

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1097

By: Brecheen

4
5 AS INTRODUCED

6
7 An Act relating to health insurance plans for
8 governmental employees; stating legislative intent;
9 amending 74 O.S. 2011, Sections 1302, 1308.1, 1310.1
10 and 1315, which relate to the State and Employees
11 Group Insurance Act; modifying purpose of the State
12 and Education Employees Group Insurance Act; removing
13 uniformity requirement for benefits related to
14 certain health insurance plans; amending 74 O.S.
15 2011, Sections 1362 and 1365, which relate to the
16 Oklahoma State Employees Benefits Act; modifying
17 purposes of the Oklahoma State Employees Benefits
18 Act; eliminating requirement to select certain
19 indemnity health plan; providing for noncodification;
20 and providing an effective date.

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

For the past several years state employees in Indiana have had
the option to participate in a consumer driven health insurance plan
consisting of a high deductible health insurance plan in conjunction
with a Health Savings Account. The state of Indiana has realized a
savings of at least Forty-Two Million Dollars (\$42,000,000.00) since
2005 because of this program. For Plan Year 2011, the participation

1 rate for Indiana state employees in this program is eighty-five
2 percent (85%). It is the intent of the Legislature that the State
3 of Oklahoma implement a similar consumer driven health insurance
4 plan for its state employees. Advantages to adopting such a plan
5 would be the cost savings to the state and the ability to give state
6 employees more choice and flexibility when it comes to their health
7 insurance.

8 SECTION 2. AMENDATORY 74 O.S. 2011, Section 1302, is
9 amended to read as follows:

10 Section 1302. It is hereby declared that the purpose of ~~this~~
11 ~~act~~ the State and Education Employees Group Insurance Act is:

12 ~~(a) To provide uniformity in Accident and Health Insurance~~
13 ~~and/or Benefits Coverage and Life Insurance on all employees of the~~
14 ~~State of Oklahoma;~~

15 ~~(b)~~ To enable the state to attract and retain qualified
16 employees by providing health, dental and life insurance benefits
17 similar to those commonly provided in private industry;

18 ~~(c)~~ (b) To recognize and protect the state's investment in each
19 permanent employee by promoting and preserving good health and
20 longevity among state employees;

21 ~~(d)~~ (c) To recognize the service to the state by elected and
22 appointed officials by extending to them the same health, dental and
23 life insurance benefits as are provided herein for state employees;

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1 ~~(e)~~ (d) To recognize long and faithful service, and to
2 encourage employees to remain in state service until eligible for
3 retirement by providing health, dental and life insurance benefits
4 for employees; and

5 ~~(f)~~ (e) To ensure state compliance with the Health Maintenance
6 Organization Act of 1973 pursuant to 42 U.S.C., Section 300e et seq.

7 SECTION 3. AMENDATORY 74 O.S. 2011, Section 1308.1, is
8 amended to read as follows:

9 Section 1308.1. (1) An educational entity may extend the
10 benefits of the health insurance plan, the dental insurance plan,
11 and the life insurance plan to education employees employed by ~~said~~
12 an educational entity. ~~The benefits of said plans for an education~~
13 ~~employee shall be the same and shall include the same plan options~~
14 ~~as would be made available to a state employee participating in the~~
15 ~~plan that resided at the same location.~~ Notwithstanding the
16 provisions of Section 1308.2 of this title, a period shall exist for
17 enrolling education entities from April 1, 1989 through October 1,
18 1991, whereby education employees of a participating education
19 entity may be enrolled, pursuant to ~~this act~~ the State and Education
20 Employees Group Insurance Act, during the entities' initial
21 enrollment period, regardless of preexisting conditions. The State
22 and Education Employees Group Insurance Board shall adopt rules ~~and~~
23 ~~regulations~~ for enrollment by which education entities may apply to
24 participate in ~~said~~ the insurance plans. Once an education entity

1 becomes a participant in the health and dental insurance plans
2 offered through the State and Education Employees Group Insurance
3 Act, the education entity may withdraw from ~~said~~ participation, in a
4 manner prescribed by the Board. If a school district is
5 participating in the health and dental insurance plans pursuant to
6 the State and Education Employees Group Insurance Act, ~~Section 1301~~
7 ~~et seq. of this title,~~ the employees of the school district who are
8 eligible to participate in the health and dental plans, at such time
9 as the school district may withdraw from such participation, may
10 require the board of education of the school district to call an
11 election to allow ~~said~~ the employees to vote as to whether the
12 school district shall continue participation in the health and
13 dental insurance plans offered through the State and Education
14 Employees Group Insurance Act. Upon the filing with the board of
15 education of a petition calling for such an election which is signed
16 by no less than thirty percent (30%) of the eligible employees of
17 the school district, the board of education shall call an election
18 for the purpose of determining whether the school district shall
19 continue participation in the health and dental insurance plans
20 offered through the State and Education Employees Group Insurance
21 Act. The election shall be held within thirty (30) days of the
22 filing of the petition. If a majority of those eligible employees
23 voting at the election vote to continue participation in the health
24 and dental insurance plans offered through the State and Education

1 Employees Group Insurance Act, the board of education shall be
2 prohibited from withdrawing the school district from such
3 participation. If a majority of those eligible employees voting at
4 the election vote against continued participation in the health and
5 dental insurance plans offered through the State and Education
6 Employees Group Insurance Act, the board of education of the school
7 district shall apply to discontinue such participation within thirty
8 (30) days of the election and within the times the school district
9 is authorized to withdraw from participation in accordance with
10 rules established for withdrawal by the State and Education
11 Employees Group Insurance Board.

12 (2) Except as otherwise provided in this subsection, when an
13 education entity participates in the health and dental insurance
14 plans offered through the State and Education Employees Group
15 Insurance Act, all employees shall be advised of Health Maintenance
16 Organizations prepaid plans available as an alternative to the state
17 self-insured health insurance plan. Eligible part-time education
18 employees, at the option of the employee, may enroll in the plans
19 either at the time the education entity begins participation in the
20 plans or, if later, upon a showing of insurability to the
21 satisfaction of the Board.

22 (3) Any employee of an education entity participating in the
23 health and dental insurance plans offered through the State and
24 Education Employees Group Insurance Act who is employed after the

1 education entity began said participation may be enrolled in the
2 health and dental insurance plans or HMO plans approved by the Board
3 on the first day of the second month of employment.

4 (4) Upon initial enrollment of an institution of higher
5 education to participate in the health and dental insurance plans
6 offered through the State and Education Employees Group Insurance
7 Act, all individuals presently insured by ~~said~~ the institution's
8 present group health insurance plan shall become enrolled in ~~said~~
9 the state plans for the remaining period of ~~said~~ the institution's
10 contractual liabilities.

11 (5) Education employees who shall be absent from the teaching
12 service because of election or appointment as a local, state, or
13 national education association officer shall be allowed to retain
14 coverage pursuant to the State and Education Employees Group
15 Insurance Act upon the payment of the full cost of the coverage at
16 the rate and under such terms and conditions established by the
17 Board.

18 (6) Except as otherwise provided by law, an educational entity
19 may cease to participate in the State and Education Employees Group
20 Insurance Act but provide health insurance coverage through another
21 insurance carrier. The subsequent carrier shall provide coverage to
22 the employees of the educational entity who terminated employment
23 with a retirement benefit, with a vested benefit, or who have ten
24 (10) or more years of service with a participating educational

1 entity but did not have a vested benefit through the retirement
2 system of the educational entity, if the election to retain health
3 insurance coverage was made within thirty (30) days of termination
4 of employment. Coverage shall also be provided to the eligible
5 dependents of the employees if an election to retain coverage is
6 made within thirty (30) days of termination of employment.

7 SECTION 4. AMENDATORY 74 O.S. 2011, Section 1310.1, is
8 amended to read as follows:

9 Section 1310.1. A. If a certified employee elects health care
10 coverage under a plan offered by a school district, including a plan
11 offered by the State and Education Employees Group Insurance Board
12 or a self-insured plan offered by the school district, then a school
13 district shall pay for the fiscal year ending June 30, 2005, and
14 each fiscal year thereafter, no less than one hundred percent (100%)
15 of the premium amount for the HealthChoice (HI) option plan for an
16 individual offered by the State and Education Employees Group
17 Insurance Board.

18 The amount a school district is required to pay pursuant to this
19 subsection shall be reduced by the flexible benefit allowance
20 provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

21 ~~B. The premium for education entities that participate in the~~
22 ~~health and dental insurance plans offered through the State and~~
23 ~~Education Employees Group Insurance Act shall be the same as paid by~~
24 ~~state agencies for said plans.~~

1 ~~C.~~ All education entities that participate in the insurance
2 plans offered through the State and Education Employees Group
3 Insurance Act shall forward the appropriate premiums for each
4 employee to the Board no later than the tenth day of each month
5 following the month for which payment is due.

6 SECTION 5. AMENDATORY 74 O.S. 2011, Section 1315, is
7 amended to read as follows:

8 Section 1315. A. Upon application in writing and subject to
9 any underwriting criteria that may be established by the State and
10 Education Employees Group Insurance Board, the Board may extend the
11 benefits of the State and Education Employees Group Health and Life
12 Insurance Plans to employees who are employed in positions requiring
13 actual performance of duty during not less than one thousand (1,000)
14 hours per year and to all full-time employees of:

15 1. Any of the following groups which participate in the
16 Oklahoma Public Employees Retirement System:

- 17 a. county,
- 18 b. city,
- 19 c. town,
- 20 d. public trust for which the state is the primary
21 beneficiary, or
- 22 e. conservation districts; and

23 2. Any of the following groups:

- 24 a. county hospital,

- b. rural water district, including employees and board members,
- c. sewer district,
- d. gas district,
- e. solid waste management district,
- f. nonprofit water corporation employees and board members,
- g. conservancy district or master conservancy district authorized by the provisions of Section 541 of Title 82 of the Oklahoma Statutes,
- h. voluntary organization of Oklahoma local government jurisdictions listed in Section 2003 of Title 62 of the Oklahoma Statutes including any council created by the voluntary organizations,
- i. voluntary association designated to administer the County Government Council as authorized in Section 7 of Title 19 of the Oklahoma Statutes,
- j. statewide nonprofit entities representing employees of the state or employees of local political subdivisions who are eligible for insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act, or

1 k. statewide nonprofit entities receiving state funds to
2 provide no cost legal services to low income and
3 senior citizens.

4 B. Applications to participate in the State and Education
5 Employees Group Health and Life Insurance Plans shall be approved by
6 majority action of the governing body of the groups listed in
7 subsection A of this section.

8 C. Groups listed in subsection A of this section participating
9 in the Oklahoma State and Education Employees Group Health and Life
10 Insurance Plans shall pay all costs attributable to their
11 participation. ~~The benefits of said plans for a participant
12 provided coverage pursuant to this section shall be the same and
13 shall include the same plan options as would be made available to a
14 state employee participating in the plan that resided at the same
15 location. The premium for participating groups listed in subsection
16 A of this section shall be the same as paid by state and education
17 employees.~~

18 D. Participating groups listed in subsection A of this section
19 shall not be required to offer dental insurance as defined in
20 paragraph (11) of Section 1303 of this title, or other insurance as
21 defined in paragraph (12) of Section 1303 of this title. However,
22 if dental insurance or any other insurance is offered, it must be
23 provided to all eligible employees. If an employee retires and
24 begins to receive benefits from the Oklahoma Public Employees

1 Retirement System or terminates service and has a vested benefit
2 with the Oklahoma Public Employees Retirement System, the employee
3 may elect, in the manner provided in Section 1316.2 of this title,
4 to participate in the dental insurance plan offered through the
5 State and Education Employees Group Insurance Act within thirty (30)
6 days from the date of termination of employment. The employee shall
7 pay the full cost of the dental insurance.

8 E. 1. Any employee of a group listed in subsection A of this
9 section who retires or who has a vested benefit pursuant to the
10 Oklahoma Public Employees Retirement System may begin the health
11 insurance coverage if the employer of the employee is not a
12 participant of the State and Education Employees Group Insurance Act
13 and does not offer health insurance to its employees. Such election
14 by the employee to begin coverage shall be made within thirty (30)
15 days from the date of termination of service.

16 2. Any employee of a group listed in subsection A of this
17 section who retires or who has a vested benefit pursuant to the
18 Oklahoma Public Employees Retirement System may begin or continue
19 the health insurance coverage if the employer of the employee is a
20 participant of the State and Education Employees Group Insurance Act
21 and the election to begin or continue coverage is made within thirty
22 (30) days from the date of termination of service.

23 F. Any county, city, town, county hospital, public trust,
24 conservation district, or rural water, sewer, gas or solid waste

1 management district, or nonprofit water corporation, any of which of
2 the aforementioned groups is not a participating employer in the
3 Oklahoma Public Employees Retirement System, but which has employees
4 who are participating in the health, dental or life insurance plans
5 offered by or through the State and Education Employees Group
6 Insurance Act on July 1, 1997, may continue to allow its current and
7 future employees to participate in such health, dental or life
8 insurance plans. Participation of such employees may also continue
9 following termination of employment if the employee has completed at
10 least eight (8) years of service with a participating employer and
11 such an election to continue in force is made within thirty (30)
12 days following termination of employment. Any retiree or terminated
13 employee electing coverage pursuant to this section shall pay the
14 full cost of the insurance.

15 G. An employee of a group listed in paragraph 2 of subsection A
16 of this section may continue in force health, dental and life
17 insurance coverage following termination of employment if the
18 employee has a minimum of eight (8) years of service with a
19 participating employer and the election to continue in force is made
20 within thirty (30) calendar days following termination of
21 employment.

22 H. Notwithstanding other provisions in this section, an
23 employer listed in subsection A of this section may cease to
24 participate in the State and Education Employees Group Insurance Act

1 but provide health insurance coverage for its current and former
2 employees through another insurance carrier. The subsequent carrier
3 shall be responsible for providing coverage to the entity's
4 employees who terminated employment with a retirement benefit, with
5 a vested benefit, or who have eight (8) or more years of service
6 with a participating employer but did not have a vested benefit
7 through the Oklahoma Public Employees Retirement System, if the
8 election to retain health insurance coverage was made within thirty
9 (30) days of termination of employment. Coverage shall also be
10 provided to the eligible dependents of the employees if an election
11 to retain coverage is made within thirty (30) days of termination of
12 employment. Employees who terminate employment from an employer
13 covered by this paragraph before December 31, 2001, and elect
14 coverage under the State and Education Employees Group Insurance
15 Act, shall not be required to change insurance carriers in the event
16 that the employer changes its insurance carrier to a subsequent
17 carrier. The provisions of this subsection shall become effective
18 January 1, 2002.

19 I. Employers pursuant to subsection A of this section who
20 participate in the Oklahoma Public Employees Retirement System and
21 who offer health insurance coverage to their active employees, shall
22 offer health insurance coverage to those employees who retire from
23 the employer and also to those employees who terminate employment
24 and are eligible to elect a vested benefit in the System. Such

1 employers shall begin offering coverage to such employees on or
2 before January 1, 2004. Such employees who wish to continue
3 coverage shall make an election to retain health insurance coverage
4 within thirty (30) days of termination of employment. However,
5 former employees of such employers who have already retired or who
6 have terminated and are eligible to elect a vested benefit under the
7 Oklahoma Public Employees Retirement System, during the period
8 beginning January 1, 2002, and ending December 31, 2003, may make an
9 election to begin participation in the plans offered by the State
10 and Education Employees Group Insurance Board on or before December
11 31, 2003, in the same manner as other participating retired or
12 vested members. The employer, assisted by the Oklahoma Public
13 Employees Retirement System shall notify by October 1, 2003, all
14 members who have either retired from the System or who are eligible
15 to elect a vested benefit in the System between January 1, 2002,
16 through December 31, 2003, and who were employed by an employer
17 listed in subsection A of this section of the member's potential
18 eligibility to participate in such plans. Each employer shall
19 notify the Oklahoma Public Employees Retirement System when an
20 employee is retiring and makes the election pursuant to this
21 subsection to continue coverage under a plan offered by such
22 employer and when an employee terminates employment and is eligible
23 to elect a vested benefit in the System and such employee elects to
24 continue coverage under a plan offered by such employer. Such

1 employer shall also notify the Oklahoma Public Employees Retirement
2 System if a retired employee or an employee who is eligible to elect
3 a vested benefit in the System terminates such continued coverage.

4 J. Any group that begins participation in the State and
5 Education Employees Group Health and Life Insurance Plans after ~~the~~
6 ~~effective date of this act~~ July 1, 2003, and that is not composed of
7 state or education employees must have one hundred percent (100%)
8 participation in the health plan offered pursuant to the State and
9 Education Employees Group Insurance Act.

10 SECTION 6. AMENDATORY 74 O.S. 2011, Section 1362, is
11 amended to read as follows:

12 Section 1362. It is hereby declared that the purpose of ~~Section~~
13 ~~1361 et seq. of this title~~ the Oklahoma State Employees Benefits Act
14 is:

15 1. To recognize that the employee benefit needs of individual
16 state employees differ, depending on the age, salary and family
17 status of the employee, and that it is needful to permit
18 participating employees to select and tailor the benefits they
19 receive in a manner calculated to best meet the particular needs of
20 themselves and their families;

21 2. To furnish state employees with choices among various
22 employee benefits or cash compensation;

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1 3. To provide state employees and their dependents with basic
2 group health insurance, basic group term life insurance, and basic
3 long-term disability insurance;

4 4. To provide state employees and their dependents with
5 optional employee benefits, to include, but not be limited to,
6 enhanced health insurance coverage, health maintenance organization
7 services, life insurance, dental insurance and enhanced long-term
8 disability insurance;

9 5. To provide state employees with reimbursement for qualifying
10 dependent care expenses for which a dependent care tax credit is not
11 taken, reimbursement for qualifying health care expenses not
12 reimbursed by any other insurance plan or taken as a tax deduction,
13 additional benefits which are currently taxable, additional benefits
14 which are not currently taxable, and cash compensation;

15 6. To provide state employees with tax sheltered income
16 deferment plans;

17 ~~7. To provide uniform benefit options for all state employees~~
18 ~~regardless of their place of residence within this state;~~

19 ~~8.~~ To manage the provision of health care benefits in a manner
20 that allows for the long term control of costs;

21 ~~9.~~ 8. To provide for the coordination and design, in accordance
22 with applicable law, of all employee benefits offered to state
23 employees so as to increase the efficient delivery and effectiveness
24 of those benefits;

1 ~~10.~~ 9. To enable the state to attract and retain qualified
2 employees by providing employee benefits which are competitive with
3 those provided in private industry;

4 ~~11.~~ ~~To offer uniformity in those benefits that are offered to~~
5 ~~both state employees and those eligible for participation in the~~
6 ~~State and Education Employees Group Insurance Act, Section 1301 et~~
7 ~~seq. of this title;~~

8 ~~12.~~ 10. To recognize and protect the state's investment in each
9 employee by promoting and preserving good health and longevity among
10 state employees;

11 ~~13.~~ 11. To recognize the service to the state by elected and
12 appointed officials by extending to them the same benefits as are
13 provided under the flexible benefits program to state employees; and

14 ~~14.~~ 12. To recognize long and faithful service, and to
15 encourage employees to remain in state service until eligible for
16 retirement by providing employee benefits.

17 SECTION 7. AMENDATORY 74 O.S. 2011, Section 1365, is
18 amended to read as follows:

19 Section 1365. A. The Oklahoma State Employees Benefits Council
20 shall have the following duties, responsibilities and authority with
21 respect to the administration of the plan:

22 1. To construe and interpret the plan, and decide all questions
23 of eligibility in accordance with the Oklahoma State Employees
24 Benefits Act and 26 U.S.C.A., Section 1 et seq.;

1 2. To select those benefits which shall be made available to
2 participants under the plan, according to the Oklahoma State
3 Employees Benefits Act, and other applicable laws and rules;

4 3. To retain or employ qualified agencies, persons or entities
5 to design, develop, communicate, implement or administer the plan;

6 4. To prescribe procedures to be followed by participants in
7 making elections and filing claims under the plan;

8 5. To prepare and distribute information communicating and
9 explaining the plan to participating employers and participants.

10 The State and Education Employees Group Insurance Board, Health
11 Maintenance Organizations, or other third-party insurance vendors
12 may be directly or indirectly involved in the distribution of
13 communicated information to participating state agency employers and
14 state employee participants subject to the following conditions:

15 a. the Council shall verify all marketing and
16 communications information for factual accuracy prior
17 to distribution,

18 b. the Board or vendors shall provide timely notice of
19 any marketing, communications, or distribution plans
20 to the Council and shall coordinate the scheduling of
21 any group presentations with the Council, and

22 c. the Board or vendors shall file a brief summary with
23 the Council outlining the results following any
24 marketing and communications activities;

1 6. To receive from participating employers and participants
2 such information as shall be necessary for the proper administration
3 of the plan, and any of the benefits offered thereunder;

4 7. To furnish the participating employers and participants such
5 annual reports with respect to the administration of the plan as are
6 reasonable and appropriate;

7 8. To keep reports of benefit elections, claims and
8 disbursements for claims under the plan;

9 9. To appoint an executive director, subject to the
10 confirmation of the Director of the Office of State Finance, who
11 shall serve at the pleasure of the Director of the Office of State
12 Finance. The executive director shall employ or retain such persons
13 in accordance with the Oklahoma State Employees Benefits Act and the
14 requirements of other applicable law, including but not limited to
15 actuaries and certified public accountants, as he or she deems
16 appropriate to perform such duties as may from time to time be
17 required under the Oklahoma State Employees Benefits Act and to
18 render advice upon request with regard to any matters arising under
19 the plan subject to the approval of the Council. The executive
20 director shall have not less than seven (7) years of group insurance
21 administration experience on a senior managerial level or not less
22 than three (3) years of flexible benefits experience on a senior
23 managerial level. Any actuary or certified public accountant
24 employed or retained under contract by the Council shall have not

1 less than three (3) years' experience in group insurance or employee
2 benefits administration. The compensation of all persons employed
3 or retained by the Council and all other expenses of the Council
4 shall be paid at such rates and in such amounts as the Council shall
5 approve, subject to the provisions of applicable law;

6 10. To negotiate for best and final offer through competitive
7 negotiation and contract with federally qualified health maintenance
8 organizations under the provisions of 42 U.S.C., Section 300e et
9 seq., or with Health Maintenance Organizations granted a certificate
10 of authority by the Insurance Commissioner pursuant to ~~Sections 6901~~
11 ~~through 6951 of Title 36 of the Oklahoma Statutes~~ the Health
12 Maintenance Organization Act of 2003 for consideration by
13 participants as an alternative to the health plans offered by the
14 Board, and to transfer to the health maintenance organizations such
15 funds as may be approved for a participant electing health
16 maintenance organization alternative services. The Council may also
17 select and contract with a vendor to offer a point-of-service plan.
18 An HMO may offer coverage through a point-of-service plan, subject
19 to the guidelines established by the Council. However, if the
20 Council chooses to offer a point-of-service plan, then a vendor that
21 offers both an HMO plan and a point-of-service plan may choose to
22 offer only its point-of-service plan in lieu of offering its HMO
23 plan.

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1 The Oklahoma State Employees Benefits Council may, however,
2 renegotiate rates with successful bidders after contracts have been
3 awarded if there is an extraordinary circumstance. An extraordinary
4 circumstance shall be limited to insolvency of a participating
5 health maintenance organization or point-of-service plan,
6 dissolution of a participating health maintenance organization or
7 point-of-service plan or withdrawal of another participating health
8 maintenance organization or point-of-service plan at any time during
9 the calendar year. Nothing in this section of law shall be
10 construed to permit either party to unilaterally alter the terms of
11 the contract;

12 11. To retain as confidential information the initial Request
13 For Proposal offers as well as any subsequent bid offers made by the
14 health plans prior to final contract awards as a part of the best
15 and final offer negotiations process for the benefit plan;

16 12. To promulgate administrative rules for the competitive
17 negotiation process;

18 13. To require vendors offering coverage through the Council,
19 including the Board, to provide such enrollment and claims data as
20 is determined by the Council. The Oklahoma State Employees Benefits
21 Council with the cooperation of the Department of Central Services
22 acting pursuant to ~~Section 85.1 et seq. of this title,~~ the Oklahoma
23 Central Purchasing Act shall be authorized to retain as
24 confidential, any proprietary information submitted in response to

1 the Council's Request For Proposal. Provided, however, that any
2 such information requested by the Council from the vendors shall
3 only be subject to the confidentiality provision of this paragraph
4 if it is clearly designated in the Request For Proposal as being
5 protected under this provision. All requested information lacking
6 such a designation in the Request For Proposal shall be subject to
7 ~~Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes~~ the
8 Oklahoma Open Records Act. From health maintenance organizations,
9 data provided shall include the current Health Plan Employer Data
10 and Information Set (HEDIS);

11 14. To purchase any insurance deemed necessary for providing
12 benefits under the plan including indemnity dental plans, ~~provided~~
13 ~~that the only indemnity health plan selected by the Council shall be~~
14 ~~the indemnity plan offered by the Board,~~ and to transfer to the
15 Board such funds as may be approved for a participant electing a
16 benefit plan offered by the Board. All indemnity dental plans,
17 including the one offered by the State and Education Employees Group
18 Insurance Board, must meet or exceed the following requirements:

- 19 a. they shall have a statewide provider network,
- 20 b. they shall provide benefits which shall reimburse the
21 expense for the following types of dental procedures:
 - 22 (1) diagnostic,
 - 23 (2) preventative,
 - 24 (3) restorative,

- 1 (4) endodontic,
- 2 (5) periodontic,
- 3 (6) prosthodontics,
- 4 (7) oral surgery,
- 5 (8) dental implants,
- 6 (9) dental prosthetics, and
- 7 (10) orthodontics, and

8 c. they shall provide an annual benefit of not less than
9 One Thousand Five Hundred Dollars (\$1,500.00) for all
10 services other than orthodontic services, and a
11 lifetime benefit of not less than One Thousand Five
12 Hundred Dollars (\$1,500.00) for orthodontic services;

13 15. To communicate deferred compensation programs as provided
14 in Section 1701 of this title;

15 16. To assess and collect reasonable fees from the Board, and
16 from such contracted health maintenance organizations and third-
17 party insurance vendors to offset the costs of administration as
18 determined by the Council. The Council shall have the authority to
19 transfer income received pursuant to this subsection to the Board
20 for services provided by the Board;

21 17. To accept, modify or reject elections under the plan in
22 accordance with the Oklahoma State Employees Benefits Act and 26
23 U.S.C.A., Section 1 et seq.;

1 18. To promulgate election and claim forms to be used by
2 participants;

3 19. To take all steps deemed necessary to properly administer
4 the plan in accordance with the Oklahoma State Employees Benefits
5 Act and the requirements of other applicable law;

6 20. To manage, license or sell software developed for and
7 acquired by the Council, whether or not such software is patented or
8 copyrighted. The Council shall have the authority to license and
9 sell such software or any rights to such software without declaring
10 such property to be surplus. All proceeds from any such sale shall
11 be deposited in the Benefits Council Administration Revolving Fund
12 and used to defray the costs of administration; and

13 21. Beginning with the plan year which begins on January 1,
14 2012, to select and contract with one or more providers to offer a
15 group TRICARE Supplement product to eligible employees who are
16 eligible TRICARE beneficiaries. Any membership dues required to
17 participate in a group TRICARE Supplement product offered pursuant
18 to this paragraph shall be paid by the employee. As used in this
19 paragraph, "TRICARE" means the Department of Defense health care
20 program for active duty and retired uniform service members and
21 their families.

22 B. The Council members shall discharge their duties as
23 fiduciaries with respect to the participants and their dependents of
24

1 the plan, and all fiduciaries shall be subject to the following
2 definitions and provisions:

3 1. A person or organization is a fiduciary with respect to the
4 Council to the extent that the person or organization:

5 a. exercises any discretionary authority or discretionary
6 control respecting administration or management of the
7 Council,

8 b. exercises any authority or control respecting
9 disposition of the assets of the Council,

10 c. renders advice for a fee or other compensation, direct
11 or indirect, with respect to any participant or
12 dependent benefits, monies or other property of the
13 Council, or has any authority or responsibility to do
14 so, or

15 d. has any discretionary authority or discretionary
16 responsibility in the administration of the Council;

17 2. The Council may procure insurance indemnifying the members
18 of the Council from personal loss or accountability from liability
19 resulting from a member's action or inaction as a member of the
20 Council;

21 3. Except for a breach of fiduciary obligation, a Council
22 member shall not be individually or personally responsible for any
23 action of the Council;

24

1 4. Any person who is a fiduciary with respect to the Council
2 shall be entitled to rely on representations made by participants,
3 participating employers, third-party administrators and
4 beneficiaries with respect to age and other personal facts
5 concerning a participant or beneficiaries, unless the fiduciary
6 knows the representations to be false;

7 5. Each fiduciary shall discharge his or her duties and
8 responsibilities with respect to the Council and the plan solely in
9 the interest of the participants and beneficiaries of the plan
10 according to the terms hereof, for the exclusive purpose of
11 providing benefits to participants and their beneficiaries, with the
12 care, skill, prudence and diligence under the circumstances
13 prevailing from time to time that a prudent person acting in a like
14 capacity and familiar with such matters would use in the conduct of
15 an enterprise of like character and with like aims; and

16 6. The duties and responsibilities allocated to each fiduciary
17 by the Oklahoma State Employees Benefits Act or by the Council shall
18 be the several and not joint responsibility of each, and no
19 fiduciary shall be liable for the act or omission of any other
20 fiduciary unless:

21 a. by his or her failure to properly administer his or
22 her specific responsibility he or she enabled such
23 other person or organization to commit a breach of
24 fiduciary responsibility, or

1 b. he or she knowingly participates in, or knowingly
2 undertakes to conceal, an act or omission of another
3 person or organization, knowing such act or omission
4 to be a breach, or

5 c. having knowledge of the breach of another person or
6 organization, he or she fails to make reasonable
7 efforts under the circumstances to remedy said breach.

8 SECTION 8. This act shall become effective November 1, 2012.

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