

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

CONFERENCE COMMITTEE  
SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 2237

By: Mulready of the House

and

Treat of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to employee insurance benefits; amending 70 O.S. 2011, Section 14-108.1, which relates to technology center school district employee health insurance; updating references to Oklahoma Employees Insurance and Benefits Act; amending 70 O.S. 2011, Section 26-105.1, which relates to the Larry Dickerson Education Flexible Benefits Allowance Act; updating references to Oklahoma Employees Insurance and Benefits Act; amending 74 O.S. 2011, Section 840-2.27I, which relates to the State Government Reduction-in-Force and Severance Benefits Act; updating reference to the Oklahoma Employees Insurance and Benefits Board; amending 74 O.S. 2011, Sections 1302, 1303, as amended by Section 13, Chapter 303, O.S.L. 2012, Section 14, Chapter 303, O.S.L. 2012, as amended by Section 2, Chapter 266, O.S.L. 2013, 1307.1, as amended by Section 942, Chapter 304, O.S.L. 2012, 1308, as amended by Section 945, Chapter 304, O.S.L. 2012, 1308.1, as amended by Section 946, Chapter 304, O.S.L. 2012, 1309, as amended by Section 947, Chapter 304, O.S.L. 2012, 1312.1, as amended by Section 954, Chapter 304, O.S.L. 2012, 1316.2, as last amended by Section 3, Chapter 419, O.S.L. 2014, 1316.3, as amended by Section 963, Chapter 304, O.S.L. 2012, 1321, as amended by Section 966, Chapter 304, O.S.L. 2012 and 1327, as amended by Section 971, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2017, Sections 1303, 1304.1, 1307.1, 1308, 1308.1, 1309, 1312.1, 1316.2, 1316.3,

1321 and 1327), which relate to the Oklahoma Employees Insurance and Benefits Act; modifying purpose of act to exclude compliance with certain federal law; modifying definitions; modifying board member qualifications; modifying duties of the Office of Management and Enterprise Services with respect to the flexible benefits plan; modifying types of plans whereby employee and dependents have right to change certain physician; updating references; modifying requirement to advise employee of certain plans; removing certain education employee enrollment period; modifying education employee option to enroll in certain plans; removing employee option to enroll dependents in HMO plan; modifying funds contained in certain revolving fund; modifying plans offered to retired employees; modifying plans offered to retired teachers; modifying timeline to establish premiums for certain insurance plans; modifying standards and procedures for selecting providers; amending 74 O.S. 2011, Sections 1362, 1366, as amended by Section 976, Chapter 304, O.S.L. 2012, 1370, as last amended by Section 4, Chapter 266, O.S.L. 2013 and 1371, as last amended by Section 1, Chapter 178, O.S.L. 2016 (74 O.S. Supp. 2017, Sections 1366, 1370 and 1371), which relate to the Oklahoma State Employees Benefits Act; modifying purpose of the act to exclude providing HMO and long-term disability services; excluding HMO, long-term disability and high-deductible plan expenses from employee's salary adjustment; updating reference to the Oklahoma Employees Insurance and Benefits Board; deleting outdated reference; eliminating requirements for HMO plans set by the Board; eliminating participant option to elect HMO plan; eliminating procedure to select HMO plan; modifying requirement for providing certain risk adjustment factor; eliminating procedure to continue coverage with an HMO plan; repealing 74 O.S. 2011, Sections 1366.1, as amended by Section 977, Chapter 304, O.S.L. 2012 and 1366.2, as amended by Section 978, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2017, Sections 1366.1 and 1366.2), which relate to the Oklahoma State Employees Benefits Act; and providing an effective date.

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

1       SECTION 1.       AMENDATORY       70 O.S. 2011, Section 14-108.1, is  
2 amended to read as follows:

3       Section 14-108.1 A. The board of education of each technology  
4 center school district in this state shall provide a health  
5 insurance plan for the employees of the technology center school  
6 district. Technology center school districts may obtain health and  
7 dental insurance coverage as provided for in the ~~State and Education~~  
8 Oklahoma Employees Group Insurance and Benefits Act or may obtain  
9 other health insurance coverage. Any technology center district  
10 that does not participate in the health and dental insurance plans  
11 offered through the ~~State and Education~~ Oklahoma Employees Group  
12 Insurance and Benefits Act shall obtain health insurance coverage  
13 for the employees which provides open enrollment, and provide for  
14 the continuation of health insurance coverage, including  
15 supplemental Medicare insurance coverage, for those district  
16 employees who retire from said district after September 30, 1991,  
17 with a vested benefit in the Teachers' Retirement System of  
18 Oklahoma. A retired person who begins receiving benefits from the  
19 Teachers' Retirement System of Oklahoma after September 30, 1991,  
20 who retires from a technology center school district that provides  
21 other health insurance coverage, and who elects to continue said  
22 health insurance coverage shall pay to the technology center school  
23 district the premium rate for the health insurance minus an amount  
24 equal to the premium rate of the Medicare supplement or the amount

1 determined pursuant to subsection ~~(4)~~ E of Section 1316.3 of Title  
2 74 of the Oklahoma Statutes, whichever is less, which shall be paid  
3 by the Teachers' Retirement System of Oklahoma to the technology  
4 center school district. The technology center school district shall  
5 remit to the health insurance coverage provider the total premium  
6 due less any uncollected amounts payable from retired technology  
7 center school district employees or their qualified survivors.

8 B. A technology center school district that participates in  
9 health insurance coverage other than the health insurance plan  
10 offered by the ~~State and Education~~ Oklahoma Employees Group  
11 Insurance and Benefits Act shall not be required to pay any portion  
12 of the premium for the employees or the dependents of the employees  
13 of said school district. Unless a school district negotiates an  
14 agreement with its employees regarding health insurance pursuant to  
15 Sections 509.1 through 509.9 of this title, and to the extent that  
16 the agreement provides for the members of the recognized bargaining  
17 unit, a technology center school district that participates in  
18 health insurance coverage other than the health insurance plan  
19 offered by the ~~State and Education~~ Oklahoma Employees Group  
20 Insurance and Benefits Act is prohibited from acquiring additional  
21 or supplemental health or dental insurance for any board member,  
22 superintendent or any other employee which is not available to all  
23 employees of said district, and said technology center school  
24 district shall not pay a greater portion of the employee or

1 dependent premium for any health or dental insurance plan or plans  
2 provided by said technology center school district on behalf of any  
3 board member, superintendent or employee than that portion paid on  
4 behalf of all participating employees of said district.

5 C. If a technology center school district obtains health  
6 insurance coverage from a source other than through the ~~State and~~  
7 ~~Education~~ Oklahoma Employees Group Insurance and Benefits Act, the  
8 employees of the technology center school district who would be  
9 eligible to participate in the health and dental plans may require  
10 the board of education of the technology center school district to  
11 call an election to allow said employees to vote as to whether the  
12 technology center school district shall participate in the health  
13 and dental insurance plans offered through the ~~State and Education~~  
14 Oklahoma Employees Group Insurance and Benefits Act. Upon the  
15 filing with the board of education of a petition calling for such an  
16 election which is signed by no less than thirty percent (30%) of the  
17 eligible employees of the technology center school district, the  
18 board of education shall call an election for the purpose of  
19 determining whether the technology center school district shall  
20 participate in the health and dental insurance plans offered through  
21 the ~~State and Education~~ Oklahoma Employees Group Insurance and  
22 Benefits Act. The election shall be held within thirty (30) days of  
23 the filing of the petition. If a majority of those eligible  
24 employees voting at the election vote to participate in the health

1 and dental insurance plans offered through the ~~State and Education~~  
2 Oklahoma Employees Group Insurance and Benefits Act, the board of  
3 education of the technology center school district shall apply for  
4 such participation within thirty (30) days of the election.

5 D. If a technology center school district does not have any  
6 health insurance coverage of the type required by this section, that  
7 technology center school district shall immediately be enrolled in  
8 the health and dental insurance plans offered through the ~~State and~~  
9 ~~Education~~ Oklahoma Employees Group Insurance and Benefits Act.

10 E. A carrier providing health insurance coverage for employees  
11 of a technology center school district health insurance group which  
12 replaces a previous carrier for such technology center school  
13 district employees shall provide coverage for each retired employee  
14 who is receiving a benefit or terminates employment with a vested  
15 benefit from the Teachers' Retirement System of Oklahoma and who is  
16 enrolled in the health insurance group by the previous carrier at  
17 the time the previous carrier providing health insurance coverage is  
18 replaced. Notwithstanding any provision in this section to the  
19 contrary, any person who retires pursuant to the provisions of the  
20 Teachers' Retirement System of Oklahoma prior to May 1, 1993, or  
21 terminates service with a vested benefit, pursuant to the provisions  
22 of the Teachers' Retirement System of Oklahoma prior to May 1, 1993,  
23 may continue to participate in the health and dental plans  
24

1 authorized by the provisions of the ~~State and Education~~ Oklahoma  
2 ~~Employees Group Insurance~~ and Benefits Act.

3 F. In the event a technology center school district ceases to  
4 exist, the assets and duties of said technology center school  
5 district are transferred to one or more other technology center  
6 school districts, said other technology center school district or  
7 districts do not agree to employ all of the former employees of the  
8 technology center school district that is ceasing to exist, and said  
9 former employees who are not being reemployed have rights under  
10 federal or state law to continue group insurance coverage, the  
11 annexing technology center school district having the largest  
12 general fund revenue for the most recent preceding fiscal year for  
13 which data is available shall provide group insurance coverage to  
14 said former employees not being retained during the period as  
15 required by law.

16 SECTION 2. AMENDATORY 70 O.S. 2011, Section 26-105.1, is  
17 amended to read as follows:

18 Section 26-105.1 The provisions of the Larry Dickerson  
19 Education Flexible Benefits Allowance Act shall apply to school  
20 districts participating in the Oklahoma ~~State Education and~~  
21 ~~Employees Group Insurance Board plan~~ and Benefits Act or school  
22 districts that are self-insured.

23 SECTION 3. AMENDATORY 74 O.S. 2011, Section 840-2.27I,  
24 is amended to read as follows:

Section 840-2.27I A. An affected former state employee who:

1. Had a vested or retirement benefit pursuant to the provisions of any of the state public retirement systems;

2. Was separated from state service as a result of a reduction-in-force since July 1, 1997; and

3. Was offered severance benefits pursuant to the State

Government Reduction-in-Force and Severance Benefits Act,

may reinstate health insurance coverage any time within two (2)

years following the date of the reduction-in-force from the state,

and be eligible for the purchase of all other benefits available to

former employees with a vested benefit of the state public

retirement system of which the employee is a member.

B. Former employees who elect to reinstate health insurance

coverage pursuant to this section shall provide satisfactory

evidence of insurability after a break in coverage of one hundred

eighty (180) days or more.

C. The provisions of subsection A of this section shall apply

to an affected former state employee who may have elected non-state-

sponsored health insurance coverage or who initially may have

elected one of the available state-sponsored health insurance plans

but later cancels either of those elected coverages.

D. A former employee who reinstates health insurance coverage

pursuant to this section shall pay the full cost of the insurance

premium at the then available rate and pursuant to the rules and



1 enrollment procedures established by the ~~State and Education~~  
2 Oklahoma Employees Group Insurance and Benefits Board. The former  
3 employee will be subject to the same rate changes as those made  
4 available to all other state vested or retired employees. The  
5 former employee may elect coverage for the employee's current  
6 dependents if the election is made within thirty (30) days of  
7 reinstatement of health insurance.

8 SECTION 4. 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 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) 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) 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;  
24 and

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

5 ~~(f) 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 5. AMENDATORY 74 O.S. 2011, Section 1303, as  
8 amended by Section 13, Chapter 303, O.S.L. 2012 (74 O.S. Supp. 2017,  
9 Section 1303), is amended to read as follows:

10 Section 1303. For the purposes of and as used in the Oklahoma  
11 Employees Insurance and Benefits Act:

12 1. "Board" means the Oklahoma Employees Insurance and Benefits  
13 Board as created by the Oklahoma Employees Insurance and Benefits  
14 Act;

15 2. "Plan" means the Oklahoma Employees Insurance Plan;

16 3. "Employee" means those state employees, education employees  
17 and other eligible employees participating in the Oklahoma Employees  
18 Insurance and Benefits Act;

19 4. "Education employee" means those employees other than  
20 adjunct professors employed by a state institution of higher  
21 education, in the service of an education entity who are members or  
22 are or will be eligible to become members of the Teachers'  
23 Retirement System of Oklahoma and who receive compensation for such  
24 service after the education entity begins to participate in the

Oklahoma Employees Insurance and Benefits Act and visiting faculty who are not eligible for membership in the Teachers' Retirement System of Oklahoma;

5. "Adjunct professor" means a person employed by an institution of higher education who is attached in a subordinate or temporary capacity to the faculty or staff, and who is contracted to instruct in a given specific discipline;

6. "Visiting faculty" means a person employed by an institution of higher education who is not eligible for academic rank or tenure, other than an adjunct professor, and who is contracted to instruct in a given specific discipline generally not to exceed one (1) academic year;

7. "Education entity" means a school district, a technology center school district, or an institution comprising The Oklahoma State System of Higher Education;

8. "State employee" means and includes each officer or employee in the service of the State of Oklahoma who, after January 1, 1966, received compensation for service rendered to the State of Oklahoma on a warrant issued pursuant to a payroll certified by a department or by an elected or duly appointed officer of the state or who receives payment for the performance of personal services on a warrant issued pursuant to a payroll certified by a department and drawn by the State Treasurer against appropriations made by the Legislature from any state fund or against trust funds held by the

1 State Treasurer, who is employed in a position normally requiring  
2 actual performance of duty during not less than one thousand (1,000)  
3 hours per year, and whose employment is not seasonal or temporary,  
4 except that a person elected by popular vote will be considered an  
5 employee during the person's tenure in office; provided, however,  
6 that employees who are otherwise eligible who are on approved leave  
7 without pay shall be eligible to continue coverage during such leave  
8 not to exceed twenty-four (24) months, as provided and published in  
9 the Office of Management and Enterprise Services Rules for  
10 Employment, from the date the employee goes on such leave provided  
11 the employee pays the full premiums due or persons who are drawing  
12 disability benefits under the State Employees Disability Program Act  
13 or meet each and every requirement of the State Employees Disability  
14 Program shall be eligible to continue coverage provided the person  
15 pays the full premiums due;

16 9. "Carrier" means the ~~State of Oklahoma or a state designated~~  
17 ~~Health Maintenance Organization (HMO). Such HMO shall be a~~  
18 ~~federally qualified Health Maintenance Organization under 42 U.S.C.,~~  
19 ~~Section 300e et seq.~~ program offered under the Oklahoma Employees  
20 Insurance and Benefits Act or the health insurance plan of an  
21 employer;

22 10. "Health insurance plan" means a ~~self-insured~~ plan ~~by~~  
23 offered through the State of Oklahoma Employees Insurance and  
24 Benefits Board for the purpose of paying the cost of hospital and

1 medical care up to the maximum coverage provided by said plan ~~or~~  
2 ~~prepaid medical plan(s) offered to employees as an alternative to~~  
3 ~~the state-administered plan by federally qualified HMOs which have~~  
4 ~~contracted with the state;~~

5 11. "Life insurance plan" means a self-insured plan for the  
6 purpose of paying death and dismemberment benefits up to the maximum  
7 coverage provided by the plan;

8 12. "Dental benefits plan" means a plan by the State of  
9 Oklahoma for the purpose of paying the cost of dental care up to the  
10 maximum coverage provided by the plan; whenever the term "dental  
11 insurance plan" or a term of like import appears in the Oklahoma  
12 Employees Insurance and Benefits Act, the term shall mean "dental  
13 benefits plan";

14 13. "Other insurance" means any type of coverage other than  
15 basic hospital and medical benefits, major medical benefits,  
16 comprehensive benefits, life insurance benefits or dental insurance  
17 benefits, which the Plan Board may ~~be directed to~~ offer;

18 14. "Dependent" means an employee's spouse or any unmarried  
19 child:

20 a. under the age of twenty-five (25) years, regardless of  
21 residence, provided that the employee is primarily  
22 responsible for their support, including:

23 (1) an adopted child, and  
24

1                   (2) a stepchild or child who lives with the employee  
2                   in a regular parent-child relationship, or  
3           b. regardless of age who is incapable of self-support  
4                   because of mental or physical incapacity that existed  
5                   prior to reaching the age of twenty-five (25) years;

6       15. "Comprehensive benefits" means benefits which reimburse the  
7       expense of hospital room and board, other hospital services, certain  
8       outpatient expenses, maternity benefits, surgical expense, including  
9       obstetrical care, in-hospital medical care expense, diagnostic  
10      radiological and laboratory benefits, physicians' services provided  
11      by house and office calls, treatments administered in physicians'  
12      office, prescription drugs, psychiatric services, Christian Science  
13      practitioners' services, Christian Science nurses' services,  
14      optometric medical services for injury or illness of the eye, home  
15      health care, home nursing service, hospice care, and such other  
16      benefits as may be determined by the Board. ~~Such benefits shall be~~  
17      ~~provided on a copayment or coinsurance basis, the insured to pay a~~  
18      ~~proportion of the cost of such benefits, and may be subject to a~~  
19      ~~deductible that applies to all or part of the benefits as determined~~  
20      ~~by the Board; and~~

21      16. "Life insurance coverage" shall include a maximum amount of  
22      basic life insurance or benefit with or without a double indemnity  
23      provision and an amount of accidental death and dismemberment  
24      insurance or benefit per employee to be provided by the State of

1 Oklahoma, and the employee shall have the option to purchase  
2 additional life insurance or benefits on the employee's life up to  
3 the amount provided by the plan. Such basic life insurance  
4 benefits, with or without double indemnity, and accidental death and  
5 dismemberment benefits shall not exclude coverage for death or  
6 dismemberment resulting from war, insurrection or riot. The Board  
7 may also extend dependent life insurance in an amount to be  
8 determined by the Board to each insured employee who elects to  
9 insure the employee's eligible dependents. Premiums for the  
10 dependent life insurance shall be paid wholly by the employee.

11 SECTION 6. AMENDATORY Section 14, Chapter 303, O.S.L.  
12 2012, as amended by Section 2, Chapter 266, O.S.L. 2013 (74 O.S.  
13 Supp. 2017, Section 1304.1), is amended to read as follows:

14 Section 1304.1 A. The State and Education Employees Group  
15 Insurance Board and the Oklahoma State Employees Benefits Council  
16 are hereby abolished. Wherever the State and Education Employees  
17 Group Insurance Board and the Oklahoma State Employees Benefits  
18 Council are referenced in law, that reference shall be construed to  
19 mean the Oklahoma Employees Insurance and Benefits Board.

20 B. There is hereby created the Oklahoma Employees Insurance and  
21 Benefits Board.

22 C. The chair and vice-chair shall be elected by the Board  
23 members at the first meeting of the Board and shall preside over  
24 meetings of the Board and perform other duties as may be required by

1 the Board. Upon the resignation or expiration of the term of the  
2 chair or vice-chair, the members shall elect a chair or vice-chair.  
3 The Board shall elect one of its members to serve as secretary.

4 D. The Board shall consist of seven (7) members to be appointed  
5 as follows:

6 1. The State Insurance Commissioner, or designee;

7 2. Four members shall be appointed by the Governor;

8 3. One member shall be appointed by the Speaker of the Oklahoma  
9 House of Representatives; and

10 4. One member shall be appointed by the President Pro Tempore  
11 of the State Senate.

12 E. The appointed members shall:

13 1. Have demonstrated professional experience in investment or  
14 funds management, public funds management, public or private group  
15 health or pension fund management, or group health insurance  
16 management;

17 2. Be licensed to practice law in this state and have  
18 demonstrated professional experience in commercial matters; or

19 3. Be licensed by the Oklahoma Accountancy Board to practice in  
20 this state as a public accountant or a certified public accountant.

21 In making appointments that conform to the requirements of this  
22 subsection, at least one but not more than three members shall be  
23 appointed each from paragraphs 2 and 3 of this subsection by the  
24 combined appointing authorities.



1 F. Each member of the Board shall serve a term of four (4)  
2 years from the date of appointment.

3 G. Members of the Board shall be subject to the following:

4 1. The appointed members shall each receive compensation of  
5 Five Hundred Dollars (\$500.00) per month. Appointed members who  
6 fail to attend a regularly scheduled meeting of the Board shall not  
7 receive the related compensation;

8 2. The appointed members shall be reimbursed for their  
9 expenses, according to the State Travel Reimbursement Act, as are  
10 incurred in the performance of their duties, which shall be paid  
11 from the Health Insurance Reserve Fund;

12 3. In the event an appointed member does not attend at least  
13 seventy-five percent (75%) of the regularly scheduled meetings of  
14 the Board during a calendar year, the appointing authority may  
15 remove the member;

16 4. A member may also be removed for any other cause as provided  
17 by law;

18 5. No Board member shall be individually or personally liable  
19 for any action of the Board; and

20 6. Participation on the Board is contingent upon maintaining  
21 all necessary annual training as may be required through the Health  
22 Insurance Portability and Accountability Act of 1996, Medicare  
23 contracting requirements or other statutory or regulatory  
24 guidelines.

1 H. The Board shall meet as often as necessary to conduct  
2 business but shall meet no less than four times a year, with an  
3 organizational meeting to be held prior to December 1, 2012. The  
4 organizational meeting shall be called by the Insurance  
5 Commissioner. A majority of the members of the Board shall  
6 constitute a quorum for the transaction of business, and any  
7 official action of the Board must have a favorable vote by a  
8 majority of the members of the Board present.

9 I. Except as otherwise provided in this subsection, no member  
10 of the Board shall be a lobbyist registered in this state as  
11 provided by law, or be employed directly or indirectly by any firm  
12 or health care provider under contract to ~~the State and Education~~  
13 ~~Employees Group Insurance Board, the Oklahoma State Employees~~  
14 ~~Benefits Council, or~~ the Oklahoma Employees Insurance and Benefits  
15 Board, or any benefit program under its jurisdiction, for any goods  
16 or services whatsoever. Any physician member of the Board shall not  
17 be subject to the provisions of this subsection.

18 J. Any vacancy occurring on the Board shall be filled for the  
19 unexpired term of office in the same manner as provided for in  
20 subsection D of this section.

21 K. The Board shall act in accordance with the provisions of the  
22 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the  
23 Administrative Procedures Act.

1 L. The Administrative Director of the Courts shall designate  
2 grievance panel members as shall be necessary. The members of the  
3 grievance panel shall consist of two attorneys licensed to practice  
4 law in this state and one state licensed health care professional or  
5 health care administrator who has at least three (3) years practical  
6 experience, has had or has admitting privileges to a hospital in  
7 this state, has a working knowledge of prescription medication, or  
8 has worked in an administrative capacity at some point in their  
9 career. The state health care professional shall be appointed by  
10 the Governor. At the Governor's discretion, one or more qualified  
11 individuals may also be appointed as an alternate to serve on the  
12 grievance panel in the event the Governor's primary appointee  
13 becomes unable to serve.

14 M. The Office of Management and Enterprise Services shall have  
15 the following duties, responsibilities and authority with respect to  
16 the administration of the flexible benefits plan authorized pursuant  
17 to the State Employees Flexible Benefits Act:

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

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

1        3. To prescribe procedures to be followed by participants in  
2 making elections and filing claims under the plan;

3        4. Beginning with the plan year which begins on January 1,  
4 2013, to select and contract with one or more providers to offer a  
5 group TRICARE Supplement product to eligible employees who are  
6 eligible TRICARE beneficiaries. Any membership dues required to  
7 participate in a group TRICARE Supplement product offered pursuant  
8 to this paragraph shall be paid by the employee. As used in this  
9 paragraph, "TRICARE" means the Department of Defense health care  
10 program for active duty and retired service members and their  
11 families;

12        5. To prepare and distribute information communicating and  
13 explaining the plan to participating employers and participants.  
14 ~~Health Maintenance Organizations or other third-party~~ Participating  
15 insurance vendors may be directly or indirectly involved in the  
16 distribution of communicated information to participating state  
17 agency employers and state employee participants subject to the  
18 following condition: the ~~Board~~ Office shall verify all marketing  
19 and communications information for factual accuracy prior to  
20 distribution;

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

1        7. To furnish the participating employers and participants such  
2 annual reports with respect to the administration of the plan as are  
3 reasonable and appropriate;

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

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

1 third-party vendors for purposes of offering alternative medical  
2 plans for consideration by participants.

3 a. Such plans may include, but are not limited to, health  
4 maintenance organizations (HMOs), exclusive provider  
5 organizations (EPOs), Medicare Advantage plans (MAs)  
6 and accountable care organizations (ACOs). All plans  
7 shall be in conformance with all applicable federal  
8 and state regulations. Plans of similar nature shall  
9 have actuarial parity, and the premium rates shall be  
10 on an actuarially sound basis for the time period and  
11 the population covered under the terms of the  
12 contract.

13 b. The Board shall have the authority to recommend  
14 rejection of any plan that does not meet the bid  
15 requirements or provide sufficient value for the State  
16 of Oklahoma. The Board may, ~~however,~~ renegotiate  
17 rates with successful bidders after contracts have  
18 been awarded if there is an extraordinary  
19 circumstance. An extraordinary circumstance shall be  
20 limited to the insolvency, dissolution or withdrawal  
21 of a participating ~~health maintenance organization or~~  
22 ~~point-of-service plan, dissolution of a participating~~  
23 ~~health maintenance organization or point-of-service~~  
24 ~~plan or withdrawal of another participating health~~

~~maintenance organization or point of service plan at~~  
third-party vendor any time during the calendar year.

Nothing in this section of law shall be construed to permit either party to unilaterally alter the terms of the contract.

c. The Board shall ensure that all premiums are paid to participating third-party health vendors within sixty (60) calendar days from receipt of the bill;

10. To retain as confidential information the initial Request For Proposal offers as well as any subsequent bid offers made by the third-party health plans plan vendors prior to final contract awards as a part of the best and final offer negotiations process for the benefit plan;

11. To promulgate administrative rules for the competitive negotiation process;

12. To require vendors offering coverage to provide such enrollment and claims data as is determined by the Board. ~~The Board shall be authorized to retain as confidential any proprietary information submitted in response to the Board's Request For Proposal. Provided, however, that any such information requested by the Board from the vendors shall only be subject to the confidentiality provision of this paragraph if it is clearly designated in the Request For Proposal as being protected under this provision. All requested information lacking such a designation in~~

~~the Request For Proposal shall be subject to Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes. From health maintenance organizations, data provided shall include the current Health Plan Employer Data and Information Set (HEDIS);~~

13. To authorize the purchase of any insurance deemed necessary for providing benefits under the plan including indemnity dental plans, provided that the only indemnity health plan selected by the Board shall be the indemnity plan offered by the Board, and to transfer to the Board such funds as may be approved for a participant electing a benefit plan offered by the Board. All indemnity dental plans shall meet or exceed the following requirements:

- a. they shall have a statewide provider network,
- b. they shall provide benefits which shall reimburse the expense for the following types of dental procedures:
  - (1) diagnostic,
  - (2) preventative,
  - (3) restorative,
  - (4) endodontic,
  - (5) periodontic,
  - (6) prosthodontics,
  - (7) oral surgery,
  - (8) dental implants,
  - (9) dental prosthetics, and



1 (10) orthodontics, and

2 c. they shall provide an annual benefit of not less than  
3 One Thousand Five Hundred Dollars (\$1,500.00) for all  
4 services other than orthodontic services, and a  
5 lifetime benefit of not less than One Thousand Five  
6 Hundred Dollars (\$1,500.00) for orthodontic services;

7 14. To communicate deferred compensation programs as provided  
8 in Section 1701 of Title 74 of the Oklahoma Statutes;

9 15. To assess and collect reasonable fees from ~~contracted~~  
10 ~~health maintenance organizations and~~ third-party insurance vendors  
11 to offset the costs of administration;

12 16. To accept, modify or reject elections under the plan in  
13 accordance with the Oklahoma State Employees Benefits Act and 26  
14 U.S.C.A., Section 1 et seq.;

15 17. To promulgate election and claim forms to be used by  
16 participants;

17 18. To adopt rules requiring payment for medical and dental  
18 services and treatment rendered by duly licensed hospitals,  
19 physicians and dentists. Unless the Board has otherwise contracted  
20 with the out-of-state health care provider, the Board shall  
21 reimburse for medical services and treatment rendered and charged by  
22 an out-of-state health care provider at least at the same percentage  
23 level as the network percentage level of the fee schedule  
24 established by the Oklahoma Employees Insurance and Benefits Board

1 if the insured employee was referred to the out-of-state health care  
2 provider by a physician or it was an emergency situation and the  
3 out-of-state provider was the closest in proximity to the place of  
4 residence of the employee which offers the type of health care  
5 services needed. For purposes of this paragraph, health care  
6 providers shall include, but not be limited to, physicians,  
7 dentists, hospitals and special care facilities;

8 19. To enter into a contract with out-of-state providers in  
9 connection with any PPO or hospital or medical network plan which  
10 shall include, but not be limited to, special care facilities and  
11 hospitals outside the borders of the State of Oklahoma. The  
12 contract for out-of-state providers shall be identical to the in-  
13 state provider contracts. The Board may negotiate for discounts  
14 from billed charges when the out-of-state provider is not a network  
15 provider and the member sought services in an emergency situation,  
16 when the services were not otherwise available in the State of  
17 Oklahoma or when the Administrator appointed by the Board approved  
18 the service as an exceptional circumstance;

19 20. To create the establishment of a grievance procedure by  
20 which a three-member grievance panel shall act as an appeals body  
21 for complaints by insured employees regarding the allowance and  
22 payment of claims, eligibility, and other matters. Except for  
23 grievances settled to the satisfaction of both parties prior to a  
24 hearing, any person who requests in writing a hearing before the

1 grievance panel shall receive a hearing before the panel. ~~The~~  
2 ~~grievance procedure provided by this paragraph shall be the~~  
3 ~~exclusive remedy available to insured employees having complaints~~  
4 ~~against the insurer.~~ Such grievance procedure shall be subject to  
5 the Oklahoma Administrative Procedures Act, including provisions  
6 thereof for review of agency decisions by the district court. The  
7 grievance panel shall schedule a hearing regarding the allowance and  
8 payment of claims, eligibility and other matters within sixty (60)  
9 days from the date the grievance panel receives a written request  
10 for a hearing unless the panel orders a continuance for good cause  
11 shown. Upon written request by the insured employee to the  
12 grievance panel and received not less than ten (10) days before the  
13 hearing date, the grievance panel shall cause a full stenographic  
14 record of the proceedings to be made by a competent court reporter  
15 at the insured employee's expense; and

16 21. To intercept monies owing to plan participants from other  
17 state agencies, when those participants in turn owe money to the  
18 Office of Management and Enterprise Services, and to ensure that the  
19 participants are afforded due process of law.

20 N. Except for a breach of fiduciary obligation, a Board member  
21 shall not be individually or personally responsible for any action  
22 of the Board.

23 O. The Board shall operate in an advisory capacity to the  
24 Office of Management and Enterprise Services.

1 P. The members of the Board shall not accept gifts or  
2 gratuities from an individual organization with a value in excess of  
3 Ten Dollars (\$10.00) per year. The provisions of this section shall  
4 not be construed to prevent the members of the Board from attending  
5 educational seminars, conferences, meetings or similar functions.

6 SECTION 7. AMENDATORY 74 O.S. 2011, Section 1307.1, as  
7 amended by Section 942, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
8 2017, Section 1307.1), is amended to read as follows:

9 Section 1307.1 No employee or dependent who participates in ~~an~~  
10 ~~HMO~~ a health plan offered through the Oklahoma Employees Insurance  
11 and Benefits Act shall be denied the right of changing the primary  
12 care physician to any other primary care physician within the ~~HMO~~  
13 health plan. The employee or dependent shall notify the ~~HMO~~ health  
14 plan in writing of any change in the choice of primary care  
15 physician forty-five (45) days in advance of the change by certified  
16 mail with return receipt requested. Any such change in a primary  
17 care physician shall not be subject to the approval of the ~~HMO~~  
18 health plan, the Office of Management and Enterprise Services or  
19 state agency.

20 SECTION 8. AMENDATORY 74 O.S. 2011, Section 1308, as  
21 amended by Section 945, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
22 2017, Section 1308), is amended to read as follows:

23 Section 1308. (1) Any employee eligible for membership in the  
24 ~~Health Insurance Plan, Dental Insurance Plan or Life Insurance Plan~~

1 health, dental or life insurance plans offered through the Oklahoma  
2 Employees Insurance and Benefits Act upon its effective date shall  
3 be enrolled in the plan unless the employee elects not to be  
4 enrolled within thirty (30) days of the effective dates. ~~The~~  
5 ~~employee shall be advised of Health Maintenance Organization prepaid~~  
6 ~~plans available as an alternative to the state self-insured Health~~  
7 ~~Insurance Plan.~~ The employee shall be advised of the available plan  
8 options. The Office of Management and Enterprise Services shall  
9 establish the procedure by which eligible employees not electing to  
10 be enrolled initially in the ~~Health Insurance Plan, Dental Insurance~~  
11 ~~Plan or Life Insurance Plan~~ health, dental or life insurance plans  
12 may be subsequently enrolled.

13 (2) Any eligible employee who is employed after the effective  
14 dates of the ~~Health Insurance Plan, Dental Insurance Plan and Life~~  
15 ~~Insurance Plan or HMO plans approved by the Office~~ health, dental  
16 and life insurance plans offered through the Oklahoma Employees  
17 Insurance and Benefits Act may become enrolled on the first day of  
18 the second month of employment.

19 SECTION 9. AMENDATORY 74 O.S. 2011, Section 1308.1, as  
20 amended by Section 946, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
21 2017, Section 1308.1), is amended to read as follows:

22 Section 1308.1 (1) An educational entity may extend the  
23 benefits of the health insurance plan, the dental insurance plan,  
24 and the life insurance plan to education employees employed by the

1 entity. The benefits of the plans for an education employee shall  
2 be the same and shall include the same plan options as would be made  
3 available to a state employee participating in the plan that resided  
4 at the same location. ~~Notwithstanding the provisions of Section~~  
5 ~~1308.2 of this title, a period shall exist for enrolling education~~  
6 ~~entities from April 1, 1989 through October 1, 1991, whereby~~  
7 ~~education employees of a participating education entity may be~~  
8 ~~enrolled, pursuant to this act, during the entities' initial~~  
9 ~~enrollment period, regardless of preexisting conditions.~~ The Office  
10 of Management and Enterprise Services shall adopt rules and  
11 regulations for enrollment by which education entities may apply to  
12 participate in the insurance plans. Once an education entity  
13 becomes a participant in the health and dental insurance plans  
14 offered through the Oklahoma Employees Insurance and Benefits Act,  
15 the education entity may withdraw from participation, in a manner  
16 prescribed by the Office. If a school district is participating in  
17 the health and dental insurance plans pursuant to the Oklahoma  
18 Employees Insurance and Benefits Act, Sections 1301 through 1329.1  
19 of this title, the employees of the school district who are eligible  
20 to participate in the health and dental plans, at such time as the  
21 school district may withdraw from such participation, may require  
22 the board of education of the school district to call an election to  
23 allow the employees to vote as to whether the school district shall  
24 continue participation in the health and dental insurance plans

1 offered through the Oklahoma Employees Insurance and Benefits Act.  
2 Upon the filing with the board of education of a petition calling  
3 for such an election which is signed by no less than thirty percent  
4 (30%) of the eligible employees of the school district, the board of  
5 education shall call an election for the purpose of determining  
6 whether the school district shall continue participation in the  
7 health and dental insurance plans offered through the Oklahoma  
8 Employees Insurance and Benefits Act. The election shall be held  
9 within thirty (30) days of the filing of the petition. If a  
10 majority of those eligible employees voting at the election vote to  
11 continue participation in the health and dental insurance plans  
12 offered through the Oklahoma Employees Insurance and Benefits Act,  
13 the board of education shall be prohibited from withdrawing the  
14 school district from such participation. If a majority of those  
15 eligible employees voting at the election vote against continued  
16 participation in the health and dental insurance plans offered  
17 through the Oklahoma Employees Insurance and Benefits Act, the board  
18 of education of the school district shall apply to discontinue such  
19 participation within thirty (30) days of the election and within the  
20 times the school district is authorized to withdraw from  
21 participation in accordance with rules established for withdrawal by  
22 the Office.

23 (2) Except as otherwise provided in this subsection, when an  
24 education entity participates in the health and dental insurance

1 plans offered through the Oklahoma Employees Insurance and Benefits  
2 Act, all employees shall be advised of ~~Health Maintenance~~  
3 ~~Organizations prepaid plans available as an alternative to the state~~  
4 ~~self-insured health insurance plan~~ the available plan options.

5 Eligible ~~part-time~~ education employees, ~~at the option of the~~  
6 ~~employee,~~ may enroll in the plans ~~either~~ at the time the education  
7 entity begins participation in the plans ~~or, if later, upon a~~  
8 ~~showing of insurability to the satisfaction of the Office.~~

9 (3) Any employee of an education entity participating in the  
10 health and dental insurance plans offered through the Oklahoma  
11 Employees Insurance and Benefits Act who is employed after the  
12 education entity began said participation may be enrolled in the  
13 health and dental insurance plans ~~or HMO plans approved by the~~  
14 ~~Office~~ on the first day of the second month of employment.

15 (4) Upon initial enrollment of an institution of higher  
16 education to participate in the health and dental insurance plans  
17 offered through the Oklahoma Employees Insurance and Benefits Act,  
18 all individuals presently insured by said institution's present  
19 group health insurance plan shall become enrolled in said state  
20 plans for the remaining period of said institution's contractual  
21 liabilities.

22 (5) Education employees who shall be absent from the teaching  
23 service because of election or appointment as a local, state, or  
24 national education association officer shall be allowed to retain



1 coverage pursuant to the Oklahoma Employees Insurance and Benefits  
2 Act upon the payment of the full cost of the coverage at the rate  
3 and under such terms and conditions established by the Office.

4 (6) Except as otherwise provided by law, an educational entity  
5 may cease to participate in the Oklahoma Employees Insurance and  
6 Benefits Act but provide health insurance coverage through another  
7 insurance carrier. The subsequent carrier shall provide coverage to  
8 the employees of the educational entity who terminated employment  
9 with a retirement benefit, with a vested benefit, or who have ten  
10 (10) or more years of service with a participating educational  
11 entity but did not have a vested benefit through the retirement  
12 system of the educational entity, if the election to retain health  
13 insurance coverage was made within thirty (30) days of termination  
14 of employment. Coverage shall also be provided to the eligible  
15 dependents of the employees if an election to retain coverage is  
16 made within thirty (30) days of termination of employment.

17 SECTION 10. AMENDATORY 74 O.S. 2011, Section 1309, as  
18 amended by Section 947, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
19 2017, Section 1309), is amended to read as follows:

20 Section 1309. A. Any eligible employee may elect to have a  
21 dependent or dependents of the employee covered by the ~~Health~~  
22 ~~Insurance Plan and Dental Insurance Plan or by any available Health~~  
23 ~~Maintenance Organization (HMO) approved by the Office of Management~~  
24 ~~and Enterprise Services~~ health and dental insurance plans offered

1 through the Oklahoma Employees Insurance and Benefits Act. The  
2 employee may elect to cover all dependent children and not elect to  
3 cover the spouse of the employee. Such election shall be made at  
4 the time the employee becomes enrolled in the Plan, under such  
5 procedures as the Office may establish. If dependent coverage is  
6 not elected or if the employee elects to cover all dependent  
7 children and not the spouse of the employee at the time an employee  
8 becomes enrolled in the Plan, dependent coverage or coverage for the  
9 spouse cannot be elected until the next enrollment period or until a  
10 qualifying event has occurred as established by the Office. Such  
11 subsequent election of dependent coverage shall be made under such  
12 conditions as the Office may impose. If electing not to cover the  
13 spouse, the employee shall submit a statement signed by both the  
14 employee and the spouse acknowledging their choice not to provide  
15 insurance coverage for the spouse under the ~~Health Insurance Plan~~  
16 ~~and Dental Insurance Plan or approved HMO plans~~ health and dental  
17 insurance plans offered through the Oklahoma Employees Insurance and  
18 Benefits Act.

19 B. Any employee with dependent coverage, as provided in this  
20 section, who has a change in the number of dependents may at the  
21 time of such change increase or decrease the number of dependents  
22 covered by the ~~Health Insurance Plan and Dental Insurance Plan or~~  
23 ~~approved HMO plans,~~ health and dental insurance plans offered  
24

1 through the Oklahoma Employees Insurance and Benefits Act under  
2 procedures established by the Office.

3 C. Any employee who has no eligible dependents at the time the  
4 employee becomes enrolled may elect dependent coverage at the time  
5 the dependency status of the employee changes under procedures  
6 established by the Office.

7 SECTION 11. AMENDATORY 74 O.S. 2011, Section 1312.1, as  
8 amended by Section 954, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
9 2017, Section 1312.1), is amended to read as follows:

10 Section 1312.1 There is hereby created in the State Treasury a  
11 Revolving Fund for the Oklahoma Employees Insurance and Benefits  
12 Plan. The revolving fund shall consist of funds transferred from  
13 the Health and Dental Insurance Reserve Fund and the Life Insurance  
14 Reserve Fund for operational expenses of the State Health and Life  
15 Insurance Plan and monies assessed from or collected for and due a  
16 ~~Health Maintenance Organization (HMO)~~ an insurance vendor as  
17 approved by the Office of Management and Enterprise Services.  
18 Expenditures from said funds shall be made pursuant to the laws of  
19 the state and statutes relating to the Plan. This revolving fund  
20 shall be a continuing fund, not subject to fiscal year limitations,  
21 and shall be under the control and management of the Office.

22 SECTION 12. AMENDATORY 74 O.S. 2011, Section 1316.2, as  
23 last amended by Section 3, Chapter 419, O.S.L. 2014 (74 O.S. Supp.  
24 2017, Section 1316.2), is amended to read as follows:

1       Section 1316.2 A. Any employee, other than an education  
2 employee, who retires pursuant to the provisions of the Oklahoma  
3 Public Employees Retirement System or who has a vested benefit  
4 pursuant to the provisions of the Oklahoma Public Employees  
5 Retirement System may continue in force the health and dental  
6 insurance benefits authorized by the provisions of the Oklahoma  
7 Employees Insurance and Benefits Act, or other employer insurance  
8 benefits if the employer does not participate in the plans offered  
9 by the Office of Management and Enterprise Services, if such  
10 election to continue in force is made within thirty (30) days from  
11 the date of termination of service. Except as otherwise provided  
12 for in Section 840-2.27I of this title and subsection H of this  
13 section, health and dental insurance coverage may not be reinstated  
14 at a later time if the election to continue in force is declined.  
15 Vested employees other than education employees who have terminated  
16 service and are not receiving benefits and effective July 1, 1996,  
17 nonvested persons who have terminated service with more than eight  
18 (8) years of participating service with a participating employer,  
19 who within thirty (30) days from the date of termination of service  
20 elect to continue such coverage, shall pay the full cost of the  
21 insurance premium at the rate and pursuant to the terms and  
22 conditions established by the Office. Provided also, any employee  
23 other than an education employee who commences employment with a  
24 participating employer on or after September 1, 1991, who terminates

1 service with such employer on or after July 1, 1996, but who  
2 otherwise has insufficient years of service to retire or terminate  
3 service with a vested benefit pursuant to the provisions of the  
4 Oklahoma Public Employees Retirement System or to elect to continue  
5 coverage as a nonvested employee as provided in this section, but  
6 who, immediately prior to employment with the participating  
7 employer, was covered as a dependent on the health and dental  
8 insurance policy of a spouse who was an active employee other than  
9 an education employee, may count as part of his or her credited  
10 service for the purpose of determining eligibility to elect to  
11 continue coverage under this section, the time during which the  
12 terminating employee was covered as such a dependent.

13 B. 1. Health insurance benefit plans offered pursuant to this  
14 section shall include:

- 15 a. ~~indemnity plans offered through the Office,~~
- 16 b. ~~managed care plans offered as alternatives to the~~  
17 ~~indemnity plans offered through the Office,~~
- 18 c. ~~Medicare supplements offered pursuant to the Oklahoma~~  
19 ~~Employees Insurance and Benefits Act,~~
- 20 d. ~~Medicare risk-sharing contracts offered as~~  
21 ~~alternatives to the Medicare supplements offered~~  
22 ~~through the Office. All Medicare risk-sharing~~  
23 ~~contracts shall be subject to a risk adjustment~~

24

1 ~~factor, based on generally accepted actuarial~~  
2 ~~principles for adverse selection which may occur, and~~  
3 e. the health insurance plans offered through the  
4 Oklahoma Employees Insurance and Benefits Act, and for  
5 the Oklahoma Public Employee Retirement System, other  
6 employer-provided health insurance benefit plans if  
7 the employer does not participate in the plans offered  
8 pursuant to the Oklahoma Employees Insurance and  
9 Benefits Act.

10 2. Health insurance benefit plans offered pursuant to this  
11 section shall provide prescription drug benefits, except for plans  
12 designed pursuant to the Medicare Prescription Drug Improvement and  
13 Modernization Act of 2003, for which provision of prescription drug  
14 benefits is optional, and except for plans offered pursuant to  
15 subparagraph e of paragraph 1 of this subsection.

16 C. 1. Designated public retirement systems shall contribute a  
17 monthly amount towards the health insurance premium of certain  
18 individuals receiving benefits from the public retirement system as  
19 follows:

20 a. a retired employee, other than an education employee  
21 or an employee who participates in the defined  
22 contribution system administered by the Oklahoma  
23 Public Employees Retirement System on or after  
24 November 1, 2015, who is receiving benefits from the

Oklahoma Public Employees Retirement System after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Public Employees Retirement System to the Board or other insurance carrier of the employer if the employer does not participate in the plans offered by the Office in the manner specified in subsection G of this section,

b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection G of this section,

c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible

1           for Medicare shall have One Hundred Five Dollars  
2           (\$105.00), or the premium rate of the health insurance  
3           benefit plan, whichever is less, paid by the Oklahoma  
4           Law Enforcement Retirement System to the Office in the  
5           manner specified in subsection G of this section, and  
6       d.   a retired employee other than an education employee  
7           who is receiving benefits from the Uniform Retirement  
8           System for Justices and Judges after September 30,  
9           1988, shall have One Hundred Five Dollars (\$105.00),  
10          or the premium rate of the health insurance plan,  
11          whichever is less, paid by the Uniform Retirement  
12          System for Justices and Judges to the Office in the  
13          manner specified in subsection G of this section.

14       2.   Premium payments made pursuant to this section shall be made  
15   subject to the following conditions:

16       a.   the health plan shall be authorized by the provisions  
17           of the Oklahoma Employees Insurance and Benefits Act,  
18           except that if an employer from which an employee  
19           retired or with a vested benefit pursuant to the  
20           provisions of the Oklahoma Public Employees Retirement  
21           System does not participate in the plans authorized by  
22           the provisions of the Oklahoma Employees Insurance and  
23           Benefits Act, the health plan will be the health  
24



1 insurance benefits of the employer from which the  
2 individual retired or vested,

3 b. for plans offered by the Oklahoma Employees Insurance  
4 and Benefits Act, the amount to be paid shall be  
5 determined pursuant to the provisions of this  
6 subsection and shall first be applied in whole or in  
7 part to the prescription drug coverage premium. Any  
8 remaining amount shall be applied toward the medical  
9 coverage premium,

10 c. for all plans, if the amount paid by the public  
11 retirement system does not cover the full cost of the  
12 elected coverage, the individual shall pay the  
13 remaining premium amount, and

14 d. payment shall be made by the retirement systems in the  
15 manner specified under subsection G of this section.

16 D. For any member of the Oklahoma Law Enforcement Retirement  
17 System killed in the line of duty, whether the member was killed in  
18 the line of duty prior to May 18, 2005, or on or after May 18, 2005,  
19 or if the member was on a disability leave status at the time of  
20 death, the surviving spouse or dependents of such deceased member of  
21 the Oklahoma Law Enforcement Retirement System may elect to continue  
22 or commence health and dental insurance benefits, provided the  
23 dependents pay the full cost of such insurance, and for deaths  
24 occurring on or after July 1, 2002, such election is made within

1 thirty (30) days of the date of death. The eligibility for the  
2 benefits shall terminate for the surviving children when the  
3 children cease to qualify as dependents.

4 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
5 Enforcement Retirement System who retired from the System by means  
6 of a personal and traumatic injury of a catastrophic nature and in  
7 the line of duty and any surviving spouse of such retired member and  
8 any surviving spouse of a member who was killed in the line of duty  
9 shall have one hundred percent (100%) of the retired member's or  
10 surviving spouse's health care premium cost, whether the member or  
11 surviving spouse elects coverage under the Medicare supplement or  
12 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
13 Retirement System to the Office in the manner specified in  
14 subsection H of this section. For plans offered by the Office, such  
15 contributions will first be applied in whole or in part to the  
16 prescription drug coverage premium, if any.

17 F. Dependents of a deceased employee who was on active work  
18 status or on a disability leave at the time of death or of a  
19 participating retardant or of any person who has elected to receive  
20 a vested benefit under the Oklahoma Public Employees Retirement  
21 System, the Uniform Retirement System for Justices and Judges or the  
22 Oklahoma Law Enforcement Retirement System may continue the health  
23 and dental insurance benefits in force, provided the dependents pay  
24 the full cost of such insurance and they were covered as eligible

1 dependents at the time of such death and such election is made  
2 within thirty (30) days of date of death. The eligibility for the  
3 benefits shall terminate for the surviving children when the  
4 children cease to qualify as dependents.

5 G. The amounts required to be paid by the Oklahoma Public  
6 Employees Retirement System, the Uniform Retirement System for  
7 Justices and Judges and the Oklahoma Law Enforcement Retirement  
8 System pursuant to this section shall be forwarded no later than the  
9 tenth day of each month following the month for which payment is due  
10 by the Oklahoma Public Employees Retirement System Board of Trustees  
11 or the Oklahoma Law Enforcement Retirement Board to the Office for  
12 deposit in the Health, Dental and Life Insurance Reserve Fund or to  
13 another insurance carrier as provided for in subsection H of Section  
14 1315 of this title.

15 H. Upon retirement from employment of the Board of Regents of  
16 the University of Oklahoma, any person who was or is employed at the  
17 George Nigh Rehabilitation Institute and who transferred employment  
18 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
19 person who was employed at the Medical Technology and Research  
20 Authority and who transferred employment pursuant to Section 7068 of  
21 this title, and any person who is a member of the Oklahoma Law  
22 Enforcement Retirement System pursuant to the authority of Section  
23 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
24 benefits authorized by the provisions of the Oklahoma Employees

1 Insurance and Benefits Act for retired participants, including  
2 health, dental and life insurance benefits, if such election to  
3 participate is made within thirty (30) days from the date of  
4 termination of service. Life insurance benefits for any such person  
5 who transferred employment shall not exceed the coverage the person  
6 had at the time of such transfer. Retirees who transferred  
7 employment and who participate pursuant to this paragraph shall pay  
8 the premium for elected benefits less any amounts paid by a state  
9 retirement system pursuant to this section.

10 SECTION 13. AMENDATORY 74 O.S. 2011, Section 1316.3, as  
11 amended by Section 963, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
12 2017, Section 1316.3), is amended to read as follows:

13 Section 1316.3 A. Any person who retires pursuant to the  
14 provisions of the Teachers' Retirement System of Oklahoma with at  
15 least ten (10) years of creditable service or who has a vested  
16 benefit with at least ten (10) years of creditable service, pursuant  
17 to the provisions of the Teachers' Retirement System of Oklahoma may  
18 continue in force the health and dental insurance benefits  
19 authorized by the provisions of the Oklahoma Employees Insurance and  
20 Benefits Act if such election to continue in force or begin is made  
21 within thirty (30) days from the date of termination of service.  
22 Except as provided in subsection E of Sections 5-117.5 and 14-108.1  
23 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this  
24 title and subsection K of this section, health and dental insurance

1 coverage may not be reinstated at a later time if the election to  
2 continue in force or begin coverage is declined. Vested persons who  
3 have terminated service and are not receiving benefits and effective  
4 July 1, 1996, nonvested persons who have terminated service with  
5 more than ten (10) years of participating service with a qualifying  
6 employer, who within thirty (30) days from the date of termination  
7 of service, elect to continue such coverage, shall pay the full cost  
8 of said insurance premium at the rate and pursuant to the terms and  
9 conditions established by the Office of Management and Enterprise  
10 Services.

11 B. 1. Health insurance benefit plans offered pursuant to this  
12 section shall include÷

- 13 a. ~~indemnity plans offered through the Office,~~
- 14 b. ~~managed care plans offered as alternatives to the~~  
15 ~~indemnity plans,~~
- 16 c. ~~Medicare supplements offered through the Office,~~
- 17 d. ~~Medicare risk sharing contracts offered as~~  
18 ~~alternatives to the Medicare supplements offered~~  
19 ~~through the Office, and~~
- 20 e. the health insurance plans offered through the  
21 Oklahoma Employees Insurance and Benefits Act, and any  
22 other employer-provided health insurance benefit plans  
23 if the employer does not participate in the plans  
24

1           offered pursuant to the Oklahoma Employees Insurance  
2           and Benefits Act.

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

11           C. A retired person who:

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

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

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

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

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

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

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

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

17	LESS THAN			
18		25 YEARS BUT	GREATER	
19		LESS THAN	GREATER THAN	THAN 24.99
20	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
21	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
22	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
23	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
24				



1	Less than \$30,000.00 but			
2	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
3	Less than \$40,000.00 but			
4	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
5	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

6 For plans offered by the Office, the amount paid pursuant to  
7 this subsection shall first be applied to the prescription drug  
8 coverage premium, if any. Any remaining amounts shall be applied  
9 towards the medical coverage premium.

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

17 G. Those persons who are receiving benefits from the Teachers'  
18 Retirement System of Oklahoma and have health insurance coverage  
19 which on the operative date of this section is being paid by the  
20 education entity from which the person retired shall make the  
21 election required in subsection A of this section within thirty (30)  
22 days of the termination of said health insurance coverage. The  
23 person making the election shall give the Office certified

24

1 documentation satisfactory to the Office of the termination date of  
2 the other health insurance coverage.

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

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

20 J. The Teachers' Retirement System of Oklahoma shall provide  
21 the Office information concerning the employers of retired and  
22 vested members necessary to allow the Office to track eligibility  
23 for continued coverage.

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

20 SECTION 14. AMENDATORY 74 O.S. 2011, Section 1321, as  
21 amended by Section 966, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
22 2017, Section 1321), is amended to read as follows:

23 Section 1321. A. The Office of Management and Enterprise  
24 Services shall have the authority to determine all rates and life,

1 dental and health benefits. All rates shall be compiled in a  
2 comprehensive Schedule of Benefits. The Schedule of Benefits shall  
3 be available for inspection during regular business hours at the  
4 Office of Management and Enterprise Services. The Office shall have  
5 the authority to annually adjust the rates and benefits based on  
6 claim experience.

7 B. The premiums for such insurance plans offered for the next  
8 plan year shall be established as follows:

9 1. For active employees and their dependents, the Office's  
10 premium determination shall be ~~made no later than the bid submission~~  
11 ~~date for health maintenance organizations set by the Oklahoma State~~  
12 ~~Employees Benefits Council, which shall be~~ set in August no later  
13 than the third Friday of that month; and

14 2. For all other covered members and dependents, the Office's  
15 ~~and the health maintenance organizations'~~ premium determinations  
16 shall be no later than the fourth Friday of September.

17 C. The Office may approve a mid-year adjustment provided the  
18 need for an adjustment is substantiated by an actuarial  
19 determination or more current experience rating. The only  
20 publication or notice requirements that shall apply to the Schedule  
21 of Benefits shall be those requirements provided in the Oklahoma  
22 Open Meeting Act. It is the intent of the Legislature that the  
23 benefits provided not include cosmetic dental procedures except for  
24 certain orthodontic procedures as adopted by the Director.

1       SECTION 15.       AMENDATORY       74 O.S. 2011, Section 1327, as  
2 amended by Section 971, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
3 2017, Section 1327), is amended to read as follows:

4       Section 1327. A. All health benefit plans offered by the  
5 Office of Management and Enterprise Services which provide for  
6 services for vision care or medical diagnosis and treatment for the  
7 eye shall allow optometrists to be providers of those services. All  
8 such health benefit plans shall also require equal payment for the  
9 same services provided by an optometrist if the services are within  
10 the scope of practice of optometry.

11       B. With respect to optometric services, any health benefit plan  
12 offered by the Office which uses a gatekeeper or equivalent for  
13 referrals for services for vision care or for medical diagnosis and  
14 treatment of the eye shall require such covered services be provided  
15 on a referral basis within the medical group or network at the  
16 request of an enrollee who has a condition requiring vision care or  
17 medical diagnosis and treatment of the eye if:

18       1. A referral is necessitated in the judgment of the primary  
19 care physician; and

20       2. Treatment for the condition falls within the licensed scope  
21 of practice of an optometrist.

22       C. All health benefit plans offered by the Office shall have a  
23 defined set of standards and procedures for selecting providers,  
24 including specialists, to serve enrollees. The standards and

1 procedures shall be drafted in such a manner that they are  
2 applicable to all categories of providers and shall be utilized by  
3 ~~the health maintenance organization~~ in a manner that is without bias  
4 for or discrimination against a particular category or categories of  
5 providers.

6 D. No health benefit plan specified by this section shall  
7 require a provider to have hospital privileges if hospital  
8 privileges are not usual and customary for the services the provider  
9 provides.

10 E. Nothing in this section shall be construed to:

11 1. Prohibit a health benefit plan offered by the Office which  
12 provides for services for vision care or medical diagnosis and  
13 treatment for the eye from determining the adequacy of the size of  
14 its network;

15 2. Prohibit an optometrist from agreeing to a fee schedule;

16 3. Limit, expand, or otherwise affect the scope of practice of  
17 optometry; or

18 4. Alter, repeal, modify or affect the laws of this state  
19 except where such laws are in conflict or are inconsistent with the  
20 express provisions of this section.

21 F. Existing health benefit plans offered by the Office shall  
22 comply with the requirements of this section upon issuance or  
23 renewal on or after the effective date of this act.

1       SECTION 16.       AMENDATORY       74 O.S. 2011, Section 1362, is  
2 amended to read as follows:

3       Section 1362. It is hereby declared that the purpose of Section  
4 1361 et seq. of this title is:

5       1. To recognize that the employee benefit needs of individual  
6 state employees differ, depending on the age, salary and family  
7 status of the employee, and that it is needful to permit  
8 participating employees to select and tailor the benefits they  
9 receive in a manner calculated to best meet the particular needs of  
10 themselves and their families;

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

13       3. To provide state employees and their dependents with basic  
14 group health insurance, basic group term life insurance, and basic  
15 ~~long-term~~ disability insurance;

16       4. To provide state employees and their dependents with  
17 optional employee benefits, to include, but not be limited to,  
18 enhanced health insurance coverage, ~~health maintenance organization~~  
19 ~~services~~, life insurance, dental insurance and enhanced long-term  
20 disability insurance;

21       5. To provide state employees with reimbursement for qualifying  
22 dependent care expenses for which a dependent care tax credit is not  
23 taken, reimbursement for qualifying health care expenses not  
24 reimbursed by any other insurance plan or taken as a tax deduction,

1 additional benefits which are currently taxable, additional benefits  
2 which are not currently taxable, and cash compensation;

3 6. To provide state employees with tax sheltered income  
4 deferment plans;

5 7. To provide uniform benefit options for all state employees  
6 regardless of their place of residence within this state;

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

9 9. To provide for the coordination and design, in accordance  
10 with applicable law, of all employee benefits offered to state  
11 employees so as to increase the efficient delivery and effectiveness  
12 of those benefits;

13 10. To enable the state to attract and retain qualified  
14 employees by providing employee benefits which are competitive with  
15 those provided private industry;

16 11. To offer uniformity in those benefits that are offered to  
17 both state employees and those eligible for participation in the  
18 State and Education Employees Group Insurance Act, Section 1301 et  
19 seq. of this title;

20 12. To recognize and protect the state's investment in each  
21 employee by promoting and preserving good health and longevity among  
22 state employees;



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

4        14. To recognize long and faithful service, and to encourage  
5 employees to remain in state service until eligible for retirement  
6 by providing employee benefits.

7        SECTION 17.        AMENDATORY        74 O.S. 2011, Section 1366, as  
8 amended by Section 976, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
9 2017, Section 1366), is amended to read as follows:

10        Section 1366. A. The Office of Management and Enterprise  
11 Services shall establish a flexible benefits plan in accordance with  
12 the provisions of Section 1361 et seq. of this title. All  
13 participating employers shall offer the plan to their eligible  
14 employees.

15        B. The Office shall interpret the plan and decide any matters  
16 arising thereunder and may adopt such rules and procedures as it  
17 deems necessary, desirable or appropriate in the administration of  
18 the plan subject to the Administrative Procedures Act. All rules  
19 and decisions of the Office shall be uniformly and consistently  
20 applied to all participants in similar circumstances and shall be  
21 conclusive and binding on all persons having an interest in the  
22 plan. When making any decision or determination, the Office shall  
23 be entitled to rely upon such information as may be furnished to it  
24 by a participant, a participating employer, legal counsel, third-

1 party administrator or the management of any individual benefit plan  
2 which is incorporated in the plan.

3 C. The Office may contract with one or more firms or  
4 organizations to administer or provide consulting services in regard  
5 to all or any portion of the plan.

6 The Office shall solicit proposals on a competitive bid basis.  
7 Contracts for the flexible benefits plan shall not be subject to the  
8 provisions of The Oklahoma Central Purchasing Act, Section 85.1 et  
9 seq. of this title. The Office shall promulgate rules establishing  
10 appropriate competitive bidding criteria and procedures for  
11 contracts awarded for flexible benefits plans.

12 When awarding a contract for services pursuant to this  
13 subsection, the Office shall satisfy itself that the contractor has  
14 no interests which would impair its ability to perform the tasks and  
15 services required and that the contractor will exercise proper  
16 independent judgment when performing its responsibilities under  
17 Section 1361 et seq. of this title and under the contract.

18 D. Expenses included in an employee's salary adjustment  
19 agreement pursuant to the flexible benefits plan shall be limited to  
20 expenses for:

21 1. Premiums for any health insurance, ~~health maintenance~~  
22 ~~organization~~, life insurance, ~~long-term~~ disability insurance, or  
23 dental insurance ~~or high deductible health benefit plan~~ offered to  
24 employees and their dependents;

1        2. Insurance premiums or retirement plan premiums or payments  
2 which are supplemental to insurance or retirement programs offered  
3 by this state or which are paid for under salary adjustment  
4 agreements pursuant to the provisions of Section 34.70 of Title 62  
5 of the Oklahoma Statutes;

6        3. Dependent care;

7        4. Medical care, as defined by the Office; and

8        5. All other eligible benefit programs offered under 26 United  
9 States Code Section 125.

10       E. The amount by which an employee's salary is adjusted  
11 pursuant to a salary adjustment agreement shall be excluded from  
12 income in computation of income tax withholding, federal insurance  
13 contributions act taxes, unemployment payments and workers'  
14 compensation coverage. Such amount shall be included as income in  
15 computation of state retirement contributions and benefits.

16 Provided, if the inclusions and exclusions provided in this  
17 subsection conflict with the provisions of federal law or  
18 regulations pertaining to flexible benefits plans, the Council is  
19 authorized to modify or abolish such inclusions and exclusions.

20       F. 1. Legal representation shall be provided by the Office of  
21 the Attorney General.

22       2. The executive director shall be the appointing authority and  
23 agency head. All other positions and employees shall be classified  
24 and subject to the provisions of the Merit System of Personnel

1 Administration except actuaries and other personnel and positions in  
2 the unclassified service as provided in Section 840-5.5 of this  
3 title.

4 SECTION 18. AMENDATORY 74 O.S. 2011, Section 1370, as  
5 last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp.  
6 2017, Section 1370), is amended to read as follows:

7 Section 1370. A. Subject to the requirement that a participant  
8 must elect the default benefits, the basic plan, or is a person who  
9 has retired from a branch of the United States military and has been  
10 provided with health care through a federal plan, to the extent that  
11 it is consistent with federal law, or is an active employee who is  
12 eligible to participate and who is a participant who has opted out  
13 of the state's basic plan according to the provisions of Section  
14 1308.3 of this title, and provides proof of this coverage, flexible  
15 benefit dollars may be used to purchase any of the benefits offered  
16 ~~by~~ through the Oklahoma ~~State~~ Employees Insurance and Benefits  
17 ~~Council Board~~ under the flexible benefits plan. A participant who  
18 has opted out of the state's basic plan and provided proof of other  
19 coverage as described in this subsection shall receive One Hundred  
20 Fifty Dollars (\$150.00) in lieu of the flexible benefit monthly. A  
21 participant's flexible benefit dollars for a plan year shall consist  
22 of the sum of (1) flexible benefit allowance credited to a  
23 participant by the participating employer, and (2) pay conversion  
24 dollars elected by a participant.

1       B. Each participant shall be credited annually with a specified  
2 amount as a flexible benefit allowance which shall be available for  
3 the purchase of benefits. For participants on a biweekly payroll  
4 system the disbursement of the flexible benefit allowance shall be  
5 credited over twenty-four pay periods resulting in two pay periods  
6 that do not reflect a credit. The amount of the flexible benefit  
7 allowance credited to each participant shall be communicated to him  
8 or her prior to the enrollment period for each plan year.

9       C. Except as provided in subsection D of this section, for the  
10 plan year beginning January 1, 2013, the benefit allowance shall not  
11 be less than the Plan Year 2012 benefit allowance amounts, and each  
12 plan year thereafter, the amount of a participant's benefit  
13 allowance, which shall be the total amount the employer contributes  
14 for the payment of insurance premiums or other benefits, shall be:

15       1. The greater of the amount of benefit which the participant  
16 would have qualified for as of plan year 2012, or an amount equal to  
17 the monthly premium of the HealthChoice High Option plan, the  
18 average monthly premiums of the dental plans, the monthly premium of  
19 the disability plan, and the monthly premium of the basic life  
20 insurance plan offered to state employees or the amount determined  
21 by the Council based on a formula for determining a participant's  
22 benefit credits consistent with the requirements of 26 U.S.C.,  
23 Section 125(g)(2) and regulations thereunder; or  
24

1        2. The greater of the amount of benefit which the participant  
2 would have qualified for as of plan year 2012 or an amount equal to  
3 the monthly premium of the HealthChoice High Option plan, the  
4 average monthly premiums of the dental plans, the monthly premium of  
5 the disability plan, and the monthly premium of the basic life  
6 insurance plan offered to state employees plus one of the additional  
7 amounts as follows for participants who elect to include one or more  
8 dependents:

- 9            a. for a spouse, seventy-five percent (75%) of the  
10            HealthChoice High Option plan, available for coverage  
11            of a spouse,
- 12            b. for one child, seventy-five percent (75%) of the  
13            HealthChoice High Option plan, for coverage of one  
14            child,
- 15            c. for two or more children, seventy-five percent (75%)  
16            of the HealthChoice High Option plan, for coverage of  
17            two or more children,
- 18            d. for a spouse and one child, seventy-five percent (75%)  
19            of the HealthChoice High Option plan, for coverage of  
20            a spouse and one child, or
- 21            e. for a spouse and two or more children, seventy-five  
22            percent (75%) of the HealthChoice High Option plan,  
23            for coverage of a spouse and two or more children.

1 D. To the extent that it is consistent with federal laws and  
2 regulations, and in particular the regulations set forth by the  
3 Secretary of Defense in 32 C.F.R. Section 199.8(d)(6), a benefit may  
4 be provided to an employee who is an eligible TRICARE beneficiary  
5 whereby he or she may purchase a group TRICARE Supplemental product  
6 under a qualifying cafeteria plan consistent with the requirements  
7 of 26 U.S.C., Section 125, provided that:

8 1. The state, as employer may not provide any payment for nor  
9 receive any consideration or compensation for offering the benefit;

10 2. The employer's only involvement is in providing the  
11 administrative support for the benefit under the cafeteria plan; and

12 3. The employee's participation in the plan is completely  
13 voluntary.

14 The benefit allowance under paragraph 2 of subsection C of this  
15 section of an employee whose plan participation includes a group  
16 TRICARE Supplemental benefit shall not include any allowance or  
17 portion thereof for such TRICARE Supplemental benefit.

18 E. This section shall not prohibit payments for supplemental  
19 health insurance coverage made pursuant to Section 1314.4 of this  
20 title or payments for the cost of providing health insurance  
21 coverage for dependents of employees of the Grand River Dam  
22 Authority.

23 F. If a participant desires to buy benefits whose sum total of  
24 benefit prices is in excess of his or her flexible benefit

1 allowance, the participant may elect to use pay conversion dollars  
2 to purchase such excess benefits. Pay conversion dollars may be  
3 elected through a salary reduction agreement made pursuant to the  
4 election procedures of Section 1371 of this title. The elected  
5 amount shall be deducted from the participant's compensation in  
6 equal amounts each pay period, with the exception of participants on  
7 a biweekly payroll system, where such deduction shall occur over  
8 twenty-four pay periods over the plan year. On termination of  
9 employment during a plan year, a participant shall have no  
10 obligation to pay the participating employer any pay conversion  
11 dollars allocated to the portion of the plan year after the  
12 participant's termination of employment.

13 G. If a participant elects benefits whose sum total of benefit  
14 prices is less than his or her flexible benefit allowance, he or she  
15 shall receive any excess flexible benefit allowance as taxable  
16 compensation. Such taxable compensation will be paid in  
17 substantially equal amounts each pay period, with the exception of  
18 participants on a biweekly payroll system, where such deduction  
19 shall occur over twenty-four pay periods over the plan year. On  
20 termination during a plan year, a participant shall have no right to  
21 receive any such taxable cash compensation allocated to the portion  
22 of the plan year after the participant's termination. Nothing  
23 herein shall affect a participant's obligation to elect the minimum  
24 benefits or to accept the default benefits of the plan with



1 corresponding reduction in the sum of his or her flexible benefit  
2 allowance equal to the sum total benefit price of such minimum  
3 benefits or default benefits.

4 SECTION 19. AMENDATORY 74 O.S. 2011, Section 1371, as  
5 last amended by Section 1, Chapter 178, O.S.L. 2016 (74 O.S. Supp.  
6 2017, Section 1371), is amended to read as follows:

7 Section 1371. A. All participants must purchase at least the  
8 basic plan unless, to the extent that it is consistent with federal  
9 law, the participant is a person who has retired from a branch of  
10 the United States military and has been provided with health  
11 coverage through a federal plan and that participant provides proof  
12 of that coverage, or the participant has opted out of the state's  
13 basic plan according to the provisions in Section 1308.3 of this  
14 title. On or before ~~January 1 of the plan year beginning July 1,~~  
15 ~~2001, and~~ July 1 of any plan year beginning after January 1, 2002,  
16 the Oklahoma Employees Insurance and Benefits Board shall design the  
17 basic plan for the next plan year to ensure that the basic plan  
18 provides adequate coverage to all participants. All benefit plans,  
19 ~~whether offered by the State and Education Employees Group Insurance~~  
20 ~~Board, a health maintenance organization or other vendors~~ shall meet  
21 the minimum requirements set by the Board for the basic plan.

22 B. The Board shall offer health, disability, life and dental  
23 coverage to all participants and their dependents. For health,  
24 dental, disability and life coverage, the Board shall offer plans at

1 the basic benefit level established by the Board, and in addition,  
2 may offer benefit plans that provide an enhanced level of benefits.  
3 The Board shall be responsible for determining the plan design and  
4 the benefit price for the plans that they offer. Effective for the  
5 plan year beginning January 1, 2017, and for each plan year  
6 thereafter, in setting health insurance premiums for active  
7 employees and for retirees under sixty-five (65) years of age, the  
8 Board shall set the monthly premium for active employees to be equal  
9 to the monthly premium for retirees under sixty-five (65) years of  
10 age; except that the Board may offer retirees under sixty-five (65)  
11 years of age the opportunity to voluntarily enroll in an alternative  
12 plan of insurance at a rate that is between One Hundred Dollars  
13 (\$100.00) less than the monthly premium for active employees and up  
14 to One Hundred Dollars (\$100.00) more than the monthly premium for  
15 active employees. Retirees under the age of sixty-five (65) who  
16 enroll in an alternative plan of insurance shall retain the right to  
17 enroll in any other health insurance plan offered by the Board for  
18 which they might be qualified during a subsequent open enrollment  
19 period.

20       Nothing in this subsection shall be construed as prohibiting the  
21 Board from offering additional medical plans, provided that any  
22 medical plan offered to participants shall meet or exceed the  
23 benefits provided in the medical portion of the basic plan.

1       C. ~~In lieu of electing any of the preceding medical benefit~~  
2 ~~plans, a participant may elect medical coverage by any health~~  
3 ~~maintenance organization made available to participants by the~~  
4 ~~Board. The benefit price of any health maintenance organization~~  
5 ~~shall be determined on a competitive bid basis. Contracts for said~~  
6 ~~plans shall not be subject to the provisions of The Oklahoma Central~~  
7 ~~Purchasing Act. The Board shall promulgate rules establishing~~  
8 ~~appropriate competitive bidding criteria and procedures for~~  
9 ~~contracts awarded for flexible benefits plans. All plans offered by~~  
10 ~~health maintenance organizations meeting the bid requirements as~~  
11 ~~determined by the Board shall be accepted. The Board shall have the~~  
12 ~~authority to reject the bid or restrict enrollment in any health~~  
13 ~~maintenance organization for which the Board determines the benefit~~  
14 ~~price to be excessive. The Board shall have the authority to reject~~  
15 ~~any plan that does not meet the bid requirements. All bidders shall~~  
16 ~~submit along with their bid a notarized, sworn statement as provided~~  
17 ~~by Section 85.22 of this title.~~ Effective for the plan year  
18 beginning January 1, 2007, and for each plan year thereafter, in  
19 setting health insurance premiums for active employees and for  
20 retirees under sixty-five (65) years of age, HMOs, self-insured  
21 organizations and prepaid plans shall set the monthly premium for  
22 active employees to be equal to the monthly premium for retirees  
23 under sixty-five (65) years of age.

1 D. Nothing in this section shall be construed as prohibiting  
2 the Board from offering additional qualified benefit plans or  
3 currently taxable benefit plans.

4 E. Each employee of a participating employer who meets the  
5 eligibility requirements for participation in the flexible benefits  
6 plan shall make an annual election of benefits under the plan during  
7 an enrollment period to be held prior to the beginning of each plan  
8 year. The enrollment period dates will be determined annually and  
9 will be announced by the Board, providing the enrollment period  
10 shall end no later than thirty (30) days before the beginning of the  
11 plan year.

12 Each such employee shall make an irrevocable advance election  
13 for the plan year or the remainder thereof pursuant to such  
14 procedures as the Board shall prescribe. Any such employee who  
15 fails to make a proper election under the plan shall, nevertheless,  
16 be a participant in the plan and shall be deemed to have purchased  
17 the default benefits described in this section.

18 F. The Board shall prescribe the forms that participants will  
19 be required to use in making their elections, and may prescribe  
20 deadlines and other procedures for filing the elections.

21 G. Any participant who, in the first year for which he or she  
22 is eligible to participate in the plan, fails to make a proper  
23 election under the plan in conformance with the procedures set forth  
24 in this section or as prescribed by the Board shall be deemed

1 automatically to have purchased the default benefits. The default  
2 benefits shall be the same as the basic plan benefits. Any  
3 participant who, after having participated in the plan during the  
4 previous plan year, fails to make a proper election under the plan  
5 in conformance with the procedures set forth in this section or  
6 prescribed by the Board, shall be deemed automatically to have  
7 purchased the same benefits which the participant purchased in the  
8 immediately preceding plan year, except that the participant shall  
9 not be deemed to have elected coverage under the health care  
10 reimbursement account plan or the dependent care reimbursement  
11 account plan.

12 H. Benefit plan contracts with the Board, health maintenance  
13 organizations, and other third-party insurance vendors ~~shall~~ may  
14 provide for a risk adjustment factor for adverse selection that may  
15 occur, as determined by the Board, based on generally accepted  
16 actuarial principles.

17 ~~I. 1. For the plan year ending December 31, 2004, employees~~  
18 ~~covered or eligible to be covered under the State and Education~~  
19 ~~Employees Group Insurance Act and the State Employees Flexible~~  
20 ~~Benefits Act who are enrolled in a health maintenance organization~~  
21 ~~offering a network in Oklahoma City, shall have the option of~~  
22 ~~continuing care with a primary care physician for the remainder of~~  
23 ~~the plan year if:~~

1           a.   ~~that primary care physician was part of a provider~~  
2           ~~group that was offered to the individual at enrollment~~  
3           ~~and later removed from the network of the health~~  
4           ~~maintenance organization, for reasons other than for~~  
5           ~~cause, and~~

6           b.   ~~the individual submits a request in writing to the~~  
7           ~~health maintenance organization to continue to have~~  
8           ~~access to the primary care physician.~~

9           2.   ~~The primary care physician selected by the individual shall~~  
10          ~~be required to accept reimbursement for such health care services on~~  
11          ~~a fee for service basis only. The fee for service shall be computed~~  
12          ~~by the health maintenance organization based on the average of the~~  
13          ~~other fee for service contracts of the health maintenance~~  
14          ~~organization in the local community. The individual shall only be~~  
15          ~~required to pay the primary care physician those co-payments,~~  
16          ~~coinsurance and any applicable deductibles in accordance with the~~  
17          ~~terms of the agreement between the employer and the health~~  
18          ~~maintenance organization and the provider shall not balance bill the~~  
19          ~~patient.~~

20          3.   ~~Any network offered in Oklahoma City that is terminated~~  
21          ~~prior to July 1, 2004, shall notify the health maintenance~~  
22          ~~organization, and Oklahoma Employees Insurance and Benefits Board by~~  
23          ~~June 11, 2004, of the network's intentions to continue providing~~  
24          ~~primary care services as described in paragraph 2 of this subsection~~

1 ~~offered by the health maintenance organization to state and public~~  
2 ~~employees.~~

3 SECTION 20. REPEALER 74 O.S. 2011, Sections 1366.1, as  
4 amended by Section 977, Chapter 304, O.S.L. 2012 and 1366.2, as  
5 amended by Section 978, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
6 2017, Sections 1366.1 and 1366.2), are hereby repealed.

7 SECTION 21. This act shall become effective November 1, 2018.

8  
9 56-2-10474 AMM 04/25/18  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24