

# An Act

ENROLLED SENATE  
BILL NO. 1162

By: David of the Senate

and

Mulready and Cockroft of  
the House

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

SUBJECT: Health insurance

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

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

Section 6530.5. A. The Board of Directors of the Oklahoma 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;

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

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

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

- a. determine eligibility of individuals to receive coverage under the Program,
- b. establish standards for qualification based upon health status, health conditions, prior or current insurance coverage status, health costs as a result of utilization of consuming health care,
- c. ~~determine amount of the assessment and the amount or percentage of the premiums paid to health insurance plans for health insurance coverage by eligible individuals, that shall be collected and deposited to the credit of, and available for use by, the Program,~~
- ~~d.~~ establish the dollar amount of claims for eligible individuals after which the Program will provide payments to health insurance plans and the proportion of such claims above such dollar amount that the Program will pay,
- ~~e.~~ d. establish the rate at which the Program will reimburse a health insurance plan for claims incurred for an enrolled individual's claims, above the attachment point and below the reinsurance cap,

- ~~f.~~ e. determine the threshold amount for claims costs incurred by a health insurance plan for an enrolled individual's claims, after which the claims costs for benefits are no longer eligible for reinsurance payments, and
- ~~g.~~ f. determine the diagnosed health condition of an eligible individual for which the Program will provide payments to health insurance plans for claims incurred after such diagnosis is made; and

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

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

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

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

1. Apply for the funds; and

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

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

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

Section 6530.6. The Board may:

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

2. Sue or be sued; and

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

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

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

Passed the Senate the 1st day of May, 2018.

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Presiding Officer of the Senate

Passed the House of Representatives the 23rd day of April, 2018.

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Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_