

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1476

By: Fields

4
5 AS INTRODUCED

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7 An Act relating to workers' compensation; creating
8 the Twenty-four-hour Pilot Insurance Program; stating
9 duration of pilot program; stating purpose; providing
10 for certain treatment without payment of deductibles,
11 co-payments, or share of the premium; requiring
12 coverage of certain dependents; providing exceptions;
13 defining terms; requiring Insurance Commissioner to
14 develop and promulgate certain rules; allowing for
15 combination of certain insurers; providing that
16 insurers shall only provide certain coverage; stating
17 purpose of certain health services plan; prohibiting
18 transfer of liabilities and expenses between certain
19 insurers; providing for selection of treating
20 physician; providing for change of provider during
21 certain time period; requiring report to be prepared
22 by Insurance Commissioner; stating requirements of
23 report; stating parameters of success of pilot
24 program; requiring itemization of certain costs;
providing for payment of report; requiring certain
surcharge; providing for cancellation or nonrenewal
of enrollment in pilot program under certain
circumstances; prohibiting contract with certain
organization under certain circumstances; providing
exception; providing for codification; 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 51.1 of Title 85, unless there
is created a duplication in numbering, reads as follows:

1 A. There is hereby created the Twenty-four-hour Pilot Insurance
2 Program to cover general health care for purposes of general health
3 insurance and workers' compensation. The pilot program shall be for
4 a duration of thirty-six (36) months beginning January 1, 2010,
5 under rules to be developed and promulgated by the Insurance
6 Commissioner.

7 B. The purpose of the pilot program is to authorize an employer
8 who provides health insurance coverage to employees and who chooses
9 to participate in the pilot program to contract with a licensed
10 health care service plan to be the exclusive provider of medical,
11 surgical, and hospital treatment for occupational and
12 nonoccupational injuries and illnesses incurred by its employees.
13 The health care service plan shall provide all occupational-related
14 medical treatment coverage required by this section without any
15 payment by the employee of deductibles, co-payments, or any share of
16 the premium. Employers who choose to participate in the pilot
17 program shall make available health plan coverage for the dependents
18 of their employees for the treatment of nonindustrial,
19 nonoccupational injuries and illnesses. However, nothing in this
20 section shall require an employer to pay for that dependent coverage
21 if the employer does not currently do so.

22 C. As used in this section:
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- 1 1. "Compensable condition" means an injury or disease for which
2 the employer is liable for medical benefits under Section 11 of
3 Title 85 of the Oklahoma Statutes;
- 4 2. "Group health plan" means an insurance contract under which
5 medical services for nonwork related conditions are extended to the
6 employees of an employer;
- 7 3. "Health care services plan" includes, but is not limited to,
8 health care service plans and disability insurers which offer a
9 managed care product to employers who choose to participate in the
10 pilot program, and workers' compensation insurers which offer a
11 managed care product to employers who choose to participate in the
12 pilot program;
- 13 4. "Qualifying employer" means employers who provide health
14 insurance coverage to employees as of January 1, 2010, and may
15 include more than one health care service plan;
- 16 5. "Twenty-four-hour coverage" means the joint issuance of a
17 workers' compensation policy with a health care services plan
18 contract or other medical insurance coverage for nonoccupational
19 injuries or illnesses; and
- 20 6. "Twenty-four-hour pilot insurance program" or "pilot
21 insurance program" or "pilot program" means a combined program that
22 includes health coverage plus the medical portion of workers'
23 compensation coverage as required by Section 61 of Title 85 of the
24 Oklahoma Statutes.

1 D. The Insurance Commissioner shall develop and promulgate
2 rules regarding an appropriate application and approval process for
3 qualifying employers and insurers wishing to participate in the
4 pilot program. If one or more insurers wish to combine certain
5 services to provide and deliver twenty-four-hour coverage under the
6 pilot program, each insurer shall be allowed to do so upon
7 successful completion and approval of an application to be developed
8 by the Insurance Commissioner.

9 E. 1. If more than one insurer combines to provide and deliver
10 twenty-four-hour coverage under the pilot program, each insurer
11 shall provide only the type of coverage it is authorized by law to
12 provide. Each health services plan shall be designed and operated
13 to eliminate, or minimize, differences in the delivery and
14 administration of medical services for compensable and
15 noncompensable conditions.

16 2. An insurer shall not issue an insurance contract providing
17 health care benefits for both compensable and noncompensable
18 conditions unless the contract qualifies as a twenty-four-hour pilot
19 insurance policy under this section.

20 3. Liabilities or expenses shall not be transferred between or
21 among insurers whose coverages have been combined into a twenty-
22 four-hour pilot insurance program.

23 F. An employee employed by an employer participating in the
24 pilot program shall not have the option of predesignating a personal

1 physician, other than a physician provided by the licensed health
2 care service plan designated by the participating employer, as the
3 treating physician of the employee, nor shall an employee have the
4 option of changing to a physician not covered by the health care
5 service plan. However, this section shall not be construed to limit
6 the requirement provided in Section 14 of Title 85 of the Oklahoma
7 Statutes that an employer provide treatment required to cure or
8 relieve the effects of an injury, nor shall this act be construed to
9 prohibit an employee from changing to another provider of health
10 care services during any annual open enrollment period.

11 G. The Insurance Commissioner shall, within four (4) months
12 after completion of the pilot program, prepare a report to the
13 Legislature and the Governor describing the results of the pilot
14 program. The report shall include a review of the following:

- 15 1. Employer costs;
- 16 2. Average time before employees receive vocational
17 rehabilitation services;
- 18 3. Average time employees receive vocational rehabilitation
19 services;
- 20 4. Percent of employees returned to work;
- 21 5. Percent of employees placed in new jobs;
- 22 6. Percent of employees unable to return to any job; and
- 23 7. Recommendations as to whether the pilot program could be
24 utilized by all employers.

1 The pilot program shall be deemed a success if the Insurance
2 Commissioner can verify that the information contained in the report
3 required by this subsection compares favorably with that of
4 employers and employees who choose not to participate in the pilot
5 program. For purposes of the pilot program, a favorable comparison
6 is defined as one in which a differential of three percent (3%) is
7 noted between those participating in the pilot program and those not
8 participating in the pilot program.

9 H. The Insurance Commissioner shall prepare an itemization of
10 the costs associated with preparation of the report required by
11 subsection G of this section. The cost of the report shall be borne
12 by the employers who choose to participate in the pilot program.
13 Contribution by the employers shall be apportioned on a per capita
14 basis based upon the number of employees receiving care under the
15 pilot program.

16 I. The contract of the employer with an insurer or insurers
17 providing twenty-four-hour coverage shall include a surcharge or
18 other provision to cover the cost of the medical care of an injured
19 employee which is required by the Workers' Compensation Act after
20 the employee leaves the employment of the contracting employer for
21 the appropriate amount of time as provided in Section 22 of Title 85
22 of the Oklahoma Statutes.

23 J. Enrollment and subscription in the pilot program shall
24 continue or be renewed except in the following circumstances:

1 1. Failure to pay the charge for coverage if the subscriber has
2 been duly notified and billed for the charge and at least fifteen
3 (15) days have elapsed since the date of notification;

4 2. Fraud or deception in the use of the services or facilities
5 of the plan or knowingly permitting that fraud or deception by
6 another; and

7 3. Any other good cause as is agreed upon in the contract
8 between the plan and a group or the subscriber.

9 K. No employer that is required to bargain with an exclusive or
10 certified bargaining agent which represents employees of the
11 employer in accordance with state or federal employer-employee
12 relations law for represented employees, shall contract with a
13 managed care organization for purposes of this section unless
14 authorized to do so by mutual agreement between the bargaining agent
15 and the employer.

16 SECTION 2. This act shall become effective January 1, 2010.

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18 52-1-5397 MMP 12/31/08

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