

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 HOUSE BILL 1248

By: Grau

4
5 AS INTRODUCED

6 An Act relating to insurance; amending 36 O.S. 2001,
7 Sections 6532, as last amended by Section 2, Chapter
8 207, O.S.L. 2009 and 6536, as amended by Section 4,
9 Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2010,
10 Sections 6532 and 6536), which relate to the Health
11 Insurance High Risk Pool Act; defining term;
12 requiring Board of Directors of the Health Insurance
13 High Risk Pool to establish an autism spectrum
14 disorder high risk insurance pool; specifying
15 requirements; and providing an effective date.

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

17 SECTION 1. AMENDATORY 36 O.S. 2001, Section 6532, as
18 last amended by Section 2, Chapter 207, O.S.L. 2009 (36 O.S. Supp.
19 2010, Section 6532), is amended to read as follows:

20 Section 6532. As used in the Health Insurance High Risk Pool
21 Act:

22 1. "Agent" means any person who is licensed to sell health
23 insurance in this state;

24 2. "Primary plan" means the comprehensive health insurance
benefit plan adopted by the Board of Directors of the Health

1 Insurance High Risk Pool which meets all requirements of federal law
2 as a plan required to be offered by the Pool;

3 3. "Board" means the Board of Directors of the Health Insurance
4 High Risk Pool;

5 4. "Church plan" has the meaning given such term under Section
6 3(33) of the Employee Retirement Income Security Act of 1974;

7 5. "Creditable coverage" means, with respect to an individual,
8 coverage of the individual provided under any of the following:

9 a. a group health plan,

10 b. health insurance coverage,

11 c. Part A or B of Title XVIII of the Social Security Act,

12 d. Title XIX of the Social Security Act, other than
13 coverage consisting solely of benefits under Section
14 1928 of such act,

15 e. Chapter 55 of Title 10, U.S. Code,

16 f. a medical care program of the Indian Health Service or
17 of a tribal organization,

18 g. a state health benefits risk pool,

19 h. a health plan offered under Chapter 89 of Title 5,
20 U.S. Code,

21 i. a public health plan as defined in federal
22 regulations, or

23 j. a health benefit plan under Section 5(e) of the Peace
24 Corps Act, 22 U.S.C. 2504(e);

1 6. "Federally defined eligible individual" means an individual:

2 a. for whom, as of the date on which the individual seeks
3 coverage under the Health Insurance High Risk Pool
4 Act, the aggregate of the periods of creditable
5 coverage, as defined in Section 1D of the Employee
6 Retirement Income Security Act of 1974, is eighteen
7 (18) or more months,

8 b. whose most recent prior creditable coverage was under
9 a group health plan, governmental plan, church plan or
10 health insurance coverage offered in conjunction with
11 any such plan, and

12 c. who is not eligible for coverage under a group health
13 plan, part A or B of Title XVIII of the Social
14 Security Act, or a state plan under Title XIX of such
15 Act or any successor program and who does not have
16 other health insurance coverage, except that a person
17 who has exhausted COBRA coverage shall be, for the
18 purposes of the Health Insurance High Risk Pool Act, a
19 federally defined individual;

20 7. "Governmental plan" has the same meaning given such term
21 under Section 3(32) of the Employee Retirement Income Security Act
22 of 1974 and any federal governmental plan;

23 8. "Group health benefit plan" means an employee welfare
24 benefit plan as defined in section 3(1) of the Employee Retirement

1 Income Security Act of 1974 to the extent that the plan provides
2 medical care as defined in Section 3N of the Employee Retirement
3 Income Security Act of 1974 and including items and services paid
4 for as medical care to employees or their dependents as defined
5 under the terms of the plan directly or through insurance,
6 reimbursement, or otherwise;

7 9. "Health insurance" means any individual or group hospital or
8 medical expense-incurred policy or health care benefits plan or
9 contract. The term does not include any policy governing short-term
10 accidents only, a fixed-indemnity policy, a limited benefit policy,
11 a specified accident policy, a specified disease policy, a Medicare
12 supplement policy, a long-term care policy, medical payment or
13 personal injury coverage in a motor vehicle policy, coverage issued
14 as a supplement to liability insurance, a disability policy, or
15 workers' compensation;

16 10. "Insurer" means any individual, corporation, association,
17 partnership, fraternal benefit society, or any other entity engaged
18 in the health insurance business, except insurance agents and
19 brokers. This term shall also include not-for-profit hospital
20 service and medical indemnity plans, health maintenance
21 organizations, preferred provider organizations, prepaid health
22 plans, the State and Education Employees Group Health Insurance
23 Plan, and any reinsurer reinsuring health insurance in this state,
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1 which shall be designated as engaged in the business of insurance
2 for the purposes of Section 6531 et seq. of this title;

3 11. "Medical care" means amounts paid for:

4 a. the diagnosis, care, mitigation, treatment or
5 prevention of disease, or amounts paid for the
6 purpose of affecting any structure or function of
7 the body,

8 b. transportation primarily for and essential to
9 medical care referred to in subparagraph a of
10 this paragraph, and

11 c. insurance covering medical care referred to in
12 subparagraphs a and b of this paragraph;

13 12. "Medicare" means coverage under Parts A and B of Title
14 XVIII of the Social Security Act (Public Law 74-271, 42 U.S.C.,
15 Section 1395 et seq., as amended);

16 13. "Pool" means the Health Insurance High Risk Pool;

17 14. "Physician" means a doctor of medicine and surgery, doctor
18 of osteopathic medicine, doctor of chiropractic, doctor of podiatric
19 medicine, doctor of optometry, and, for purposes of oral and
20 maxillofacial surgery only, a doctor of dentistry, each duly
21 licensed by this state;

22 15. "Plan" means any of the comprehensive health insurance
23 benefit plans as adopted by the Board of Directors of the Health
24 Insurance High Risk Pool, or by rule;

1 16. "Alternative plan" means any of the comprehensive health
2 insurance benefit plans adopted by the Board of Directors of the
3 Health Insurance High Risk Pool other than the primary plan; ~~and~~

4 17. "Reinsurer" means any insurer as defined in Section 103 of
5 this title from whom any person providing health insurance to
6 Oklahoma insureds procures insurance for itself as the insurer, with
7 respect to all or part of the health insurance risk of the person;
8 and

9 18. "Autism spectrum disorder" means the disorder affecting
10 children which is characterized by social interaction deficits,
11 verbal and nonverbal communication deficits, and repetitive
12 behaviors or interests. Included in autism spectrum disorder
13 diagnoses are the autistic disorder, Asperger's syndrome and
14 Pervasive Developmental Disorder not otherwise specified.

15 SECTION 2. AMENDATORY 36 O.S. 2001, Section 6536, as
16 amended by Section 4, Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2010,
17 Section 6536), is amended to read as follows:

18 Section 6536. The Board of Directors of the Health Insurance
19 High Risk Pool shall:

20 1. Establish administrative and accounting procedures for the
21 operation of the Pool;

22 2. Establish procedures under which applicants and participants
23 in the plans adopted by the Board may have grievances reviewed by an
24 impartial body and reported to the Board;

1 3. Select an administering insurer in accordance with Section
2 6538 of this title;

3 4. Levy and collect assessments from all insurers and
4 reinsurers to provide for claims paid under the plans adopted by the
5 Board and for administrative expenses incurred or estimated to be
6 incurred during the period for which assessment is made. The level
7 of assessments shall be established by the Board in accordance with
8 Section 6539 of this title. Assessment of the insurers shall occur
9 at the end of each calendar year and shall be due and payable within
10 thirty (30) days of receipt of the assessment notice by the insurer
11 to the Insurance Commissioner;

12 5. In addition to assessments required pursuant to paragraph 4
13 of this subsection, collect an organizational assessment or
14 assessments from all insurers and reinsurers as necessary to provide
15 for expenses which have been incurred or are estimated to be
16 incurred prior to the receipt of the first calendar year
17 assessments. Organizational assessments shall be equal for all
18 insurers and reinsurers, but shall not exceed One Hundred Dollars
19 (\$100.00) per insurer for all such assessments. Such assessments
20 are due and payable within thirty (30) days of receipt of the
21 assessment notice by the insurer;

22 6. Require that all policy forms issued by the Board conform to
23 standard forms as approved by the Insurance Commissioner;

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1 7. Develop a program to publicize the existence of the plans
2 adopted by the Board, the eligibility requirements of the plans, and
3 the procedures for enrollment in the plans, and to maintain public
4 awareness of the plan;

5 8. Implement disease management programs, at the Board's
6 discretion, to improve health status for congestive heart failure,
7 diabetes, asthma, coronary artery disease, chronic renal failure,
8 and other diseases as appropriate;

9 9. Establish a separate high risk insurance pool for the
10 coverage of autism spectrum disorders. The Board shall have the
11 authority to administer the autism spectrum disorder high risk pool
12 subject to all other requirements of the Health Insurance High Risk
13 Pool Act except that coverage shall be limited to the treatment of
14 autism spectrum disorders as defined in Section 1 of this act;

15 10. Implement a multi-tier pharmacy benefit design; and

16 ~~10.~~ 11. Prior to February 1 of each year, report to the
17 President Pro Tempore of the Senate, Speaker of the House of
18 Representatives, and Governor concerning the status of the Health
19 Insurance High Risk Pool and the effect of cost-containment measures
20 implemented. Further, in such report, the Board shall make
21 recommendations to the Legislature concerning any other cost-
22 containment measures that would be beneficial to the Pool.

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SECTION 3. This act shall become effective November 1, 2011.

53-1-5065 SDR 01/12/11