

1 STATE OF OKLAHOMA

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

3 SENATE BILL 971

By: Myers and Jolley of the
Senate

4 and

5 Sears and Martin (Scott) of
6 the House

7
8 AS INTRODUCED

9 An Act relating to health insurance access; amending
10 Sections 2 and 3, Chapter 128, O.S.L. 2009 (36 O.S.
11 Supp. 2010, Sections 4602 and 4603), which relate to
12 the Health Care for Oklahomans Act; eliminating the
13 Health Care for the Uninsured Board; authorizing the
14 establishment and operation of the Health Insurance
15 Private Enterprise Network; defining terms;
16 establishing the Network as a state-beneficiary
17 public trust; providing for a Board of Directors;
18 specifying membership; requiring the Insurance
19 Commissioner to serve as chair; requiring the
20 appointment of an Executive Director; specifying
21 funding sources for the Network; specifying purposes
22 of the Network; prohibiting the Network from taking
23 certain actions; modifying duties of the Network
24 Board; requiring certain information to remain
confidential; authorizing the Board to promulgate
rules; clarifying purpose of certain program;
requiring legislative review and renewal; and
providing an effective date.

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

22 SECTION 1. AMENDATORY Section 2, Chapter 128, O.S.L.
23 2009 (36 O.S. Supp. 2010, Section 4602), is amended to read as
24 follows:

1 Section 4602. A. ~~The Insurance Commissioner in collaboration~~
2 ~~with the Oklahoma Health Care Authority shall advise and aid the~~
3 ~~Health Care for the Uninsured Board (HUB) in its duties. The~~
4 ~~Insurance Commissioner is hereby authorized to promulgate such~~
5 ~~reasonable rules as are necessary to implement the purposes of this~~
6 ~~act.~~

7 B. ~~The State Board of Health shall direct the implementation~~
8 ~~and duties of the HUB to assist the Insurance Commissioner. The~~
9 ~~duties of the HUB shall be to:~~

10 1. ~~Advise, consult with, and make recommendations to the~~
11 ~~Commissioner as to the matters addressed in subsection C of this~~
12 ~~section; and~~

13 2. ~~Assist and advise the Commissioner on such other matters as~~
14 ~~the Commissioner may submit for recommendations to the State Board~~
15 ~~of Health~~

16 The purpose of this act is to allow Oklahoma to establish and
17 operate its own Health Insurance Private Enterprise Network to
18 facilitate access to health insurance and enhance competition in the
19 individual and small employer health insurance markets.

20 B. As used in this act:

21 1. "Aggregate premiums" means a mechanism to pay insurance
22 premiums with contributions from multiple sources;

23 2. "Defined contribution" means pretax dollars contributed by
24 the employer;

1 3. "Insurance producer" has the same meaning as defined in
2 Section 1435.2 of Title 36 of the Oklahoma Statutes;

3 4. "Network" means the Health Insurance Private Enterprise
4 Network; and

5 5. "Network Board" means the Health Insurance Private
6 Enterprise Network Board.

7 C. The Health Insurance Private Enterprise Network shall be
8 established as a state-beneficiary public trust.

9 D. The Network shall be governed by a board of directors. The
10 Network Board shall consist of seven (7) members as follows:

11 1. One member appointed by the Governor representing health
12 insurance carriers granted a certificate of authority by the
13 Oklahoma Department of Insurance;

14 2. One member appointed by the Speaker of the House of
15 Representatives representing consumers and who has purchased
16 policies through the Network or is reasonably expected to purchase
17 policies through the Network;

18 3. One member appointed by the Governor who shall be a health
19 care provider;

20 4. One member appointed by the Governor who shall be a
21 representative of employer groups;

22 5. One member appointed by the President Pro Tempore of the
23 Senate who shall be an insurance agent or broker;

24 6. The Insurance Commissioner; and

1 7. The Secretary of Health and Human Services.

2 E. The Insurance Commissioner shall serve as chair of the
3 Network Board. The Network Board shall appoint an Executive
4 Director.

5 F. In order to avoid the establishment of a federal exchange,
6 the Network shall have the minimum authority under state law that is
7 necessary to implement its purposes. Funding for the Network shall
8 come from state and private sources.

9 G. The purpose of the Network shall be to:

10 1. Increase choice and competition in the health insurance
11 market of Oklahoma;

12 2. Provide more choices and options in the health insurance
13 market for employees in the state;

14 3. Promote and encourage portability of coverage;

15 4. Promote a competitive, patient-centered, market based health
16 insurance system that includes a defined-contribution health
17 insurance alternative for employer-sponsored coverage which includes
18 an aggregate premium system;

19 5. Encourage health insurance carriers to collaborate with
20 medical providers to offer health insurance coverage that provides
21 consumers quality care delivered in the most cost-effective manner;
22 and

23 6. Establish a fair and impartial health insurance producer
24 referral network for the purpose of assisting individual and

1 qualified small employers in obtaining health insurance coverage
2 through the Network.

3 H. The Network shall not:

4 1. Exercise regulatory authority over any entity;

5 2. Discriminate against any qualified health insurance carrier
6 willing to participate in the Network; or

7 3. Supplant any marketplace outside the Network.

8 I. The Commissioner Network Board shall:

9 1. Establish a system of certification for insurance programs
10 offered in this state to be ~~recommended~~ offered by ~~the HUB~~ the
11 Network; and

12 2. Establish a system for the credentialing of licensed
13 insurance producers who intend to market insurance programs
14 certified by the state in accordance with this section.

15 ~~3. Establish a system of counseling, including a website, for~~
16 ~~those individuals who are without health insurance and are not~~
17 ~~covered by Medicaid, that includes but is not limited to:~~

18 ~~a. educating consumers about insurance programs certified~~
19 ~~by the state in accordance with this section,~~

20 ~~b. aiding consumers in choosing policies that cover~~
21 ~~medically necessary services for that consumer, and~~

22 ~~c. educating consumers on how to utilize primary and~~
23 ~~preventative care in order to reduce the unnecessary~~
24 ~~utilization of services by the consumer; and~~

1 4. ~~Establish a system whereby if an individual qualifies for a~~
2 ~~subsidy under the premium assistance program, established in Section~~
3 ~~1010.1 of Title 56 of the Oklahoma Statutes, that person is able to~~
4 ~~become enrolled through the HUB in conjunction with local, qualified~~
5 ~~insurance producers.~~

6 J. All personal information generated through the purchase of
7 any policy purchased through the Network shall remain confidential
8 between the insurer and the insured.

9 K. The Network Board shall promulgate rules as necessary to
10 implement the purposes of this act and to help individuals
11 facilitate the selection of health insurance coverage and to allow
12 health insurance carriers to provide market based health insurance
13 products without unnecessary regulation and burdens.

14 SECTION 2. AMENDATORY Section 3, Chapter 128, O.S.L.
15 2009 (36 O.S. Supp. 2010, Section 4603), is amended to read as
16 follows:

17 Section 4603. A. The Insurance Commissioner in collaboration
18 with the Oklahoma Health Care Authority shall initiate a program to
19 encourage enrollment of individuals, not covered by insurance or
20 enrolled in Medicaid in health insurance programs.

21 B. Upon treatment of an uninsured individual or an individual
22 not ~~covered by~~ enrolled in Medicaid, a health care provider shall
23 refer the individual to the HUB Network established in Section ~~2~~
24 4602 of this ~~act~~ title to begin the enrollment process in a

1 certified insurance plan or the premium assistance program
2 established in Section 1010.1 of Title 56 of the Oklahoma Statutes,
3 if eligible.

4 SECTION 3. The provisions of this act shall be subject to
5 legislative review and renewal no later than May 25, 2014.

6 SECTION 4. This act shall become effective November 1, 2011.

7

8 53-1-1708 ARE 4/27/2011 4:11:43 PM

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24