

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2824

By: Sneed

6  
7 COMMITTEE SUBSTITUTE

8 An Act relating to state government; amending 74 O.S.  
9 2011, Section 1316.2, as last amended by Section 3,  
10 Chapter 419, O.S.L. 2014 (74 O.S. Supp. 2020, Section  
11 1316.2), which relates to the Oklahoma Employees  
Insurance and Benefits Act; allowing for certain  
payments by a qualified benefits administrator; and  
providing an effective date.

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

15 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.2, as  
16 last amended by Section 3, Chapter 419, O.S.L. 2014 (74 O.S. Supp.  
17 2020, Section 1316.2), is amended to read as follows:

18 Section 1316.2 A. Any employee, other than an education  
19 employee, who retires pursuant to the provisions of the Oklahoma  
20 Public Employees Retirement System or who has a vested benefit  
21 pursuant to the provisions of the Oklahoma Public Employees  
22 Retirement System may continue in force the health and dental  
23 insurance benefits authorized by the provisions of the Oklahoma  
24 Employees Insurance and Benefits Act, or other employer insurance

1 benefits if the employer does not participate in the plans offered  
2 by the Office of Management and Enterprise Services, if such  
3 election to continue in force is made within thirty (30) days from  
4 the date of termination of service. Except as otherwise provided  
5 for in Section 840-2.27I of this title and subsection H of this  
6 section, health and dental insurance coverage may not be reinstated  
7 at a later time if the election to continue in force is declined.  
8 Vested employees other than education employees who have terminated  
9 service and are not receiving benefits and effective July 1, 1996,  
10 nonvested persons who have terminated service with more than eight  
11 (8) years of participating service with a participating employer,  
12 who within thirty (30) days from the date of termination of service  
13 elect to continue such coverage, shall pay the full cost of the  
14 insurance premium at the rate and pursuant to the terms and  
15 conditions established by the Office. Provided also, any employee  
16 other than an education employee who commences employment with a  
17 participating employer on or after September 1, 1991, who terminates  
18 service with such employer on or after July 1, 1996, but who  
19 otherwise has insufficient years of service to retire or terminate  
20 service with a vested benefit pursuant to the provisions of the  
21 Oklahoma Public Employees Retirement System or to elect to continue  
22 coverage as a nonvested employee as provided in this section, but  
23 who, immediately prior to employment with the participating  
24 employer, was covered as a dependent on the health and dental

1 insurance policy of a spouse who was an active employee other than  
2 an education employee, may count as part of his or her credited  
3 service for the purpose of determining eligibility to elect to  
4 continue coverage under this section, the time during which the  
5 terminating employee was covered as such a dependent.

6 B. 1. Health insurance benefit plans offered pursuant to this  
7 section shall include:

- 8 a. indemnity plans offered through the Office,
- 9 b. managed care plans offered as alternatives to the  
10 indemnity plans offered through the Office,
- 11 c. Medicare supplements offered pursuant to the Oklahoma  
12 Employees Insurance and Benefits Act,
- 13 d. Medicare risk-sharing contracts offered as  
14 alternatives to the Medicare supplements offered  
15 through the Office. All Medicare risk-sharing  
16 contracts shall be subject to a risk adjustment  
17 factor, based on generally accepted actuarial  
18 principles for adverse selection which may occur, and  
19 e. for the Oklahoma Public Employee Retirement System,  
20 other employer-provided health insurance benefit plans  
21 if the employer does not participate in the plans  
22 offered pursuant to the Oklahoma Employees Insurance  
23 and Benefits Act.

1        2. Health insurance benefit plans offered pursuant to this  
2 section shall provide prescription drug benefits, except for plans  
3 designed pursuant to the Medicare Prescription Drug Improvement and  
4 Modernization Act of 2003, for which provision of prescription drug  
5 benefits is optional, and except for plans offered pursuant to  
6 subparagraph e of paragraph 1 of this subsection.

7        C. 1. Designated public retirement systems shall contribute a  
8 monthly amount towards the health insurance premium of certain  
9 individuals receiving benefits from the public retirement system as  
10 follows:

11            a. a retired employee, other than an education employee  
12 or an employee who participates in the defined  
13 contribution system administered by the Oklahoma  
14 Public Employees Retirement System on or after  
15 November 1, 2015, who is receiving benefits from the  
16 Oklahoma Public Employees Retirement System after  
17 September 30, 1988, shall have One Hundred Five  
18 Dollars (\$105.00), or the premium rate of the health  
19 insurance benefit plan, whichever is less, paid by the  
20 Oklahoma Public Employees Retirement System to the  
21 Board ~~or~~, other insurance carrier, or other qualified  
22 benefits administrator of the employer if the employer  
23 does not participate in the plans offered by the  
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Office in the manner specified in subsection G of this section,

b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection G of this section,

c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection G of this section, and

d. a retired employee other than an education employee who is receiving benefits from the Uniform Retirement

1           System for Justices and Judges after September 30,  
2           1988, shall have One Hundred Five Dollars (\$105.00),  
3           or the premium rate of the health insurance plan,  
4           whichever is less, paid by the Uniform Retirement  
5           System for Justices and Judges to the Office in the  
6           manner specified in subsection G of this section.

7           2. Premium payments made pursuant to this section shall be made  
8   subject to the following conditions:

9           a.   the health plan shall be authorized by the provisions  
10           of the Oklahoma Employees Insurance and Benefits Act,  
11           except that if an employer from which an employee  
12           retired or with a vested benefit pursuant to the  
13           provisions of the Oklahoma Public Employees Retirement  
14           System does not participate in the plans authorized by  
15           the provisions of the Oklahoma Employees Insurance and  
16           Benefits Act, the health plan will be the health  
17           insurance benefits of the employer from which the  
18           individual retired or vested,

19           b.   for plans offered by the Oklahoma Employees Insurance  
20           and Benefits Act, the amount to be paid shall be  
21           determined pursuant to the provisions of this  
22           subsection and shall first be applied in whole or in  
23           part to the prescription drug coverage premium. Any  
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1 remaining amount shall be applied toward the medical  
2 coverage premium,

3 c. for all plans, if the amount paid by the public  
4 retirement system does not cover the full cost of the  
5 elected coverage, the individual shall pay the  
6 remaining premium amount, and

7 d. payment shall be made by the retirement systems in the  
8 manner specified under subsection G of this section.

9 D. For any member of the Oklahoma Law Enforcement Retirement  
10 System killed in the line of duty, whether the member was killed in  
11 the line of duty prior to May 18, 2005, or on or after May 18, 2005,  
12 or if the member was on a disability leave status at the time of  
13 death, the surviving spouse or dependents of such deceased member of  
14 the Oklahoma Law Enforcement Retirement System may elect to continue  
15 or commence health and dental insurance benefits, provided the  
16 dependents pay the full cost of such insurance, and for deaths  
17 occurring on or after July 1, 2002, such election is made within  
18 thirty (30) days of the date of death. The eligibility for the  
19 benefits shall terminate for the surviving children when the  
20 children cease to qualify as dependents.

21 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
22 Enforcement Retirement System who retired from the System by means  
23 of a personal and traumatic injury of a catastrophic nature and in  
24 the line of duty and any surviving spouse of such retired member and

1 any surviving spouse of a member who was killed in the line of duty  
2 shall have one hundred percent (100%) of the retired member's or  
3 surviving spouse's health care premium cost, whether the member or  
4 surviving spouse elects coverage under the Medicare supplement or  
5 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
6 Retirement System to the Office in the manner specified in  
7 subsection H of this section. For plans offered by the Office, such  
8 contributions will first be applied in whole or in part to the  
9 prescription drug coverage premium, if any.

10 F. Dependents of a deceased employee who was on active work  
11 status or on a disability leave at the time of death or of a  
12 participating retardant or of any person who has elected to receive  
13 a vested benefit under the Oklahoma Public Employees Retirement  
14 System, the Uniform Retirement System for Justices and Judges or the  
15 Oklahoma Law Enforcement Retirement System may continue the health  
16 and dental insurance benefits in force, provided the dependents pay  
17 the full cost of such insurance and they were covered as eligible  
18 dependents at the time of such death and such election is made  
19 within thirty (30) days of date of death. The eligibility for the  
20 benefits shall terminate for the surviving children when the  
21 children cease to qualify as dependents.

22 G. The amounts required to be paid by the Oklahoma Public  
23 Employees Retirement System, the Uniform Retirement System for  
24 Justices and Judges and the Oklahoma Law Enforcement Retirement



1 System pursuant to this section shall be forwarded no later than the  
2 tenth day of each month following the month for which payment is due  
3 by the Oklahoma Public Employees Retirement System Board of Trustees  
4 or the Oklahoma Law Enforcement Retirement Board to the Office for  
5 deposit in the Health, Dental and Life Insurance Reserve Fund or to  
6 another insurance carrier as provided for in subsection H of Section  
7 1315 of this title, or other qualified benefits administrator.

8 H. Upon retirement from employment of the Board of Regents of  
9 the University of Oklahoma, any person who was or is employed at the  
10 George Nigh Rehabilitation Institute and who transferred employment  
11 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
12 person who was employed at the Medical Technology and Research  
13 Authority and who transferred employment pursuant to Section 7068 of  
14 this title, and any person who is a member of the Oklahoma Law  
15 Enforcement Retirement System pursuant to the authority of Section  
16 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
17 benefits authorized by the provisions of the Oklahoma Employees  
18 Insurance and Benefits Act for retired participants, including  
19 health, dental and life insurance benefits, if such election to  
20 participate is made within thirty (30) days from the date of  
21 termination of service. Life insurance benefits for any such person  
22 who transferred employment shall not exceed the coverage the person  
23 had at the time of such transfer. Retirees who transferred  
24 employment and who participate pursuant to this paragraph shall pay

1 the premium for elected benefits less any amounts paid by a state  
2 retirement system pursuant to this section.

3 SECTION 2. This act shall become effective November 1, 2021.

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