

**BILL SUMMARY**  
1st Session of the 53rd Legislature

<b>Bill No.:</b>	<b>HB 1737</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>6490</b>
<b>Author:</b>	<b>Rep. Moore</b>
<b>Date:</b>	<b>3/2/2011</b>
<b>Impact:</b>	<b>Sections 1-5:</b>
	<b>State Employers: \$3,000,000 annual increase;</b>
	<b>Education Employers: \$15,500,000</b>
	<b>annual decrease</b>

**Research Analysis**

The introduced version of HB 1737 amends provisions of the State and Education Employees Group Insurance Act by removing certain benefit and premium uniformity requirements. The measure also modifies uniformity provisions within the Oklahoma State Employees Benefits Act, and adds language related to preferred provider organizations within the discussion of the duties, responsibilities, and authority of the Oklahoma State Employees Benefits Council.

Prepared By: Alexandra Edwards

**Fiscal Analysis**

Sections 1-5 removes the current requirement that plan premiums for education groups and state employee groups be equal. The amendment would permit separate premium rating of each group. Officials at the State and Education Employees Group Insurance Board (OSEEGIB) contend that if the separate ratings were in place during the 2009 plan year, state employee rates would have resulted in a net increase of \$3,000,000 in state employee benefit allowance costs, and a \$15,500,000 net decrease in education employee benefit allowance costs.

Section 6 allows EBC to offer state employees, through their flexible benefit package, access to private preferred provider organization (PPO) health plans. Currently the only PPO options are those offered by the OSEEGIB. OSEEGIB officials fear additional PPO offerings will both lessen OSEEGIBs purchasing power and potentially lead to adverse selection issues, resulting in greater premium cost inflation in future years. Officials from EBC identify Section 7 as an opportunity to contract with a private sector high deductible health plan with a health savings account which EBC believes has potential to drive down premium costs in future years.

Prepared By: John McPhetridge

**Other Considerations**

N/A