

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

HOUSE BILL 1504

By: McDaniel (Curtis)

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2011, Section 1316.3, as amended by Section 963, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1316.3), which relates to certain health care insurance premium payments; modifying payment amount; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.3, as amended by Section 963, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1316.3), is amended to read as follows:

Section 1316.3 A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act if such election to continue in force or begin is made

1 within thirty (30) days from the date of termination of service.
2 Except as provided in subsection E of Sections 5-117.5 and 14-108.1
3 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this
4 title and subsection K of this section, health and dental insurance
5 coverage may not be reinstated at a later time if the election to
6 continue in force or begin coverage is declined. Vested persons who
7 have terminated service and are not receiving benefits and effective
8 July 1, 1996, nonvested persons who have terminated service with
9 more than ten (10) years of participating service with a qualifying
10 employer, who within thirty (30) days from the date of termination
11 of service, elect to continue such coverage, shall pay the full cost
12 of said insurance premium at the rate and pursuant to the terms and
13 conditions established by the Office of Management and Enterprise
14 Services.

15 B. 1. Health insurance benefit plans offered pursuant to this
16 section shall include:

- 17 a. indemnity plans offered through the Office,
- 18 b. managed care plans offered as alternatives to the
19 indemnity plans,
- 20 c. Medicare supplements offered through the Office,
- 21 d. Medicare risk-sharing contracts offered as
22 alternatives to the Medicare supplements offered
23 through the Office, and

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1 e. any other employer-provided health insurance benefit
2 plans if the employer does not participate in the
3 plans offered pursuant to the Oklahoma Employees
4 Insurance and Benefits Act.

5 2. Health insurance benefit plans offered pursuant to this
6 section shall provide prescription drug benefits, except for plans
7 designed pursuant to the Medicare Prescription Drug Improvement and
8 Modernization Act of 2003, which may or may not contain prescription
9 drug benefits, for which provision of prescription drug benefits is
10 optional, and except for plans offered pursuant to subparagraph e of
11 paragraph 1 of this subsection.

12 C. A retired person who:

13 1. Is receiving benefits from the Teachers' Retirement System
14 of Oklahoma after September 30, 1988, is under sixty-five (65) years
15 of age and is not otherwise eligible for Medicare and pursuant to
16 subsection A of this section elects to begin or to continue the
17 health insurance plan;

18 2. Is receiving benefits from the Teachers' Retirement System
19 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
20 age and is not otherwise eligible for Medicare and participates in a
21 health insurance plan provided by a participating education employer
22 of the Teachers' Retirement System of Oklahoma other than a health
23 insurance plan offered pursuant to the Oklahoma Employees Insurance
24

1 and Benefits Act or an alternative health plan offered pursuant to
2 the Oklahoma State Employees Benefits Act;

3 3. Is receiving benefits from the Teachers' Retirement System
4 of Oklahoma after September 30, 1988, made contributions to the
5 system and is sixty-five (65) years of age or older, or who is under
6 sixty-five (65) years of age and is eligible for Medicare and is a
7 participant in the Oklahoma Employees Insurance and Benefits Act and
8 elects coverage under the Medicare supplement offered by the Office;
9 or

10 4. Is receiving benefits from the Teachers' Retirement System
11 of Oklahoma after June 30, 1993, made contributions to the system
12 and is sixty-five (65) years of age or older, or who is under sixty-
13 five (65) years of age and is eligible for Medicare and participates
14 in a health insurance plan provided by a participating education
15 employer of the Teachers' Retirement System of Oklahoma other than a
16 health insurance plan offered pursuant to the Oklahoma Employees
17 Insurance and Benefits Act or an alternative health plan offered
18 pursuant to the Oklahoma State Employees Benefits Act and elects
19 coverage under the Medicare supplement offered by the Office,
20 shall have the amount determined pursuant to subsection E of this
21 section, or the premium rate of the health insurance benefit plan,
22 whichever is less, paid by the Teachers' Retirement System of
23 Oklahoma. If the amount paid by the Teachers' Retirement System of
24 Oklahoma does not cover the full cost of the health insurance

1 premium, the retired person shall pay the remaining amount if the
2 retired person wants to continue the coverage.

3 D. The Teachers' Retirement System shall pay the amount due
4 pursuant to the provisions of subsection C of this section as
5 follows:

6 1. For those individuals participating in plans provided
7 through the Oklahoma Employees Insurance and Benefits Act, payment
8 shall be made to the Office pursuant to the provisions of subsection
9 I of this section; or

10 2. For those individuals participating in plans provided
11 through a participating education employer of the Teachers'
12 Retirement System of Oklahoma other than a health insurance plan
13 offered pursuant to the Oklahoma Employees Insurance and Benefits
14 Act, payment shall be made to the education employer.

15 E. Beginning July 1, ~~2000~~ 2013, the maximum benefit payable by
16 the Teachers' Retirement System of Oklahoma on behalf of a retired
17 person toward said person's monthly premium for health insurance
18 shall be determined in accordance with the following schedule:

19		LESS THAN		
20		25 YEARS BUT		GREATER
21	LESS THAN	GREATER THAN		THAN 24.99
22	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
23	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
24	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE

1	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
2		<u>\$128.00</u>	<u>\$129.00</u>	<u>\$130.00</u>
3	Less than \$30,000.00 but			
4	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
5		<u>\$127.00</u>	<u>\$128.00</u>	<u>\$129.00</u>
6	Less than \$40,000.00 but			
7	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
8		<u>\$126.00</u>	<u>\$127.00</u>	<u>\$128.00</u>
9	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00
10		<u>\$125.00</u>	<u>\$126.00</u>	<u>\$127.00</u>

11 For plans offered by the Office, the amount paid pursuant to
 12 this subsection shall first be applied to the prescription drug
 13 coverage premium, if any. Any remaining amounts shall be applied
 14 towards the medical coverage premium.

15 F. If a person retires and begins to receive benefits from the
 16 Teachers' Retirement System of Oklahoma or terminates service and
 17 has a vested benefit with the Teachers' Retirement System of
 18 Oklahoma, the person may elect, in the manner provided in subsection
 19 A of this section, to participate in the dental insurance plan
 20 offered through the Oklahoma Employees Insurance and Benefits Act.
 21 The person shall pay the full cost of the dental insurance.

22 G. Those persons who are receiving benefits from the Teachers'
 23 Retirement System of Oklahoma and have health insurance coverage
 24 which on the operative date of this section is being paid by the

1 education entity from which the person retired shall make the
2 election required in subsection A of this section within thirty (30)
3 days of the termination of said health insurance coverage. The
4 person making the election shall give the Office certified
5 documentation satisfactory to the Office of the termination date of
6 the other health insurance coverage.

7 H. Dependents of a deceased education employee who was on
8 active work status or on a disability leave at the time of death or
9 of a participating retirant or of any person who has elected to
10 receive a vested benefit under the Teachers' Retirement System of
11 Oklahoma may continue the health and dental insurance benefits in
12 force provided said dependents pay the full cost of such insurance
13 and they were covered as eligible dependents at the time of such
14 death and such election is made within thirty (30) days of date of
15 death. The eligibility for said benefits shall terminate for the
16 surviving children when said children cease to qualify as
17 dependents.

18 I. The amounts required to be paid by the Teachers' Retirement
19 System of Oklahoma pursuant to this section shall be forwarded no
20 later than the tenth day of each month following the month for which
21 payment is due by the Board of Trustees of the Teachers' Retirement
22 System of Oklahoma to the Office for deposit in the Education
23 Employees Group Insurance Reserve Fund.

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1 J. The Teachers' Retirement System of Oklahoma shall provide
2 the Office information concerning the employers of retired and
3 vested members necessary to allow the Office to track eligibility
4 for continued coverage.

5 K. Upon retirement from employment with the Board of Regents of
6 the University of Oklahoma, any person who is or was employed at the
7 George Nigh Rehabilitation Institute and who transferred employment
8 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
9 person who was employed at the Medical Technology and Research
10 Authority and who transferred employment pursuant to Section 7068 of
11 this title, and any person who is a member of the Oklahoma Law
12 Enforcement Retirement System pursuant to the authority of Section
13 2-314 of Title 47 of the Oklahoma Statutes may participate in the
14 benefits authorized by the provisions of the Oklahoma Employees
15 Insurance and Benefits Act for retired participants, including
16 health, dental and life insurance benefits, if such election to
17 participate is made within thirty (30) days from the date of
18 termination of employment. Life insurance benefits for any such
19 person who transferred employment shall not exceed the coverage the
20 person had at the time of such transfer. Retirees who are persons
21 transferred employment and who participate pursuant to this
22 paragraph shall pay the premium for elected benefits less any
23 amounts paid by the retirement system pursuant to this section.

24 SECTION 2. This act shall become effective July 1, 2013.

1 SECTION 3. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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6 54-1-5651 MAH 12/28/12

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Thomas E. Cummins Consulting Actuary, Inc.
2512 E. 71st Street, Suite D
Tulsa, OK 74136

(918)492.9658 Fax (918)492.9659

January 7, 2013

Representative Curtis McDaniel
Room 539A

Re: RBH No. 5651

RBH No. 5651 increases the medical supplement benefit paid to OTRS retired members by \$25.00 per month.

RBH No. 5651 is retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA