spouse,

14 b. for one child, seventy-five percent (75%) of the price
15 of the health maintenance organization health benefit
16 plan available, excluding the point-of-service plans,
17 for coverage of one child,

18 c. for two or more children, seventy-five percent (75%)
19 of the price of the health maintenance organization
20 health benefit plan available, excluding the point-of-
21 service plans, for coverage of two or more children,

22 d. for a spouse and one child, seventy-five percent (75%)
23 of the price of the health maintenance organization
24 health benefit plan available, excluding the point-of-

1 service plans, for coverage of a spouse and one child,
2 or

3 e. for a spouse and two or more children, seventy-five
4 percent (75%) of the price of the health maintenance
5 organization health benefit plan available, excluding
6 the point-of-service plans, for coverage of a spouse
7 and two or more children.

8 G. For the fiscal year ending June 30, 2011, and each fiscal
9 year thereafter, the flexible benefit allowance amount for secondary
10 participants shall be no less than one hundred percent (100%) of the
11 premium amount for the preferred provider organization component of
12 the plan for a single individual offered through the Oklahoma State
13 Benefits and Wellness Office. School district certified personnel
14 who choose not to participate in the plan shall receive Sixty-nine
15 Dollars and seventy-one cents (\$69.71) per month as compensation
16 which shall be utilized as excess flexible benefit allowance
17 pursuant to the terms of subsection J of this section. School
18 district support personnel who choose not to participate in the
19 school-district-sponsored cafeteria plan shall receive One Hundred
20 Eighty-nine Dollars and sixty-nine cents (\$189.69) per month as
21 compensation which shall be utilized as excess flexible benefit
22 allowance pursuant to the terms of subsection J of this section.

23 H. This section shall not prohibit payments for supplemental
24 health insurance coverage made pursuant to Section 1314.4 of Title

1 74 of the Oklahoma Statutes or payments for the cost of providing
2 health insurance coverage for dependents of employees of the Grand
3 River Dam Authority.

4 I. If a public employee desires to buy benefits whose sum total
5 of benefit prices is in excess of the flexible benefit allowance for
6 the public employee, the public employee may elect to use pay
7 conversion dollars to purchase such excess benefits. Pay conversion
8 dollars may be elected through a salary reduction agreement made
9 pursuant to the election procedures of Section 1371 of Title 74 of
10 the Oklahoma Statutes. The elected amount shall be deducted from
11 the public employee's compensation in equal amounts each pay period
12 over the plan year. On termination of employment during a plan
13 year, a public employee shall have no obligation to pay the public
14 employer any pay conversion dollars allocated to the portion of the
15 plan year after the public employee's termination of employment.

16 J. If a public employee elects benefits whose sum total of
17 benefit prices is less than the flexible benefit allowance credited
18 to the public employee, the public employee shall receive any excess
19 flexible benefit allowance as taxable compensation which shall be
20 transferred to a flexible spending account established for the
21 participant. Funds from the flexible spending account shall not be
22 available to use for abortions or abortion-related services. The
23 taxable compensation will be paid in substantially equal amounts
24 each pay period over the plan year. On termination during a plan

1 year, a public employee shall have no right to receive any taxable
2 cash compensation but shall have the excess flexible benefit
3 allowance deposited in a flexible spending account for the portion
4 of the plan year after the public employee's termination. Nothing
5 herein shall affect a public employee's obligation to elect the
6 minimum benefits or to accept the default benefits of the plan with
7 corresponding reduction in the sum of the flexible benefit allowance
8 for the public employee equal to the sum total benefit price of the
9 minimum benefits or default benefits.

10 SECTION 40. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 1365.7 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 A. The Legislature shall annually appropriate adequate funding
14 to the State Board of Education and the State Board of Career and
15 Technology Education for the purpose of providing a flexible benefit
16 allowance to secondary participants pursuant to this act. The
17 funding shall be based on the number of eligible school district
18 employees employed by a school district which is participating in
19 the plan or is self-insured as counted on May 1 of each year. The
20 State Board of Education and the State Board of Career and
21 Technology Education shall disburse the flexible benefit allowance
22 funds in appropriate amounts to school districts.

23 B. Every school district shall establish or make available to
24 secondary participants a cafeteria plan pursuant to 26 U.S.C.,

1 Section 125 of the United States Code. The plan shall offer, as a
2 benefit, major medical health care plan coverage.

3 C. The flexible benefit allowance amount referenced in this act
4 shall be credited to each eligible secondary participant. Secondary
5 participants shall elect whether to use the flexible benefit
6 allowance to pay for coverage in the plan or the school district
7 self-insurance plan offered by the school district.

8 D. The administrator of the cafeteria plan shall maintain a
9 separate account for each participating secondary participant.
10 School districts shall forward the secondary participant flexible
11 benefit allowance amounts to the administrator for elected purchases
12 of cafeteria plan benefits.

13 E. Expenses included in a secondary participant's salary
14 adjustment agreement pursuant to the cafeteria plan shall be limited
15 to expenses for:

16 1. Premiums for any health insurance, preferred provider
17 organization, health maintenance organization, life insurance, long-
18 term disability insurance, dental insurance or high-deductible
19 health benefit plan offered to employees and their dependents; and

20 2. All other eligible benefit programs offered under 26 U.S.C.,
21 Section 125 of the United States Code.

22 F. The flexible benefit allowance amount established in Section
23 26-105 of Title 70 of the Oklahoma Statutes shall not be included as
24 income in computation of state retirement contributions and benefits

1 or as part of the Minimum Salary Schedule for teachers established
2 in Section 18-114.12 of Title 70 of the Oklahoma Statutes. School
3 districts shall not consider the flexible benefit allowance amount
4 as income for eligible support employees and thereby shall not
5 reduce the salary of an eligible support employee.

6 G. A district board of education shall have the option of
7 providing a flexible benefit allowance to the superintendent of the
8 school district in an amount not more than the amount of the
9 flexible benefit allowance established for certified personnel in
10 this act. Funding for the flexible benefit allowance for a
11 superintendent shall be provided through local revenue.

12 H. In cases where a secondary participant fulfills the terms of
13 their contract and terminates employment for the subsequent year,
14 the employee shall be entitled to the flexible benefit allowance for
15 the remainder of the current benefit term. For purposes of this
16 subsection, "benefit term" shall mean the twelve-month period after
17 the initiation of benefits for the position held by the secondary
18 participant.

19 I. If a school district certified employee elects health care
20 coverage under a plan offered by a school district, including a plan
21 offered by the Oklahoma State Benefits and Wellness Office or a
22 self-insured plan offered by the school district, then a school
23 district shall pay each fiscal year, no less than one hundred
24 percent (100%) of the premium amount.

1 J. A school district shall pay fifty percent (50%) of the cost
2 of the individual health care premium amount for school district
3 employees who are not otherwise covered pursuant to this act, if
4 such employee elects health care coverage under a plan offered by a
5 school district, including a plan offered by the Office or a self-
6 insured plan offered by the school district.

7 SECTION 41. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 1365.8 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 A. A secondary employer may extend the benefits of the health
11 insurance plan, dental insurance plan, and life insurance plan
12 offered by the Oklahoma State Benefits and Wellness Office to
13 secondary participants employed by said entity. The benefits of
14 said plans for secondary participants shall be the same and shall
15 include the same plan options as would be made available to a
16 participating employee in the plan who resides at the same location.
17 The Office shall adopt rules for enrollment by which secondary
18 employers may apply to participate in said insurance plans. Once a
19 secondary employer becomes a participant in the health and dental
20 insurance plans offered through this act, the secondary employer may
21 withdraw from said participation, in a manner prescribed by the
22 Office. If a secondary employer is participating in the health and
23 dental insurance plans pursuant to this act, the secondary
24 participants who are eligible to participate in the health and

1 dental plans, at such time as the secondary employer may withdraw
2 from such participation, may require the board of education of the
3 school district to call an election to allow said employees to vote
4 as to whether the secondary employer shall continue participation in
5 the health and dental insurance plans offered through this act.
6 Upon the filing with the board of education of a petition calling
7 for such an election which is signed by no less than thirty percent
8 (30%) of the eligible employees of the school district, the board of
9 education shall call an election for the purpose of determining
10 whether the school district shall continue participation in the
11 health and dental insurance plans offered through this act. The
12 election shall be held within thirty (30) days of the filing of the
13 petition. If a majority of those eligible employees voting at the
14 election vote to continue participation in the health and dental
15 insurance plans offered through this act, the board of education
16 shall be prohibited from withdrawing the school district from such
17 participation. If a majority of those eligible employees voting at
18 the election vote against continued participation in the health and
19 dental insurance plans offered through this act, the board of
20 education of the school district shall apply to discontinue such
21 participation within thirty (30) days of the election and within the
22 times the school district is authorized to withdraw from
23 participation in accordance with rules established for withdrawal by
24 the Office.

1 B. Eligible part-time secondary participants, at the option of
2 the employee, may enroll in the plans either at the time the
3 secondary employer begins participation in the plans or, if later,
4 upon a showing of insurability to the satisfaction of the Board.

5 C. Any employee of a secondary employer participating in the
6 health and dental insurance plans offered through this act who is
7 employed after the secondary employer began said participation may
8 be enrolled in the health and dental insurance plans or HMO plans
9 approved by the Office on the first day of the second month of
10 employment.

11 D. Upon initial enrollment of an institution of higher
12 education to participate in the health and dental insurance plans
13 offered through this act, all individuals presently insured by said
14 institution's present group health insurance plan shall become
15 enrolled in said state plans for the remaining period of said
16 institution's contractual liabilities.

17 E. Except as otherwise provided by law, a secondary employer
18 may cease to participate in this act and provide health insurance
19 coverage through another insurance carrier. The subsequent carrier
20 shall provide coverage to the employees of the educational entity
21 who terminated employment with a retirement benefit, with a vested
22 benefit, or who have ten (10) or more years of service with a
23 participating educational entity but did not have a vested benefit
24 through the retirement system of the educational entity, if the

1 election to retain health insurance coverage was made within thirty
2 (30) days of termination of employment. Coverage shall also be
3 provided to the eligible dependents of the employees if an election
4 to retain coverage is made within thirty (30) days of termination of
5 employment.

6 F. Any eligible secondary participant may elect to have a
7 dependent or dependents of the employee covered by the preferred
8 provider organization, dental insurance plan or health maintenance
9 organization approved by the Office. The secondary participant may
10 elect to cover all dependent children and not elect to cover the
11 spouse of the secondary participant. Such election shall be made at
12 the time the employee becomes enrolled in the plan, under such
13 procedures as the Office may establish. If dependent coverage is
14 not elected or if the secondary participant elects to cover all
15 dependent children and not the spouse of the secondary participant
16 at the time a secondary participant becomes enrolled in the plan,
17 dependent coverage or coverage for the spouse cannot be elected
18 until the next enrollment period or until a qualifying event has
19 occurred as established by the Office. Such subsequent election of
20 dependent coverage shall be made under such conditions as the Office
21 may impose. If electing not to cover the spouse, the secondary
22 participant shall submit a statement signed by both the employee and
23 the spouse acknowledging their choice not to provide insurance

24

1 coverage for the spouse through the preferred provider organization,
2 dental insurance plan and health maintenance organization plan.

3 G. Any secondary participant with dependent coverage, as
4 provided in this section, who has a change in the number of
5 dependents may at the time of such change increase or decrease the
6 number of dependents covered by the preferred provider organization,
7 dental insurance plan and health maintenance organization plan,
8 under procedures established by the Office.

9 H. Any secondary participant who has no eligible dependents at
10 the time the secondary participant becomes enrolled may elect
11 dependent coverage at the time the dependency status of the
12 secondary participant changes under procedures established by the
13 Office.

14 I. Any person eligible to begin coverage in the health
15 insurance plan pursuant to this act shall not be subject to a
16 preexisting condition exclusion if the person was continuously
17 covered under a previous group health insurance plan, was eligible
18 to use military medical facilities, or was eligible to use Indian
19 health services medical facilities.

20 J. Any dependent shall be allowed to remain covered as a
21 dependent under this act up to the age of twenty-five (25) years.

22 SECTION 42. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1365.9 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 A. Upon application in writing and subject to any underwriting
2 criteria that may be established by the Oklahoma State Benefits and
3 Wellness Office, the Office may extend the benefits of the plan to
4 employees as tertiary participants who are employed in positions
5 requiring actual performance of duty during not less than one
6 thousand (1,000) hours per year.

7 B. Tertiary employers shall pay all costs attributable to their
8 participation in the plan. The benefits of the plan for a tertiary
9 participant shall be the same and shall include the same plan
10 options as would be made available to a participant in the plan that
11 resided at the same location. The premium for tertiary participants
12 shall be the same as paid by participants and secondary
13 participants.

14 C. Tertiary employers shall not be required to offer dental
15 insurance as defined in paragraph 10 of Section 1303 of Title 74 of
16 the Oklahoma Statutes, or other insurance as defined in paragraph 11
17 of Section 1303 of Title 74 of the Oklahoma Statutes. However, if
18 dental insurance or any other insurance is offered, it must be
19 provided to all eligible tertiary participants. If a tertiary
20 participant retires and begins to receive benefits from the Oklahoma
21 Public Employees Retirement System or terminates service and has a
22 vested benefit with the Oklahoma Public Employees Retirement System,
23 the employee may elect, in the manner provided in this title, to
24 participate in the dental insurance plan offered through the

1 Oklahoma State Benefits and Wellness Office within thirty (30) days
2 from the date of termination of employment. The tertiary
3 participant shall pay the full cost of the dental insurance.

4 D. 1. Any employee of a group who could qualify as a tertiary
5 employer who retires or who has a vested benefit pursuant to the
6 Oklahoma Public Employees Retirement System may begin the health
7 insurance coverage if the employer of the employee is not a
8 participant of the plan and does not offer health insurance to its
9 employees. Such election by the employee to begin coverage shall be
10 made within thirty (30) days from the date of termination of
11 service.

12 2. Any employee of a group which could qualify as a tertiary
13 employer who retires or who has a vested benefit pursuant to the
14 Oklahoma Public Employees Retirement System may begin or continue
15 the health insurance coverage if the employer of the employee is a
16 participant of the plan and the election to begin or continue
17 coverage is made within thirty (30) days from the date of
18 termination of service.

19 E. An employee of a group who listed as a possible tertiary
20 employer may continue in force health, dental and life insurance
21 coverage following termination of employment if the employee has a
22 minimum of eight (8) years of service with a tertiary employer and
23 the election to continue in force is made within thirty (30)
24 calendar days following termination of employment.

1 F. Notwithstanding other provisions in this section, a tertiary
2 employer may cease to participate in the plan but provide health
3 insurance coverage for its current and former employees through
4 another insurance carrier. The subsequent carrier shall be
5 responsible for providing coverage to the entity's employees who
6 terminated employment with a retirement benefit, with a vested
7 benefit, or who have eight (8) or more years of service with a
8 participating employer but did not have a vested benefit through the
9 Oklahoma Public Employees Retirement System, if the election to
10 retain health insurance coverage was made within thirty (30) days of
11 termination of employment. Coverage shall also be provided to the
12 eligible dependents of the employees if an election to retain
13 coverage is made within thirty (30) days of termination of
14 employment.

15 G. Tertiary employers who participate in the Oklahoma Public
16 Employees Retirement System and who offer health insurance coverage
17 to their active employees, shall offer health insurance coverage to
18 those employees who retire from the employer and also to those
19 employees who terminate employment and are eligible to elect a
20 vested benefit in the System. Each tertiary employer shall notify
21 the Oklahoma Public Employees Retirement System when an employee is
22 retiring and makes the election pursuant to this subsection to
23 continue coverage under a plan offered by such employer and when an
24 employee terminates employment and is eligible to elect a vested

1 benefit in the System and such employee elects to continue coverage
2 under a plan offered by such employer. Such employer shall also
3 notify the Oklahoma Public Employees Retirement System if a retired
4 employee or an employee who is eligible to elect a vested benefit in
5 the System terminates such continued coverage.

6 H. Any tertiary employer that begins participation in the plan
7 must have one-hundred-percent participation in the health plan
8 offered pursuant to this act.

9 I. Upon election and application by the secretary of a county
10 election board and subject to any underwriting criteria that may be
11 established by the Office, the Office shall extend the benefits of
12 the plan to the secretary of each county election board, if the
13 county in which the secretary serves is not participating in such
14 plans. For the purposes of this act the secretary of the county
15 election board shall be considered a tertiary participant.

16 SECTION 43. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 1365.10 of Title 74, unless
18 there is created a duplication in numbering, reads as follows:

19 A. Prior to the commencement of fiscal year 2012, and each
20 fiscal year thereafter, the executive director of the Oklahoma State
21 Benefits and Wellness Office shall remit to the state General
22 Revenue Fund an amount which reflects twenty percent (20%) of the
23 combined administrative costs of the Employees Benefits Council and
24

1 the Oklahoma State and Education Employees Group Insurance Board as
2 of the fiscal year ending June 30, 2010.

3 B. In order to accomplish the mandate of this section the
4 oversight board of the Office is authorized to transfer funds,
5 supplies and employees from the HealthChoice Health Insurance Board
6 as deemed necessary by the oversight board provided that any such
7 action taken under the authority of this section shall occur before
8 July 1, 2012.

9 SECTION 44. REPEALER 70 O.S. 2001, Sections 26-101, as
10 amended by Section 1, Chapter 282, O.S.L. 2002, 26-102, as amended
11 by Section 2, Chapter 282, O.S.L. 2002, 26-103, 26-104, as last
12 amended by Section 1, Chapter 180, O.S.L. 2007, 26-105, as last
13 amended by Section 2, Chapter 180, O.S.L. 2007, and Section 2,
14 Chapter 418, O.S.L. 2002 (70 O.S. Supp. 2009, Sections 26-101, 26-
15 102, 26-104, 26-105 and 26-105.1), are hereby repealed.

16 SECTION 45. REPEALER 74 O.S. 2001, Sections 1306.3,
17 1306.4, Section 6, Chapter 319, O.S.L. 2003, 1307.1, 1308, as
18 amended by Section 3, Chapter 345, O.S.L. 2004, 1308.1, as amended
19 by Section 1, Chapter 41, O.S.L. 2004, 1308.2, 1309, Section 4,
20 Chapter 231, O.S.L. 2006, as amended by Section 14, Chapter 415,
21 O.S.L. 2008, 1310, 1310.1, as last amended by Section 1, Chapter
22 373, O.S.L. 2004, Section 3, Chapter 418, O.S.L. 2002, 1311.1, 1315,
23 as last amended by Section 4, Chapter 345, O.S.L. 2004, and Section
24 1, Chapter 71, O.S.L. 2002 (74 O.S. Supp. 2009, Sections 1306.6,

1 1308, 1308.1, 1309.1, 1310, 1310.1, 1310.2, 1315 and 1315.1), are
2 hereby repealed.

3 SECTION 46. REPEALER 74 O.S. 2001, Sections 1341, 1342,
4 1343, 1344, as last amended by Section 6, Chapter 231, O.S.L. 2006,
5 1346, 1347, and 1348 (O.S. Supp. 2009, Section 1344), are hereby
6 repealed.

7 SECTION 47. REPEALER 74 O.S. 2001, Sections 1366,
8 Section 10, Chapter 49, O.S.L. 2002, Section 3, Chapter 489, O.S.L.
9 2002, 1368, 1369, 1370, as last amended by Section 2, Chapter 28,
10 O.S.L. 2009, 1371, as last amended by Section 6, Chapter 269, O.S.L.
11 2007, 1372, as amended by Section 1, Chapter 369, O.S.L. 2003, 1373,
12 Section 1, Chapter 501, O.S.L. 2002, as last amended by Section 9,
13 Chapter 231, O.S.L. 2006, and Section 7, Chapter 269, O.S.L. 2007
14 (74 O.S. Supp. 2009, Sections 1366.1, 1366.2, 1370, 1371, 1372, 1374
15 and 1375), are hereby repealed.

16 SECTION 48. REPEALER 74 O.S. 2001, Sections 1381, 1382,
17 as amended by Section 1, Chapter 50, O.S.L. 2006, 1383, and 1384 (74
18 O.S. Supp. 2009, Section 1382), are hereby repealed.

19 SECTION 49. This act shall become effective November 1, 2010.
20
21
22
23
24

1 Passed the House of Representatives the 11th day of March, 2010.

2
3
4 Presiding Officer of the House of
Representatives

5
6 Passed the Senate the ____ day of _____, 2010.

7
8
9 Presiding Officer of the Senate