

1 ENGROSSED SENATE
2 BILL NO. 1162

By: David of the Senate

3 and

4 Mulready of the House

5
6 An Act relating to health insurance; amending
7 Sections 5 and 6, Chapter 383, O.S.L. 2017 (36 O.S.
8 Supp. 2017, Sections 6530.5 and 6530.6), which relate
9 to the Board of Directors and powers of the Board of
10 Directors; modifying duties of Board; authorizing
11 Board to apply for certain funds for a certain
12 purpose; authorizing Board to accept certain funding;
13 prohibiting Board from using certain funding;
14 modifying powers of Board; repealing Sections 7 and
15 8, Chapter 383, O.S.L. 2017 (36 O.S. Supp. 2017,
16 Sections 6530.7 and 6530.8), which relate to insurer
17 and reinsurer assessment and abatement or deferment
18 of assessments; and declaring an emergency.

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

20 SECTION 1. AMENDATORY Section 5, Chapter 383, O.S.L.
21 2017 (36 O.S. Supp. 2016, Section 6530.5), is amended to read as
22 follows:

23 Section 6530.5. A. The Board of Directors of the Oklahoma
24 Individual Health Insurance Market Stabilization Program shall:

1. Develop, implement and administer the Program.
Implementation of the Program shall be contingent upon Oklahoma's
approval for and receipt of federal funds to implement and sustain
the Program;

1 2. ~~Levy and collect all assessments from all health insurers~~
2 ~~and reinsurers~~ Apply for and utilize federal funding for the
3 reinsurance program, as provided in subsection C of this section;

4 3. Make payments to provide for the market stabilization
5 activities authorized by this act and for administrative expenses
6 incurred or estimated to be incurred during the period for which
7 assessment is made;

8 4. Establish administrative and accounting processes and
9 procedures for the operation of the Program and create operating
10 rules to effectuate the provisions of this act including but not
11 limited to:

12 a. determine eligibility of individuals to receive
13 coverage under the Program,

14 b. establish standards for qualification based upon
15 health status, health conditions, prior or current
16 insurance coverage status, health costs as a result of
17 utilization of consuming health care,

18 c. ~~determine amount of the assessment and the amount or~~
19 ~~percentage of the premiums paid to health insurance~~
20 ~~plans for health insurance coverage by eligible~~
21 ~~individuals, that shall be collected and deposited to~~
22 ~~the credit of, and available for use by, the Program,~~

23 d. establish the dollar amount of claims for eligible
24 individuals after which the Program will provide

1 payments to health insurance plans and the proportion
2 of such claims above such dollar amount that the
3 Program will pay,

4 ~~e.~~ d. establish the rate at which the Program will
5 reimburse a health insurance plan for claims incurred
6 for an enrolled individual's claims, above the
7 attachment point and below the reinsurance cap,

8 ~~f.~~ e. determine the threshold amount for claims costs
9 incurred by a health insurance plan for an enrolled
10 individual's claims, after which the claims costs for
11 benefits are no longer eligible for reinsurance
12 payments, and

13 ~~g.~~ f. determine the diagnosed health condition of an
14 eligible individual for which the Program will provide
15 payments to health insurance plans for claims incurred
16 after such diagnosis is made; and

17 5. Apply for, accept and receive federal funding for the
18 operation of the Program, including the following:

- 19 a. approval of a waiver provided by Section 1332 of the
20 Patient Protection and Affordable Care Act, "1332
21 State Innovation Waiver", authorizing federal funding
22 to support market stabilization program payments,
23 b. Oklahoma's participation in any federal grant program
24 or programs, or

1 c. any combination of the above approaches.

2 B. In the event Oklahoma is unable to secure federal approval
3 of a 1332 State Innovation Waiver or secure funding from federal
4 grant programs within two (2) years from the effective date of this
5 act, the Oklahoma Individual Health Insurance Market Stabilization
6 Program shall sunset, and any remaining monies shall be returned to
7 insurers on a pro rata basis based on the amount each insurer has
8 paid in assessments since the creation of the Program.

9 C. To the extent that federal funds become available under
10 federal law, regulation or executive action, the Board may:

11 1. Apply for the funds; and

12 2. Use the funds to establish and administer a reinsurance
13 program for the purposes of the Oklahoma Individual Health Insurance
14 Market Stabilization Act.

15 D. The Board shall not have the authority to assess insurers,
16 employers or any other entity to fund the program. The Board may
17 accept funding from other sources for the purpose of the Oklahoma
18 Individual Health Insurance Market Stabilization Act.

19 SECTION 2. AMENDATORY Section 6, Chapter 383, O.S.L.
20 2017 (36 O.S. Supp. 2016, Section 6530.6), is amended to read as
21 follows:

22 Section 6530.6. The Board may:

23 1. Exercise powers granted to insurers under the laws of this
24 state;

1 2. Sue or be sued; and

2 3. ~~In addition to imposing assessments under Sections 5 and 7~~
3 ~~of this act, levy interim assessments against insurers and~~
4 ~~reinsurers to ensure the financial ability of the Program to cover~~
5 ~~the market stabilization activities authorized by this act and any~~
6 ~~administrative expenses incurred or estimated to be incurred in the~~
7 ~~operation of the Program prior to the end of a calendar year. Any~~
8 ~~interim assessment shall be due and payable within thirty (30) days~~
9 ~~of the receipt of the assessment notice by the insurer. Interim~~
10 ~~assessments shall be credited against the insurer's and reinsurer's~~
11 ~~annual assessment; and~~

12 4. Request the Insurance Commissioner to check the reports,
13 records, books and papers of the Insurance Department to determine
14 the financial condition of an insurer for purposes of Section 8 of
15 this act.

16 SECTION 3. REPEALER Sections 7 and 8, Chapter 383,
17 O.S.L. 2017 (36 O.S. Supp. 2017, Sections 6530.7 and 6530.8), are
18 hereby repealed.

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

1 Passed the Senate the 14th day of March, 2018.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2018.

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9 Presiding Officer of the House
10 of Representatives