

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 3290

By: Taylor

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8                               COMMITTEE SUBSTITUTE

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

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

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

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

25               SECTION 2.       NEW LAW       A new section of law to be codified  
26               in the Oklahoma Statutes as Section 6060.41 of Title 36, unless  
27               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:

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

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

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

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

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

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

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

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

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

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

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

23           c. the total value of the shared savings incentive  
24               payments made to enrollees participating in the

1 program and the values distributed as cash or credit  
2 toward an enrollee's annual in-network deductible and  
3 out-of-pocket limit.

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

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

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

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

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

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

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22 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/26/2020 - DO  
23 PASS, As Amended.  
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