

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1015

By: Wilson

4
5 AS INTRODUCED

6 An Act relating to state government; amending 74 O.S.
7 2001, Section 1370, as last amended by Section 5,
8 Chapter 269, O.S.L. 2007 (74 O.S. Supp. 2008, Section
9 1370), which relates to flexible benefit allowance;
10 providing a specified flexible benefit amount for
11 health insurance purposes; requiring such amount to
12 be made available on a debit card; requiring the
13 Oklahoma State Employees Benefits Council to
14 determine certain flexible benefit amount; directing
15 use of certain debit card; requiring participation in
16 certain plan if participant exceeds amount allocated
17 on debit card; stating legislative intent; providing
18 for codification; providing for noncodification; and
19 providing an effective date.

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

21 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1370, as
22 last amended by Section 5, Chapter 269, O.S.L. 2007 (74 O.S. Supp.
23 2008, Section 1370), is amended to read as follows:

24 Section 1370. A. Subject to the requirement that a participant
must elect the default benefits, the basic plan, or is a person who
has retired from a branch of the United States military and has been
provided with health care through a federal plan, to the extent that
it is consistent with federal law, and provides proof of this
coverage, flexible benefit dollars may be used to purchase any of

1 the benefits offered by the Oklahoma State Employees Benefits
2 Council under the flexible benefits plan. A participant who has
3 provided proof of other coverage as described in this subsection
4 shall not receive flexible benefit dollars if the person elects not
5 to purchase any benefits. A participant's flexible benefit dollars
6 for a plan year shall consist of the sum of (1) flexible benefit
7 allowance credited to a participant by the participating employer,
8 and (2) pay conversion dollars elected by a participant.

9 B. Each participant shall be credited annually with a specified
10 amount as a flexible benefit allowance which shall be available for
11 the purchase of benefits. The amount of the flexible benefit
12 allowance credited to each participant shall be communicated to him
13 or her prior to the enrollment period for each plan year.

14 C. ~~Except as provided in subsection D of this section, for the~~
15 ~~plan year ending December 31, 2001, and each plan year thereafter,~~
16 ~~the amount of a participant's benefit allowance, which shall be the~~
17 ~~total amount the employer contributes for the payment of insurance~~
18 ~~premiums or other benefits, shall be:~~

19 ~~1. The greater of Two Hundred Sixty two Dollars and nineteen~~
20 ~~cents (\$262.19) per month or an amount equal to the sum of the~~
21 ~~average monthly premiums of all high option health insurance plans,~~
22 ~~excluding the point of service plans, the average monthly premiums~~
23 ~~of the dental plans, the monthly premium of the disability plan, and~~
24 ~~the monthly premium of the basic life insurance plan offered to~~

1 ~~state employees or the amount determined by the Council based on a~~
2 ~~formula for determining a participant's benefit credits consistent~~
3 ~~with the requirements of 26 U.S.C., Section 125(g)(2) and~~
4 ~~regulations thereunder; or~~

5 2. ~~The greater of Two Hundred Twenty four Dollars and sixty-~~
6 ~~nine cents (\$224.69) per month or an amount equal to the sum of the~~
7 ~~average monthly premiums of all high option health insurance plans,~~
8 ~~excluding the point of service plans, the average monthly premiums~~
9 ~~of the dental plans, the monthly premium of the disability plan, and~~
10 ~~the monthly premium of the basic life insurance plan offered to~~
11 ~~state employees plus one of the additional amounts as follows for~~
12 ~~participants who elect to include one or more dependents:~~

13 a. ~~for a spouse, seventy five percent (75%) of the~~
14 ~~average price of all high option benefit plans,~~
15 ~~excluding the point of service plans, available for~~
16 ~~coverage of a spouse,~~

17 b. ~~for one child, seventy five percent (75%) of the~~
18 ~~average price of all high option benefit plans~~
19 ~~available, excluding the point of service plans, for~~
20 ~~coverage of one child,~~

21 c. ~~for two or more children, seventy five percent (75%)~~
22 ~~of the average price of all high option benefit plans~~
23 ~~available, excluding the point of service plans, for~~
24 ~~coverage of two or more children,~~

- 1 ~~d. for a spouse and one child, seventy five percent (75%)~~
2 ~~of the average price of all high option benefit plans~~
3 ~~available, excluding the point of service plans, for~~
4 ~~coverage of a spouse and one child, or~~
- 5 ~~e. for a spouse and two or more children, seventy five~~
6 ~~percent (75%) of the average price of all high option~~
7 ~~benefit plans available, excluding the point of~~
8 ~~service plans, for coverage of a spouse and two or~~
9 ~~more children.~~

10 ~~D. To the extent that it is consistent with federal law, for an~~
11 ~~employee who is an eligible TRICARE beneficiary and has opted not to~~
12 ~~purchase health care coverage and who purchases a group TRICARE~~
13 ~~Supplemental product, the amount of the participant's benefit~~
14 ~~allowance shall be equal to the sum of the monthly premium of the~~
15 ~~group TRICARE Supplemental product purchased by the participant, if~~
16 ~~any, the average monthly premiums of the dental plans, the monthly~~
17 ~~premium of the disability plan, and the monthly premium of the basic~~
18 ~~life insurance plan offered to state employees or the amount~~
19 ~~determined by the Council based on a formula for determining a~~
20 ~~participant's benefit credits consistent with the requirements of 26~~
21 ~~U.S.C., Section 125(g) (2) and regulations thereunder. To the extent~~
22 ~~that it is consistent with federal law, for each eligible dependent~~
23 ~~of an employee who is an eligible TRICARE beneficiary and has opted~~
24 ~~not to purchase health care coverage, if the employee purchases a~~

1 ~~group TRICARE Supplemental product on behalf of the dependent, the~~
2 ~~benefit allowance shall be equal to seventy five percent (75%) of~~
3 ~~the monthly premium of the group TRICARE Supplemental product~~
4 ~~purchased by the participant on behalf of the dependent.~~

5 ~~E.~~ 1. Beginning for the plan year ending December 31, 2010,
6 and each plan year thereafter, for health insurance purposes only,
7 the amount of the flexible benefit allowance shall be Six Thousand
8 Dollars (\$6,000.00) plus Three Thousand Dollars (\$3,000.00) each for
9 a spouse or each child. This amount shall be made available to each
10 participant on an annual basis in the form of a debit card.

11 2. The Council shall annually determine the amount of the
12 remainder of the flexible benefit allowance for each participant to
13 be used to cover the costs of the dental plan, disability plan and
14 the basic life insurance plan.

15 D. This section shall not prohibit payments for supplemental
16 health insurance coverage made pursuant to Section 1314.4 of this
17 title or payments for the cost of providing health insurance
18 coverage for dependents of employees of the Grand River Dam
19 Authority.

20 ~~F.~~ E. If a participant desires to buy benefits whose sum total
21 of benefit prices is in excess of his or her flexible benefit
22 allowance, the participant may elect to use pay conversion dollars
23 to purchase such excess benefits. Pay conversion dollars may be
24 elected through a salary reduction agreement made pursuant to the

1 election procedures of Section 1371 of this title. The elected
2 amount shall be deducted from the participant's compensation in
3 equal amounts each pay period over the plan year. On termination of
4 employment during a plan year, a participant shall have no
5 obligation to pay the participating employer any pay conversion
6 dollars allocated to the portion of the plan year after the
7 participant's termination of employment.

8 G. F. If a participant elects benefits whose sum total of
9 benefit prices is less than his or her flexible benefit allowance
10 provided for in subsections C and D of this section, he or she shall
11 receive any excess flexible benefit allowance as taxable
12 compensation. Such taxable compensation will be paid in
13 substantially equal amounts each pay period over the plan year. On
14 termination during a plan year, a participant shall have no right to
15 receive any such taxable cash compensation allocated to the portion
16 of the plan year after the participant's termination. Nothing
17 herein shall affect a participant's obligation to elect the minimum
18 benefits or to accept the default benefits of the plan with
19 corresponding reduction in the sum of his or her flexible benefit
20 allowance equal to the sum total benefit price of such minimum
21 benefits or default benefits.

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1370.1 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 The state employee health insurance debit card provided for in
2 paragraph 1 of subsection C of Section 1370 of Title 74 of the
3 Oklahoma Statutes shall be used by the participant to pay directly
4 for costs of health care obtained from a health care provider or for
5 prescription drugs. If in a plan year the participant's health care
6 costs exceed the amount on the debit card, the participant will then
7 become automatically enrolled in the plan offered by the State and
8 Education Employees Insurance Board pursuant to the provisions of
9 the State and Education Employees Group Insurance Act for the
10 remainder of the plan year.

11 SECTION 3. NEW LAW A new section of law not to be
12 codified in the Oklahoma Statutes reads as follows:

13 It is the intent of the Legislature to appropriate the monies
14 necessary to pay for the premiums of those participants pursuant to
15 Section 2 of this act who exceed their annual debit card allowance
16 provided for in paragraph 1 of subsection C of Section 1370 of Title
17 74 of the Oklahoma Statutes and participate in programs offered by
18 the State and Employees Group Health Insurance Board for the
19 remainder of the plan year.

20 SECTION 4. This act shall become effective November 1, 2009.

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