

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

☐ FLOOR AMENDMENT

No. _____

☐ COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend House Bill No. 2824, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Quinn

Quinn-CB-FS-Req#2096
4/14/2021 2:08 PM

(Floor Amendments Only) Date and Time Filed: _____

☐ Untimely

☐ Amendment Cycle Extended

☐ Secondary Amendment

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

FLOOR SUBSTITUTE
FOR ENGROSSED

HOUSE BILL NO. 2824

By: Sneed of the House

and

Quinn of the Senate

FLOOR SUBSTITUTE

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

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

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

Section 1316.2. A. Any employee, other than an education employee, who retires pursuant to the provisions of the Oklahoma Public Employees Retirement System or who has a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System may continue in force the health and dental

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

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

8 B. 1. Health insurance benefit plans offered pursuant to this
9 section shall include:

- 10 a. indemnity plans offered through the Office,
- 11 b. managed care plans offered as alternatives to the
12 indemnity plans offered through the Office,
- 13 c. Medicare supplements offered pursuant to the Oklahoma
14 Employees Insurance and Benefits Act,
- 15 d. Medicare risk-sharing contracts offered as
16 alternatives to the Medicare supplements offered
17 through the Office. All Medicare risk-sharing
18 contracts shall be subject to a risk adjustment
19 factor, based on generally accepted actuarial
20 principles for adverse selection which may occur, and
21 e. for the Oklahoma Public ~~Employee~~ Employees Retirement
22 System, other employer-provided health insurance
23 benefit plans if the employer does not participate in
24

1 the plans offered pursuant to the Oklahoma Employees
2 Insurance and Benefits Act.

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

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

13 a. a retired employee, other than an education employee
14 or an employee who participates in the defined
15 contribution system administered by the Oklahoma
16 Public Employees Retirement System on or after
17 November 1, 2015, who is receiving benefits from the
18 Oklahoma Public Employees Retirement System after
19 September 30, 1988, shall have One Hundred Five
20 Dollars (\$105.00), or the premium rate of the health
21 insurance benefit plan, whichever is less, paid by the
22 Oklahoma Public Employees Retirement System to the
23 Board or ~~other~~ to another insurance carrier, or other
24 qualified benefits administrator, of the employer if

1 the employer does not participate in the plans offered
2 by the Office in the manner specified in subsection G
3 of this section,

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

14 c. a retired employee other than an education employee
15 who is receiving benefits from the Oklahoma Law
16 Enforcement Retirement System after September 30,
17 1988, is sixty-five (65) years of age or older or who
18 is under sixty-five (65) years of age and is eligible
19 for Medicare shall have One Hundred Five Dollars
20 (\$105.00), or the premium rate of the health insurance
21 benefit plan, whichever is less, paid by the Oklahoma
22 Law Enforcement Retirement System to the Office in the
23 manner specified in subsection G of this section, and
24

1 d. a retired employee other than an education employee
2 who is receiving benefits from the Uniform Retirement
3 System for Justices and Judges after September 30,
4 1988, shall have One Hundred Five Dollars (\$105.00),
5 or the premium rate of the health insurance plan,
6 whichever is less, paid by the Uniform Retirement
7 System for Justices and Judges to the Office in the
8 manner specified in subsection G of this section.

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

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

21 b. for plans offered by the Oklahoma Employees Insurance
22 and Benefits Act, the amount to be paid shall be
23 determined pursuant to the provisions of this
24 subsection and shall first be applied in whole or in

1 part to the prescription drug coverage premium. Any
2 remaining amount shall be applied toward the medical
3 coverage premium,

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

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

10 D. For any member of the Oklahoma Law Enforcement Retirement
11 System killed in the line of duty, whether the member was killed in
12 the line of duty prior to May 18, 2005, or on or after May 18, 2005,
13 or if the member was on a disability leave status at the time of
14 death, the surviving spouse or dependents of such deceased member of
15 the Oklahoma Law Enforcement Retirement System may elect to continue
16 or commence health and dental insurance benefits, provided the
17 dependents pay the full cost of such insurance, and for deaths
18 occurring on or after July 1, 2002, such election is made within
19 thirty (30) days of the 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 E. Effective July 1, 2004, a retired member of the Oklahoma Law
23 Enforcement Retirement System who retired from the System by means
24 of a personal and traumatic injury of a catastrophic nature and in

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

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

23 G. The amounts required to be paid by the Oklahoma Public
24 Employees Retirement System, the Uniform Retirement System for

1 Justices and Judges and the Oklahoma Law Enforcement Retirement
2 System pursuant to this section shall be forwarded no later than the
3 tenth day of each month following the month for which payment is due
4 by the Oklahoma Public Employees Retirement System Board of Trustees
5 or the Oklahoma Law Enforcement Retirement Board to the Office for
6 deposit in the Health, Dental and Life Insurance Reserve Fund or to
7 another insurance carrier, or other administrator of qualified
8 benefits, of the employer as provided for in subsection H of Section
9 1315 of this title.

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

1 had at the time of such transfer. Retirees who transferred
2 employment and who participate pursuant to this paragraph shall pay
3 the premium for elected benefits less any amounts paid by a state
4 retirement system pursuant to this section.

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

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