

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3826

By: Newton

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5
6 AS INTRODUCED

7 An Act relating to vision insurance; amending 74 O.S.
8 2021, Section 1374, which relates to vision plans;
9 requiring maximum amount for bond surety plans in
10 vision plans; and providing an effective date.

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

13 SECTION 1. AMENDATORY 74 O.S. 2021, Section 1374, is
14 amended to read as follows:

15 Section 1374. A. For the plan year beginning January 1, 2017,
16 and for each year thereafter, it shall be the responsibility of the
17 Office of Management and Enterprise Services to offer vision plans
18 to participants during the open enrollment period. Providers of
19 plans eligible for selection shall submit information requested by
20 the Office of Management and Enterprise Services. For the plan year
21 beginning January 1, 2022, and for each year thereafter, the Office
22 of Management and Enterprise Services shall have the authority to
23 renew vision plan contracts with plan providers for succeeding one-
24 year terms if the provider had a contract for the immediately

1 preceding year. The Office of Management and Enterprise Services
2 may, at its discretion, require the provider to submit information
3 including, but not limited to, rate schedules, contact information
4 for the plan, policy limits and applicable deductibles and billing
5 practices of the plan prior to the renewal. Plans eligible for
6 selection shall meet or exceed the following criteria:

7 1. Has in place a statewide network of at least one hundred
8 fifty providers. "Providers", for purposes of this section, means
9 Optometrists (OD), Ophthalmologists (MD), and Ophthalmologists (DO)
10 which shall be counted once regardless of the number of locations
11 where they may practice. Optical shops and retail optical locations
12 shall not be listed as providers. The company offering the vision
13 plan must have a direct relationship with each provider on its
14 panel, and may not lease, borrow, or otherwise obtain use of a
15 provider panel from another company. This would not prevent a
16 company from offering its plan through one corporate entity and
17 administering the plan or provider panel through another legal
18 entity of the same organization so long as the entity receiving
19 premiums remains legally responsible for the payment of benefits.
20 Providers must be actively engaged in providing the services offered
21 under the vision plan they represent;

22 2. Has operated in Oklahoma for at least five (5) years;
23 provided, that an immediately prior operation in Oklahoma of a
24 nonsurviving corporation that merges into an affiliated corporation

1 shall be counted in determining whether the surviving corporation
2 has operated a plan in Oklahoma for five (5) years;

3 3. Is properly licensed, registered, certified or authorized to
4 operate its business in this state by the Insurance Department.
5 Vision plans must be offered by the company administering the plan,
6 not by an agent or third party. A company shall offer only one
7 vision plan and rate schedule for each plan year;

8 4. Presents accurate product information in a reproducible
9 format not to exceed two pages; and

10 5. Vision plans must provide an examination, frames and lenses,
11 and/or contact lenses and some form of indemnified payment to the
12 contracted providers for each component of the benefits, i.e., the
13 exam, frames and lenses and/or contact lenses. This does not
14 eliminate discounted supplementary benefits under a qualified plan,
15 so long as such benefits pertain to vision care.

16 B. Any administrative fees imposed by the Office of Management
17 and Enterprise Services shall be applied equally to all qualified
18 vision plans. There shall be no additional requirements imposed on
19 a vision plan other than the proper licensing, certification or
20 authorization to operate its business by the Oklahoma Insurance
21 Department.

22 C. No more than two Oklahoma-based vision care benefits
23 companies that meet the criteria as specified in subsection A of
24 this section and no more than two out-of-state vision care benefits

1 companies that meet the criteria as specified in subsection A of
2 this section shall be offered as vendors for enrollment in any state
3 employee benefit offering. For purposes of this subsection, an
4 "Oklahoma-based vision care benefits company" shall be defined as
5 follows:

6 1. A vision care benefits company that has a home office,
7 customer service and administration located within the State of
8 Oklahoma and is subject to Oklahoma state income taxes; or

9 2. A vision care benefits company that has a majority of
10 ownership interest held either directly or indirectly by residents
11 of the State of Oklahoma and is subject to Oklahoma state income
12 taxes.

13 D. In the event the number of vision companies submitting
14 offerings exceeds the amount permitted under subsection C of this
15 section, the Office of Management and Enterprise Services shall have
16 the authority to reject excess offerings based upon failures to meet
17 bid requirements or for providing lesser value for the State of
18 Oklahoma.

19 E. The maximum insurance requirement allowed by a state agency
20 or entity for vision care benefits companies shall not exceed One
21 Million Dollars (\$1,000,000.00).

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SECTION 2. This act shall become effective November 1, 2022.

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