

EHB 2026

THE STATE SENATE
Thursday, April 2, 2009

ENGROSSED

House Bill No. 2026

As Amended

ENGROSSED HOUSE BILL NO. 2026 - By: Steele, McAffrey, Walker,
Faught, Shumate, Cox and Pittman of the House and Crain of the
Senate.

An Act relating to public health; creating the Health Care
for Oklahomans Act; directing the Insurance Commissioner to
advise and aid certain board; authorizing the Commissioner
to promulgate certain rules; providing for duties of certain
board; providing for certain duties of the Commissioner;
directing the Commissioner to initiate certain program;
requiring certain referral; defining terms; permitting
health carriers to offer certain plans to specified persons;
requiring certain statement; providing for certain
disclosure; requiring certain insurers to offer specified
policies; directing health carriers to file certain rates;
providing for the adoption of certain rules; amending 56
O.S. 2001, Section 1010.1, as last amended by Section 1,
Chapter 412, O.S.L. 2008 (56 O.S. Supp. 2008, Section
1010.1), which relates to the premium assistant program;
authorizing the purchase of certain high-deductible plan;
and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 4601 of Title 36, unless there
is created a duplication in numbering, reads as follows:

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

1 **SECTION 2. NEW LAW A new section of law to be codified**
2 **in the Oklahoma Statutes as Section 4602 of Title 36, unless there**
3 **is created a duplication in numbering, reads as follows:**

4 A. The Insurance Commissioner in collaboration with the
5 Oklahoma Health Care Authority shall advise and aid the Health Care
6 for the Uninsured Board (HUB) in its duties. The Insurance
7 Commissioner is hereby authorized to promulgate such reasonable
8 rules as are necessary to implement the purposes of this act.

9 B. The State Board of Health shall direct the implementation
10 and duties of the HUB to assist the Insurance Commissioner. The
11 duties of the HUB shall be to:

12 1. Advise, consult with, and make recommendations to the
13 Commissioner as to the matters addressed in subsection C of this
14 section; and

15 2. Assist and advise the Commissioner on such other matters as
16 the Commissioner may submit for recommendations to the State Board
17 of Health.

18 C. The Commissioner shall:

19 1. Establish a system of certification for insurance programs
20 offered in this state to be recommended by the HUB;

21 2. Establish a system for the credentialing of insurance
22 producers who intend to market insurance programs certified by the
23 state in accordance with this section.

1 3. Establish a system of counseling, including a web site, for
2 those individuals who are without health insurance and are not
3 covered by Medicaid, that includes but is not limited to:

- 4 a. educating consumers about insurance programs certified
5 by the state in accordance with this section,
- 6 b. aiding consumers in choosing policies that cover
7 medically necessary services for that consumer, and
- 8 c. educating consumers on how to utilize primary and
9 preventative care in order to reduce the unnecessary
10 utilization of services by the consumer; and

11 4. Establish a system whereby if an individual qualifies for a
12 subsidy under the premium assistance program, established in Section
13 1010.1 of Title 56 of the Oklahoma Statutes, that person is able to
14 become enrolled through the HUB in conjunction with local, qualified
15 insurance producers.

16 **SECTION 3. NEW LAW A new section of law to be codified**
17 **in the Oklahoma Statutes as Section 4603 of Title 36, unless there**
18 **is created a duplication in numbering, reads as follows:**

19 A. The Insurance Commissioner in collaboration with the
20 Oklahoma Health Care Authority shall initiate a program to encourage
21 enrollment of individuals, not covered by insurance or Medicaid in
22 health insurance programs.

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

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

10 A. As used in this section:

11 1. "Health carrier" means any entity or insurer authorized
12 under Title 36 of the Oklahoma Statutes to provide accident or
13 health insurance or health benefits in this state and any entity or
14 person engaged in the business of making contracts of accident or
15 health insurance;

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

20 3. a. "State-mandated health benefits" means coverage for
21 health care services or benefits, required by state
22 law or state regulations, requiring the reimbursement
23 or utilization related to a specific illness, injury,

1 or condition of the covered person, including those
2 provisions listed in Sections 6060 through 6060.11 of
3 Title 36 of the Oklahoma Statutes.

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

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

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

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

19 C. An insurer providing a standard health benefit plan shall
20 provide a proposed policyholder or policyholder with a written
21 disclosure statement that:

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

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

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

12 1. Retain the signed disclosure statement in the records of the
13 insurer; and

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

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

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

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

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

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

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

18 C. Unless otherwise provided by law, the Oklahoma Health Care
19 Authority shall provide coverage under the state Medicaid program to
20 children under the age of eighteen (18) years whose family incomes
21 do not exceed one hundred eighty-five percent (185%) of the federal
22 poverty level.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 a. all monies received by the Authority pursuant to this
23 section and otherwise specified or authorized by law,

- 1 b. monies received by the Authority due to federal
2 financial participation pursuant to Title XIX of the
3 Social Security Act, and
4 c. interest attributable to investment of money in the
5 fund.

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

10 **SECTION 6. This act shall become effective November 1, 2009.**

11 COMMITTEE REPORT BY: COMMITTEE ON HEALTH & HUMAN SERVICES, dated
12 3-26-09 - DO PASS, As Amended and Coauthored.