STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3234 By: Moore

COMMITTEE SUBSTITUTE

An Act relating to state government; amending 74 O.S. 2011, Section 1374, as last amended by Section 1, Chapter 303, O.S.L. 2016 (74 O.S. Supp. 2017, Section 1374), which relates to vision plans; eliminating deadline by which certain information shall be submitted; authorizing the Office of Management and Enterprise Services to reject certain excess vision company offerings; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 1374, as last amended by Section 1, Chapter 303, O.S.L. 2016 (74 O.S. Supp. 2017, Section 1374), is amended to read as follows:

Section 1374. A. For the plan year beginning January 1, 2017, and for each year thereafter, it shall be the responsibility of the Office of Management and Enterprise Services to offer vision plans to participants during the open enrollment period. Providers of plans eligible for selection shall submit information requested by the Office of Management and Enterprise Services ~~no later than July~~

~~1 of each year~~. Plans eligible for selection shall meet or exceed the following criteria:

1. Has in place a statewide network of at least one hundred fifty providers. "Providers", for purposes of this section, means Optometrists (OD), Ophthalmologists (MD), and Ophthalmologists (DO) which shall be counted once regardless of the number of locations where they may practice. Optical shops and retail optical locations shall not be listed as providers. The company offering the vision plan must have a direct relationship with each provider on its panel, and may not lease, borrow, or otherwise obtain use of a provider panel from another company. This would not prevent a company from offering its plan through one corporate entity and administering the plan or provider panel through another legal entity of the same organization so long as the entity receiving premiums remains legally responsible for the payment of benefits. Providers must be actively engaged in providing the services offered under the vision plan they represent;

2. Has operated in Oklahoma for at least five (5) years; provided, that an immediately prior operation in Oklahoma of a nonsurviving corporation that merges into an affiliated corporation shall be counted in determining whether the surviving corporation has operated a plan in Oklahoma for five (5) years;

3. Is properly licensed, registered, certified or authorized to operate its business in this state by the Insurance Department.

Vision plans must be offered by the company administering the plan, not by an agent or third party. A company shall offer only one vision plan and rate schedule for each plan year;

4. Presents accurate product information in a reproducible format not to exceed two pages; and

5. Vision plans must provide an examination, frames and lenses, and/or contact lenses and some form of indemnified payment to the contracted providers for each component of the benefits, i.e., the exam, frames and lenses and/or contact lenses. This does not eliminate discounted supplementary benefits under a qualified plan, so long as such benefits pertain to vision care.

B. Any administrative fees imposed by the Office of Management and Enterprise Services shall be applied equally to all qualified vision plans. There shall be no additional requirements imposed on a vision plan other than the proper licensing, certification or authorization to operate its business by the Oklahoma Insurance Department.

C. No more than two Oklahoma-based vision care benefits companies that meet the criteria as specified in subsection A of this section and no more than two out-of-state vision care benefits companies that meet the criteria as specified in subsection A of this section shall be offered as vendors for enrollment in any state employee benefit offering. For purposes of this subsection, an

"Oklahoma-based vision care benefits company" shall be defined as follows:

1. A vision care benefits company that has a home office, customer service and administration located within the State of Oklahoma and is subject to Oklahoma state income taxes; or

2. A vision care benefits company that has a majority of ownership interest held either directly or indirectly by residents of the State of Oklahoma and is subject to Oklahoma state income taxes.

<u>D. In the event the number of vision companies submitting offerings exceeds the amount permitted under subsection C of this section, the Office of Management and Enterprise Services shall have the authority to reject excess offerings based upon failures to meet bid requirements or for providing lesser value for the State of Oklahoma.</u>

SECTION 2. This act shall become effective November 1, 2018.

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