

1 STATE OF OKLAHOMA

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

3 SENATE BILL 651

By: David

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6 AS INTRODUCED

7 An Act relating to health insurance; amending 36 O.S.
8 2011, Section 4512, as amended by Section 1, Chapter
9 34, O.S.L. 2017 (36 O.S. Supp. 2020, Section 4512),
10 which relates to insured employer health benefit
11 plans; prohibiting insurer from canceling accident
and health policy without notice; requiring insurer
to explain reason for cancellation; and providing an
effective date.

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

14 SECTION 1. AMENDATORY 36 O.S. 2011, Section 4512, as
15 amended by Section 1, Chapter 34, O.S.L. 2017 (36 O.S. Supp. 2020,
16 Section 4512), is amended to read as follows:

17 Section 4512. A. This section applies to an insured employer
18 health benefit plan providing health insurance to employees of
19 employers employing twenty (20) or more full-time or full-time-
20 equivalent employees.

21 B. An employer carrier, on written request from an insured
22 employer covered by that carrier, shall report to the employer
23 information from the twelve (12) months preceding the date of the
24 report regarding:

1 1. The total amount of charges submitted to the carrier for
2 persons covered under the employer health benefit plan;

3 2. The total amount of premium payments made by the
4 policyholder to the insured carrier;

5 3. The total amount of payments made by the carrier to health
6 care providers for persons covered under the plan, including the
7 total hospital charges, physician charges, and pharmaceutical
8 charges; and

9 4. For any claims for an individual paid in excess of Ten
10 Thousand Dollars (\$10,000.00), information on claims paid, including
11 diagnostic evaluations.

12 C. An employer shall have to make a written request for
13 information. The employer may make one request per year prior to
14 the anniversary or renewal date. In addition, prior to the date of
15 a rate change, an employer may make additional written requests for
16 the information, provided the employer shall not make more than one
17 additional request in any one (1) year.

18 D. Except as otherwise provided in this subsection, an employer
19 carrier shall provide the information provided for in this section
20 not later than sixty (60) days before the anniversary or annual
21 renewal date, or thirty (30) days before the date of any rate change
22 action of the employer's benefit plan. Provided, if the carrier
23 receives the request from the employer less than sixty (60) days
24 before the anniversary or renewal date or less than thirty (30) days

1 before the date of a rate change, the carrier shall have sixty (60)
2 days from the date of receiving the request to provide the
3 information. Provided further, if the carrier requires the employer
4 to submit any changes to the benefit plan prior to the anniversary
5 or annual renewal date, the carrier shall provide the information
6 not later than sixty (60) days before the date the employer is
7 required to submit any changes.

8 E. An employer carrier shall not report any information
9 required under this section if the release of such information is
10 prohibited by federal law or regulation.

11 F. Claim information provided by an employer carrier under this
12 section shall be provided in the aggregate, without information
13 through which a specific individual covered by the health insurance
14 or evidence or coverage may be identified. Claim information shall
15 include the total claims made, the total claims paid, the total plan
16 charges and the head count by coverage.

17 G. 1. If an employer carrier fails to provide the information
18 in the time required by subsection D of this section, the Insurance
19 Commissioner may, after notice and hearing, subject an insurer to a
20 civil penalty of One Hundred Dollars (\$100.00) for each day that the
21 information is delinquent.

22 2. If an employer carrier has a risk-bearing contract with a
23 medical group, independent practice association (IPA), or management
24 services organization (MSO) that stipulates the delegation of claims

1 payment, and the carrier satisfies the Insurance Commissioner that
2 the medical group, IPA, or MSO has failed to provide the information
3 to the employer carrier in a sufficient time for the carrier to
4 comply with subsection D of this section, the Commissioner may waive
5 the penalty provided for in paragraph 1 of this subsection.

6 3. The civil penalty may be enforced in the same manner in
7 which civil judgments may be enforced, as provided in Section 312A
8 of this title. Such penalties shall be placed in the State
9 Insurance Commissioner Revolving Fund. Any person aggrieved by the
10 determination of the Insurance Commissioner may seek judicial review
11 pursuant to Section 320 of this title.

12 H. An employer carrier shall not cancel a group or individual
13 policy of existing coverage under an accident and health insurance
14 policy without providing notice to the policyholder at least thirty
15 (30) days prior to the cancellation. The notification shall explain
16 in sufficient detail the reason for the cancellation of the policy.

17 I. The Insurance Commissioner shall promulgate rules for the
18 implementation and administration of this section.

19 ~~F.~~ J. As used in this section, "employer carrier" means any
20 entity which provides health insurance in this state. For the
21 purposes of this section, employer carrier includes a licensed
22 insurance company, not-for-profit hospital service or medical
23 indemnity corporation, a fraternal benefit society, a health
24 maintenance organization, a multiple employer welfare arrangement or

1 any other entity providing a plan of health insurance or health
2 benefits subject to state insurance regulation.

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

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