COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3290
Of the printed Bill
Page ______ Section ______ Lines ______
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Zack Taylor

Adopted: ______________________________

____
Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

PROPOSED COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3290 By: Taylor

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to insurance; creating the Oklahoma Right to Shop Act; defining terms; authorizing insurance carriers to create certain program; establishing requirements of program; providing for calculation of incentives; requiring filing with Insurance Department; directing the Insurance Department to promulgate rules; requiring the Insurance Department to conduct yearly analysis; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.40 of Title 36, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Right to Shop Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.41 of Title 36, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Right to Shop Act:

1. "Allowed amount" means the contractually agreed-upon amount paid by a carrier to a health care entity participating in the carrier's network;

2. "Average" means mean, median or mode;

3. "Comparable health care service" means any covered nonemergency health care service or bundle of services. The Insurance Commissioner may limit what is considered a comparable health care service if an insurance carrier can demonstrate allowed amount variation among network providers is less than Fifty Dollars ($50.00);

4. "Insurance carrier" or "carrier" means an insurance company that issues policies of accident and health insurance and is licensed to sell insurance in this state;

5. "Shared savings incentive" means a voluntary and optional financial incentive that an insurance carrier may provide to an enrollee for choosing certain health care services under a shared savings incentive program; and

6. "Shared savings incentive program" means a voluntary and optional incentive program established by an insurance carrier pursuant to this act.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.42 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. An insurance carrier may offer a shared savings incentive program to provide incentives to an enrollee when the enrollee obtains a comparable health care service.

B. Incentives may be calculated as a percentage of the difference in allowed amounts to the average, as a flat dollar amount, or by some other reasonable methodology approved by the Insurance Department. The carrier shall provide the incentive as a cash payment to the enrollee or credit toward the enrollee's annual in-network deductible and out-of-pocket limit. Carriers may let enrollees decide which method the enrollee prefers to receive the incentive.

C. A carrier that offers a shared savings incentive program shall:

1. Establish the program as a component part of the policy or certificate of insurance provided by the insurance carrier and notify the enrollees and the Insurance Department at least thirty (30) days before program termination;

2. File a description of the program on a form prescribed by the Insurance Commissioner. The Insurance Department shall review the filing and determine whether the program complies with this section;

3. Notify the enrollee annually and at the time of renewal, of the availability of the shared savings incentive program and the procedure to participate in the program;

4. Publish on the carrier's website, easily accessible to enrollees and applicants for insurance, a list of comparable health care services and health care providers and the shared savings incentive amount applicable for each service. A shared savings incentive shall not be less than twenty-five percent (25%) of the savings generated by the enrollee's participation in any shared savings incentive program offered by the insurance carrier. The baseline for the savings calculation shall be the average in-network amount paid for that service in the most recent twelve-month period or some other methodology established by the insurance carrier and approved by the Insurance Department;

5. At least quarterly, credit, deposit or make a cash payment to an enrollee of the shared savings incentive amount pursuant to participation in the shared savings incentive program; and

6. Submit an annual report to the Insurance Department within ninety (90) days after the close of each plan year. At a minimum, the report shall include the following information:

a. the number of enrollees who participated in the program during the plan year and the number of instances of participation,

b. the total cost of services provided as a part of the program, and

c. the total value of the shared savings incentive payments made to enrollees participating in the program and the values distributed as cash or credit toward an enrollee's annual in-network deductible and out-of-pocket limit.

D. An enrollee shall not be required to participate in a shared savings incentive program.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.43 of Title 36, unless there is created a duplication in numbering, reads as follows:

The Insurance Department shall promulgate necessary rules for the implementation of the Oklahoma Right to Shop Act.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.44 of Title 36, unless there is created a duplication in numbering, reads as follows:

The Insurance Department shall conduct an analysis no later than November 1, 2021, of the cost-effectiveness of implementing an incentive-based program for current enrollees. Any program found to be cost-effective shall be implemented as part of the next open enrollment. The Department shall communicate the rationale for its decision to relevant legislative committees in writing.

SECTION 6. This act shall become effective November 1, 2020.

57-2-11343 SH 02/24/20