

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3375

By: Fugate

AS INTRODUCED

An Act relating to health insurance policies;  
amending 36 O.S. 2021, Section 4502, which relates to  
provisions of group accident and health policies;  
adding pregnancy to the special enrollment period;  
providing when coverage begins; and providing an  
effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2021, Section 4502, is  
amended to read as follows:

Section 4502. A. Each group accident and health policy shall  
contain in substance the following provisions:

1. A provision that, in the absence of fraud, all statements  
made by the policyholder or by any insured person shall be deemed  
representations and not warranties, and that no statement made for  
the purpose of effecting insurance shall avoid such insurance or  
reduce benefits unless contained in a written instrument signed by  
the policyholder or the insured person, a copy of which has been  
furnished to such policyholder or to such person or his or her  
beneficiary;

1        2. A provision that the insurer will furnish to the  
2 policyholder, for delivery to each employee or member of the insured  
3 group, an individual certificate setting forth in summary form a  
4 statement of the essential features of the insurance coverage of  
5 such employee or member and to whom benefits are payable. If  
6 dependents or family members are included in the coverage additional  
7 certificates need not be issued for delivery to such dependents or  
8 family members; and

9        3. A provision that to the group originally insured may be  
10 added from time to time eligible new employees or members or  
11 dependents, as the case may be, in accordance with the terms of the  
12 policy.

13        B. Each group health policy certificate subject to the  
14 provisions of the Federal Health Insurance Portability and  
15 Accountability Act, Public Law 104-191, (HIPAA) laws shall contain  
16 in substance the following provisions, which shall be in addition to  
17 the provisions required by subsection A of this section.

18        1. A provision that a health benefit plan shall not deny,  
19 exclude or limit benefits for a covered individual for losses  
20 incurred more than twelve (12) months following the effective date  
21 of the individual's coverage due to a preexisting condition;

22        2. A provision that a health benefit plan shall not define a  
23 preexisting condition more restrictively than:  
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- a. a condition for which medical advice, diagnosis, care or treatment was recommended or received during the six (6) months immediately preceding the effective date of coverage,
- b. pregnancy and genetic information shall not be considered preexisting conditions,
- c. a health benefit plan may exclude a preexisting condition for late enrollees for a period not to exceed eighteen (18) months from the date the individual enrolls for coverage,
- d. the period of any such preexisting condition exclusion shall be reduced by the aggregate of the periods of creditable coverage as defined in the Federal HIPAA laws,
- e. a period of creditable coverage shall not be counted if after such period and before the enrollment date, there was a sixty-three-day period during all of which the individual was not covered under any creditable coverage,
- f. "enrollment date" means the date of enrollment of the individual in the plan or coverage or, if earlier, the first day of the waiting period for such enrollment, and

1           g. "late enrollee" means a participant or beneficiary who  
2           enrolls under the plan other than during the first  
3           period in which the individual is eligible to enroll  
4           under the plan or a special enrollment period;

5           3. A provision that individuals losing other coverage shall be  
6 permitted to enroll for coverage under the terms of the plan if each  
7 of the following conditions is met:

8           a. the employee or dependent was covered under a group  
9           health plan or had health insurance coverage at the  
10          time coverage was previously offered to the employee  
11          or dependent,

12          b. the employee stated in writing at such time that  
13          coverage under a group health plan or health insurance  
14          coverage was the reason for declining enrollment, but  
15          only if the plan sponsor or issuer required such a  
16          statement at such time and provided the employee with  
17          notice of such requirement, and the consequences of  
18          such requirement, at such time,

19          c. the employee's or dependent's coverage was under a  
20          COBRA continuation provision and the coverage under  
21          such provision was exhausted; or was not under such a  
22          provision and either the coverage was terminated as a  
23          result of loss of eligibility for the coverage,  
24          including as a result of legal separation, divorce,

1 death, termination of employment, or reduction in the  
2 number of hours of employment, or employer  
3 contributions toward such coverage were terminated,  
4 and

5 d. under the terms of the plan, the employee requests  
6 such enrollment not later than thirty (30) days after  
7 the date of exhaustion of coverage;

8 4. A provision that for any period that an individual is in a  
9 waiting period for any coverage under a group health plan or for  
10 group health insurance coverage or is in an affiliation period, that  
11 period shall not be taken into account in determining the continuous  
12 period of creditable coverage. "Affiliation period" means a period  
13 which, under the terms of the health insurance coverage offered by a  
14 health maintenance organization, must expire before the health  
15 insurance coverage becomes effective. The organization is not  
16 required to provide health care services or benefits during such  
17 period and no premium shall be charged to the participant or  
18 beneficiary for any coverage during the period;

19 5. A provision that preexisting condition exclusions will not  
20 apply to newborns, who, as the last day of the thirty-day period  
21 beginning with the date of birth, are covered under creditable  
22 coverage;  
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1       6. A provision that preexisting condition exclusions will not  
2 apply to a child who is adopted or placed for adoption before  
3 attaining eighteen (18) years of age;

4       7. A provision that dependents are eligible for a special  
5 enrollment period if the group health plan makes coverage available  
6 with respect to a dependent of an individual, and the individual is  
7 a participant under the plan, or has met any waiting period  
8 applicable to becoming a participant under the plan and is eligible  
9 to be enrolled under the plan but for a failure to enroll during a  
10 previous enrollment period, and a person becomes such a dependent of  
11 the individual through marriage, birth ~~or~~, adoption ~~or~~, placement  
12 for adoption, or pregnancy. The special enrollment period shall  
13 apply to that person or, if not otherwise enrolled, the individual,  
14 the dependent of the individual, and in the case of the birth ~~or~~,  
15 adoption of a child, or pregnancy of the individual or dependent of  
16 the individual, the spouse of the individual may be enrolled as a  
17 dependent of the individual if such spouse is otherwise eligible for  
18 coverage.

- 19       a. The dependent special enrollment period shall be a  
20 period of not less than thirty (30) days and shall  
21 begin on the later of the date dependent coverage is  
22 made available, or the date of the marriage, birth, ~~or~~  
23 adoption ~~or~~, placement for adoption. The dependent  
24 special enrollment period, for pregnancy, shall be a  
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1           period of not less than ninety (90) days and shall  
2           begin on the date of the pregnancy.

3           b.   There is no waiting period if an individual seeks to  
4               enroll a dependent during the first thirty (30) days  
5               of such a dependent special enrollment period.

6           c.   The coverage for the dependent shall become effective  
7               in the case of marriage, not later than the first day  
8               of the first month beginning after the date the  
9               completed request for enrollment is received, in the  
10              case of a dependent's birth, as of the date of such  
11              birth, in the case of a dependent's adoption or  
12              placement for adoption, the date of such adoption or  
13              placement for adoption, in the case of pregnancy of  
14              either the individual or dependent of the individual,  
15              not later than the first day of the first month  
16              beginning after the date the completed request for  
17              enrollment is received;

18           8.   A provision that eligibility or continued eligibility of any  
19               individual will not be based on any of the following health-status-  
20               related factors in relation to the individual or a dependent of the  
21               individual: health status, medical condition, including both  
22               physical and mental illnesses, claims experience, receipt of health  
23               care, medical history, genetic information, evidence of  
24               --

1 insurability, including conditions arising out of acts of domestic  
2 violence or disability.

3 a. Carriers are not required to provide particular  
4 benefits other than those provided under the terms of  
5 the plan or coverage.

6 b. Carriers may establish limitations or restrictions on  
7 the amount, level, extent, and nature of the benefits  
8 or coverage for similarly situated individuals  
9 enrolled in the plan or coverage; and

10 9. A provision that the group health plan is guaranteed  
11 renewable, except as provided pursuant to the federal provisions  
12 found in HIPAA, which are as follows:

- 13 a. nonpayment of premium,  
14 b. fraud,  
15 c. violation of participation and/or contribution rules,  
16 d. termination of coverage:

17 (1) in any case in which an issuer decides to  
18 discontinue offering a particular type of group  
19 health insurance coverage offered in the large or  
20 small group market, coverage of such type may be  
21 discontinued by the issuer only if: the issuer  
22 provides notice to each plan sponsor provided  
23 coverage of this type in such market, and  
24 participants and beneficiaries covered under such  
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1 coverage, of such discontinuation at least ninety  
2 (90) days prior to the date of the  
3 discontinuation of such coverage and makes  
4 available the option to purchase all or, in the  
5 case of the large group market, any other health  
6 insurance coverage currently being offered by the  
7 issuer to a group health plan in such market and  
8 in exercising the option to discontinue coverage  
9 of this type and in offering the option of  
10 coverage pursuant to this provision, the issuer  
11 acts uniformly without regard to the claims  
12 experience of those sponsors or any health-  
13 status-related factor relating to any  
14 participants or beneficiaries covered or new  
15 participants or beneficiaries who may become  
16 eligible for such coverage,

- 17 (2) in any case in which an issuer decides to  
18 discontinue offering a particular type of group  
19 health insurance coverage offered in the large or  
20 small group market, coverage of such type may be  
21 discontinued by the issuer only if: the issuer  
22 provides notice to the Oklahoma Insurance  
23 Department and to each plan sponsor and  
24 participants and beneficiaries covered under such  
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1 coverage of such discontinuation at least one  
2 hundred eighty (180) days prior to the date of  
3 the discontinuation of such coverage; and all  
4 health insurance issued or delivered for issuance  
5 in the state in such market or markets are  
6 discontinued and coverage under such health  
7 insurance coverage in such market or markets is  
8 not renewed, and

9 (3) in the case of a discontinuation under division  
10 (2) of this subparagraph in a market, the issuer  
11 shall not provide for the issuance of any health  
12 insurance coverage in the market and in this  
13 state during the five-year period beginning on  
14 the date of the discontinuation of the last  
15 health insurance coverage not so renewed,

16 e. movement outside the service area, and

17 f. association membership ceases.

18 SECTION 2. This act shall become effective November 1, 2024.

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