

1 STATE OF OKLAHOMA

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

3 SENATE BILL 398

By: Crain

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5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Section 1370, as last amended by Section 5,
Chapter 269, O.S.L. 2007 (74 O.S. Supp. 2008, Section
9 1379), which relates to the flexible benefit
allowance; modifying flexible benefit allowance
10 amount; requiring participants to pay a monthly
premium; providing for reduction in monthly premium
11 if certain conditions are met; creating the State
Employee Wellness Premium Discount Program; providing
12 for wellness premium discount if certain baseline
readings are submitted by certain date; providing for
13 wellness premium discount based on certain actions;
providing for codification; and providing an
14 effective date.

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

17 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1370, as
18 last amended by Section 5, Chapter 269, O.S.L. 2007 (74 O.S. Supp.
19 2008, Section 1379), is amended to read as follows:

20 Section 1370. A. Subject to the requirement that a participant
21 must elect the default benefits, the basic plan, or is a person who
22 has retired from a branch of the United States military and has been
23 provided with health care through a federal plan, to the extent that
24 it is consistent with federal law, and provides proof of this

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

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

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

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

1 the monthly premium of the basic life insurance plan offered to
2 state employees or the amount determined by the Council based on a
3 formula for determining a participant's benefit credits consistent
4 with the requirements of 26 U.S.C., Section 125(g)(2) and
5 regulations thereunder less Fifty Dollars (\$50.00) which will be
6 paid by the participant pursuant to this section; or

7 2. The greater of Two Hundred Twenty-four Dollars and sixty-
8 nine cents (\$224.69) per month or an amount equal to the sum of the
9 average monthly premiums of all high option health insurance plans,
10 excluding the point-of-service plans, the average monthly premiums
11 of the dental plans, the monthly premium of the disability plan, and
12 the monthly premium of the basic life insurance plan offered to
13 state employees less Fifty Dollars (\$50.00) which will be paid by
14 the participant pursuant to this section plus one of the additional
15 amounts as follows for participants who elect to include one or more
16 dependents:

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

21 b. for one child, seventy-five percent (75%) of the
22 average price of all high option benefit plans
23 available, excluding the point-of-service plans, for
24 coverage of one child,

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

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

1 U.S.C., Section 125(g)(2) and regulations thereunder. To the extent
2 that it is consistent with federal law, for each eligible dependent
3 of an employee who is an eligible TRICARE beneficiary and has opted
4 not to purchase health care coverage, if the employee purchases a
5 group TRICARE Supplemental product on behalf of the dependent, the
6 benefit allowance shall be equal to seventy-five percent (75%) of
7 the monthly premium of the group TRICARE Supplemental product
8 purchased by the participant on behalf of the dependent.

9 E. This section shall not prohibit payments for supplemental
10 health insurance coverage made pursuant to Section 1314.4 of this
11 title or payments for the cost of providing health insurance
12 coverage for dependents of employees of the Grand River Dam
13 Authority.

14 F. If a participant desires to buy benefits whose sum total of
15 benefit prices is in excess of his or her flexible benefit
16 allowance, the participant may elect to use pay conversion dollars
17 to purchase such excess benefits. Pay conversion dollars may be
18 elected through a salary reduction agreement made pursuant to the
19 election procedures of Section 1371 of this title. The elected
20 amount shall be deducted from the participant's compensation in
21 equal amounts each pay period over the plan year. On termination of
22 employment during a plan year, a participant shall have no
23 obligation to pay the participating employer any pay conversion
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1 dollars allocated to the portion of the plan year after the
2 participant's termination of employment.

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

16 H. For the plan year beginning January 1, 2011, and each plan
17 year thereafter, each participant shall be required to contribute
18 Fifty Dollars (\$50.00) per month towards their health insurance
19 premiums. The participant's contribution to the health insurance
20 premium shall be deducted from payroll on a pretax basis as
21 permitted under Section 125 of the Internal Revenue Code. The
22 monthly contribution provided for in this subsection may be reduced
23 by Twenty-five Dollars (\$25.00) per month if the participant is
24 certified by the Council as a non-tobacco user and by Twenty-Five

1 Dollars (\$25.00) per month if the participant qualifies for the
2 wellness premium discount provided for in Section 2 of this act.

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1376 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created the State Employee Wellness Premium
7 Discount Program.

8 B. Beginning January 1, 2011, any participant shall be eligible
9 for a Twenty-five Dollar (\$25.00) per month wellness premium
10 discount off the single coverage provided the participant if the
11 participant has submitted baseline readings for the health risk
12 factors of blood pressure, cholesterol, glucose and body mass index.
13 These health risk factors may be provided to the Oklahoma State
14 Employees Benefits Council through the submission of a physician
15 certification form no later than November 30, 2010.

16 C. Beginning, January 1, 2012, any participant can receive the
17 wellness premium discount if:

18 1. The participant has been deemed not at risk by the Council
19 based on the reported health risk factors; or

20 2. The participant has been deemed at risk by the Council based
21 on the reported health risk factors and has:

22 a. submitted a statement from a physician stating that:

23 (1) the participant has been counseled regarding the
24 health risk factors,

1 (2) the participant has a medical condition that
2 prevents the participant from improving the
3 health risk factors, or

4 b. participated and completed one of the Council's
5 approved wellness programs, or

6 c. reported improvement in the health risk factors
7 through self-management.

8 D. At risk participants are eligible for a physician referral
9 waiving any required copay.

10 SECTION 3. This act shall become effective November 1, 2009.

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