

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1588

By: Hall

AS INTRODUCED

An Act relating to state employee benefits; amending 63 O.S. 2021, Section 5003, which relates to the Oklahoma Health Care Authority; modifying duties; amending 74 O.S. 2021, Sections 1304.1, 1305.1, 1306.1, 1306.2, 1306.5, 1306.6, 1307.1, 1308.1, 1309, 1310.1, 1310.2, 1312, 1314.3, 1314.5, 1315, 1315.1, 1316.1, 1316.2, 1316.3, 1317, 1318, 1321, 1323, and 1374, which relate to the Oklahoma Employees Insurance and Benefits Act; transferring certain powers and duties to the Oklahoma Health Care Authority; directing implementation; conforming language; updating statutory language; updating statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 5003, is amended to read as follows:

Section 5003. A. The Legislature recognizes that the state is a major purchaser of health care services, and the increasing costs of such health care services are posing and will continue to pose a great financial burden on the state. It is the policy of the state to provide comprehensive health care as an employer to state employees and officials and their dependents and to those who are

1 dependent on the state for necessary medical care. It is imperative
2 that the state develop effective and efficient health care delivery
3 systems and strategies for procuring health care services in order
4 for the state to continue to purchase the most comprehensive health
5 care possible.

6 B. It is therefore incumbent upon the Legislature to establish
7 the Oklahoma Health Care Authority whose purpose shall be to:

8 1. Purchase ~~state and education employees' health care benefits~~
9 ~~and~~ Medicaid benefits;

10 2. Study all state-purchased and state-subsidized health care,
11 alternative health care delivery systems and strategies for the
12 procurement of health care services in order to maximize cost
13 containment in these programs while ensuring access to quality
14 health care; ~~and~~

15 3. Make recommendations aimed at minimizing the financial
16 burden which health care poses for the state, its employees and its
17 charges, while at the same time allowing the state to provide the
18 most comprehensive health care possible; and

19 4. Purchase and administer state and education employee health
20 care benefits in accordance with the Oklahoma Employees Insurance
21 and Benefits Act and the State Employees Flexible Benefits Act. The
22 Office of Management and Enterprise Services shall cause transfer of
23 all necessary assets, data, records, and personnel necessary for the
24

1 administration of state and education employee health care benefits
2 not later than the effective date of this act.

3 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1304.1, is
4 amended to read as follows:

5 Section 1304.1. A. The State and Education Employees Group
6 Insurance Board and the Oklahoma State Employees Benefits Council
7 are hereby abolished. Wherever the State and Education Employees
8 Group Insurance Board and the Oklahoma State Employees Benefits
9 Council are referenced in law, that reference shall be construed to
10 mean the Oklahoma Employees Insurance and Benefits Board.

11 B. There is hereby created the Oklahoma Employees Insurance and
12 Benefits Board.

13 C. The chair and ~~vice-chair~~ vice chair shall be elected by the
14 Board members at the first meeting of the Board and shall preside
15 over meetings of the Board and perform other duties as may be
16 required by the Board. Upon the resignation or expiration of the
17 term of the chair or ~~vice-chair~~ vice chair, the members shall elect
18 a chair or ~~vice-chair~~ vice chair. The Board shall elect one of its
19 members to serve as secretary.

20 D. The Board shall consist of seven (7) members to be appointed
21 as follows:

- 22 1. The ~~State~~ Insurance Commissioner, or designee;
23 2. Four members shall be appointed by the Governor;
24
25

1 3. One member shall be appointed by the Speaker of the ~~Oklahoma~~
2 House of Representatives; and

3 4. One member shall be appointed by the President Pro Tempore
4 of the ~~State~~ Senate.

5 E. The appointed members shall:

6 1. Have demonstrated professional experience in investment or
7 funds management, public funds management, public or private group
8 health or pension fund management, or group health insurance
9 management;

10 2. Be licensed to practice law in this state and have
11 demonstrated professional experience in commercial matters; or

12 3. Be licensed by the Oklahoma Accountancy Board to practice in
13 this state as a public accountant or a certified public accountant.

14 In making appointments that conform to the requirements of this
15 subsection, at least one but not more than three members shall be
16 appointed each from paragraphs 2 and 3 of this subsection by the
17 combined appointing authorities.

18 F. Each member of the Board shall serve a term of four (4)
19 years from the date of appointment.

20 G. Members of the Board shall be subject to the following:

21 1. The appointed members shall each receive compensation of
22 Five Hundred Dollars (\$500.00) per month. Appointed members who
23 fail to attend a regularly scheduled meeting of the Board shall not
24 receive the related compensation;

1 2. The appointed members shall be reimbursed for their
2 expenses, according to the State Travel Reimbursement Act, as are
3 incurred in the performance of their duties, which shall be paid
4 from the Health and Dental Insurance Reserve Fund;

5 3. In the event an appointed member does not attend at least
6 seventy-five percent (75%) of the regularly scheduled meetings of
7 the Board during a calendar year, the appointing authority may
8 remove the member;

9 4. A member may also be removed for any other cause as provided
10 by law;

11 5. No Board member shall be individually or personally liable
12 for any action of the Board; and

13 6. Participation on the Board is contingent upon maintaining
14 all necessary annual training as may be required through the Health
15 Insurance Portability and Accountability Act of 1996, Medicare
16 contracting requirements or other statutory or regulatory
17 guidelines.

18 H. The Board shall meet as often as necessary to conduct
19 business but shall meet no less than four times a year, with an
20 organizational meeting to be held prior to December 1, 2012. The
21 organizational meeting shall be called by the Insurance
22 Commissioner. A majority of the members of the Board shall
23 constitute a quorum for the transaction of business, and any
24

1 official action of the Board must have a favorable vote by a
2 majority of the members of the Board present.

3 I. Except as otherwise provided in this subsection, no member
4 of the Board shall be a lobbyist registered in this state as
5 provided by law, or be employed directly or indirectly by any firm
6 or health care provider under contract to ~~the State and Education~~
7 ~~Employees Group Insurance Board, the Oklahoma State Employees~~
8 ~~Benefits Council, or~~ the Oklahoma Employees Insurance and Benefits
9 Board, or any benefit program under its jurisdiction, for any goods
10 or services whatsoever. Any physician member of the Board shall not
11 be subject to the provisions of this subsection.

12 J. Any vacancy occurring on the Board shall be filled for the
13 unexpired term of office in the same manner as provided for in
14 subsection D of this section.

15 K. The Board shall act in accordance with the provisions of the
16 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the
17 Administrative Procedures Act.

18 L. The Administrative Director of the Courts shall designate
19 grievance panel members as shall be necessary. The members of the
20 grievance panel shall consist of two attorneys licensed to practice
21 law in this state and one ~~state-licensed~~ state-licensed health care
22 professional or health care administrator who has at least three (3)
23 years of practical experience, has had or has admitting privileges
24 to a hospital in this state, has a working knowledge of prescription

1 medication, or has worked in an administrative capacity at some
2 point in their career. The state health care professional shall be
3 appointed by the Governor. At the Governor's discretion, one or
4 more qualified individuals may also be appointed as an alternate to
5 serve on the grievance panel in the event the Governor's primary
6 appointee becomes unable to serve.

7 M. ~~The Office of Management and Enterprise Services~~ Oklahoma
8 Health Care Authority shall have the following duties,
9 responsibilities and authority with respect to the administration of
10 the flexible benefits plan authorized pursuant to the State
11 Employees Flexible Benefits Act:

12 1. To construe and interpret the plan, and decide all questions
13 of eligibility in accordance with the Oklahoma State Employees
14 Benefits Act and 26 U.S.C.A., Section 1 et seq.;

15 2. To select those benefits which shall be made available to
16 participants under the plan, according to the Oklahoma State
17 Employees Benefits Act, and other applicable laws and rules;

18 3. To prescribe procedures to be followed by participants in
19 making elections and filing claims under the plan;

20 4. Beginning with the plan year which begins on January 1,
21 2013, to select and contract with one or more providers to offer a
22 group TRICARE Supplement product to eligible employees who are
23 eligible TRICARE beneficiaries. Any membership dues required to
24 participate in a group TRICARE Supplement product offered pursuant

1 to this paragraph shall be paid by the employee. As used in this
2 paragraph, "TRICARE" means the Department of Defense health care
3 program for active duty and retired service members and their
4 families;

5 5. To prepare and distribute information communicating and
6 explaining the plan to participating employers and participants.
7 Health ~~Maintenance Organizations~~ maintenance organizations (HMOs) or
8 other third-party insurance vendors may be directly or indirectly
9 involved in the distribution of communicated information to
10 participating state agency employers and state employee participants
11 subject to the following condition: the Board shall verify all
12 marketing and communications information for factual accuracy prior
13 to distribution;

14 6. To receive from participating employers and participants
15 such information as shall be necessary for the proper administration
16 of the plan, and any of the benefits offered thereunder;

17 7. To furnish the participating employers and participants such
18 annual reports with respect to the administration of the plan as are
19 reasonable and appropriate;

20 8. To keep reports of benefit elections, claims and
21 disbursements for claims under the plan;

22 9. To negotiate for best and final offer through competitive
23 negotiation with the assistance and through the purchasing
24 procedures adopted by the Office of Management and Enterprise

1 Services and contract with federally qualified health maintenance
2 organizations under the provisions of 42 U.S.C., Section 300e et
3 seq., or with ~~Health Maintenance Organizations~~ health maintenance
4 organizations granted a certificate of authority by the Insurance
5 Commissioner pursuant to the Health Maintenance ~~Reform~~ Organization
6 Act of 2003 for consideration by participants as an alternative to
7 the health plans offered by the Oklahoma Employees Insurance and
8 Benefits Board, and to transfer to the health maintenance
9 organizations such funds as may be approved for a participant
10 electing health maintenance organization alternative services. The
11 Board may also select and contract with a vendor to offer a point-
12 of-service plan. An HMO may offer coverage through a point-of-
13 service plan, subject to the guidelines established by the Board.
14 However, if the Board chooses to offer a point-of-service plan, then
15 a vendor that offers both an HMO plan and a point-of-service plan
16 may choose to offer only its point-of-service plan in lieu of
17 offering its HMO plan. The Board may, however, renegotiate rates
18 with successful bidders after contracts have been awarded if there
19 is an extraordinary circumstance. An extraordinary circumstance
20 shall be limited to insolvency of a participating health maintenance
21 organization or point-of-service plan, dissolution of a
22 participating health maintenance organization or point-of-service
23 plan or withdrawal of another participating health maintenance
24 organization or point-of-service plan at any time during the

1 calendar year. Nothing in this section of law shall be construed to
2 permit either party to unilaterally alter the terms of the contract;

3 10. To retain as confidential information the initial ~~Request~~
4 ~~For Proposal~~ request for proposal offers as well as any subsequent
5 bid offers made by the health plans prior to final contract awards
6 as a part of the best and final offer negotiations process for the
7 benefit plan;

8 11. To promulgate administrative rules for the competitive
9 negotiation process;

10 12. To require vendors offering coverage to provide such
11 enrollment and claims data as is determined by the Board. The Board
12 shall be authorized to retain as confidential any proprietary
13 information submitted in response to the Board's ~~Request For~~
14 ~~Proposal~~ request for proposal. Provided, however, that any such
15 information requested by the Board from the vendors shall only be
16 subject to the confidentiality provision of this paragraph if it is
17 clearly designated in the ~~Request For Proposal~~ request for proposal
18 as being protected under this provision. All requested information
19 lacking such a designation in the ~~Request For Proposal~~ request for
20 proposal shall be subject to Section 24A.1 et seq. of Title 51 of
21 the Oklahoma Statutes. From health maintenance organizations, data
22 provided shall include the current Health Plan Employer Data and
23 Information Set (HEDIS);
24

1 13. To authorize the purchase of any insurance deemed necessary
2 for providing benefits under the plan including indemnity dental
3 plans, provided that the only indemnity health plan selected by the
4 Board shall be the indemnity plan offered by the Board, and to
5 transfer to the Board such funds as may be approved for a
6 participant electing a benefit plan offered by the Board. All
7 indemnity dental plans shall meet or exceed the following
8 requirements:

9 a. they shall have a statewide provider network,

10 b. they shall provide benefits which shall reimburse the
11 expense for the following types of dental procedures:

12 (1) diagnostic,

13 (2) preventative,

14 (3) restorative,

15 (4) endodontic,

16 (5) periodontic,

17 (6) prosthodontics,

18 (7) oral surgery,

19 (8) dental implants,

20 (9) dental prosthetics, and

21 (10) orthodontics, and

22 c. they shall provide an annual benefit ~~of~~ not less than
23 One Thousand Five Hundred Dollars (\$1,500.00) for all
24 services other than orthodontic services, and a

lifetime benefit ~~of~~ not less than One Thousand Five
Hundred Dollars (\$1,500.00) for orthodontic services;

14. To communicate deferred compensation programs as provided
in Section 1701 of Title 74 of the Oklahoma Statutes;

15. To assess and collect reasonable fees from contracted
health maintenance organizations and third-party insurance vendors
to offset the costs of administration;

16. To accept, modify or reject elections under the plan in
accordance with the Oklahoma State Employees Benefits Act and 26
U.S.C.A., Section 1 et seq.;

17. To promulgate election and claim forms to be used by
participants;

18. To adopt rules requiring payment for medical and dental
services and treatment rendered by duly licensed hospitals,
physicians and dentists. Unless the Board has otherwise contracted
with the out-of-state health care provider, the Board shall
reimburse for medical services and treatment rendered and charged by
an out-of-state health care provider at least at the same percentage
level as the network percentage level of the fee schedule
established by the Oklahoma Employees Insurance and Benefits Board
if the insured employee was referred to the out-of-state health care
provider by a physician or it was an emergency situation and the
out-of-state provider was the closest in proximity to the place of
residence of the employee which offers the type of health care

1 services needed. For purposes of this paragraph, health care
2 providers shall include, but not be limited to, physicians,
3 dentists, hospitals and special care facilities;

4 19. To enter into a contract with out-of-state providers in
5 connection with any PPO or hospital or medical network plan which
6 shall include, but not be limited to, special care facilities and
7 hospitals outside the borders of ~~the State of Oklahoma~~ this state.

8 The contract for out-of-state providers shall be identical to the
9 in-state provider contracts. The Board may negotiate for discounts
10 from billed charges when the out-of-state provider is not a network
11 provider and the member sought services in an emergency situation,
12 when the services were not otherwise available in ~~the State of~~
13 ~~Oklahoma~~ this state or when the Administrator appointed by the Board
14 approved the service as an exceptional circumstance;

15 20. To create the establishment of a grievance procedure by
16 which a three-member grievance panel shall act as an appeals body
17 for complaints by insured employees regarding the allowance and
18 payment of claims, eligibility, and other matters. Except for
19 grievances settled to the satisfaction of both parties prior to a
20 hearing, any person who requests in writing a hearing before the
21 grievance panel shall receive a hearing before the panel. The
22 grievance procedure provided by this paragraph shall be the
23 exclusive remedy available to insured employees having complaints
24 against the insurer. Such grievance procedure shall be subject to

1 the ~~Oklahoma~~ Administrative Procedures Act, including provisions
2 thereof for review of agency decisions by the district court. The
3 grievance panel shall schedule a hearing regarding the allowance and
4 payment of claims, eligibility and other matters within sixty (60)
5 days from the date the grievance panel receives a written request
6 for a hearing unless the panel orders a continuance for good cause
7 shown. Upon written request by the insured employee to the
8 grievance panel and received not less than ten (10) days before the
9 hearing date, the grievance panel shall cause a full stenographic
10 record of the proceedings to be made by a competent court reporter
11 at the insured employee's expense; and

12 21. To intercept monies owing to plan participants from other
13 state agencies, when those participants in turn owe money to the
14 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care
15 Authority, and to ensure that the participants are afforded due
16 process of law.

17 N. Except for a breach of fiduciary obligation, a Board member
18 shall not be individually or personally responsible for any action
19 of the Board.

20 O. The Board shall operate in an advisory capacity to the
21 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care
22 Authority.

23 P. The members of the Board shall not accept gifts or
24 gratuities from an individual organization with a value in excess of

1 Ten Dollars (\$10.00) per year. The provisions of this section shall
2 not be construed to prevent the members of the Board from attending
3 educational seminars, conferences, meetings or similar functions.

4 SECTION 3. AMENDATORY 74 O.S. 2021, Section 1305.1, is
5 amended to read as follows:

6 Section 1305.1. (1) ~~The Director of the Office of Management~~
7 ~~and Enterprise Services~~ Oklahoma Health Care Authority and the
8 Oklahoma Employees Insurance and Benefits Board shall discharge
9 their duties with respect to the Oklahoma Employees Insurance and
10 Benefits Act, the State Employees Flexible Benefits Act and the
11 State Employees Disability Program Act solely in the interest of
12 ~~said Acts~~ such acts and:

13 (a) for the exclusive purpose of:

14 (i) providing benefits to the participants and their
15 dependents, and

16 (ii) defraying reasonable expenses of administering the
17 Oklahoma Employees Insurance and Benefits Act, the
18 State Employees Flexible Benefits Act and the State
19 Employees Disability Program Act;

20 (b) with the care, skill, prudence, and diligence under the
21 circumstances then prevailing that a prudent person acting in a like
22 capacity and familiar with such matters would use in the conduct of
23 an enterprise of a like character and with like aims;
24

1 (c) by diversifying investments so as to minimize the risk of
2 large losses, unless under the circumstances it is clearly prudent
3 not to do so; and

4 (d) in accordance with the laws, documents and instruments
5 governing the Oklahoma Employees Insurance and Benefits Act, the
6 State Employees Flexible Benefits Act and the State Employees
7 Disability Program Act.

8 (2) The ~~Office~~ Authority may procure insurance indemnifying the
9 members of the Board and the ~~Director~~ Chief Executive Officer from
10 personal loss or accountability from liability resulting from action
11 or inaction.

12 (3) The ~~Director~~ Chief Executive Officer may establish an
13 investment committee. The investment committee shall be composed of
14 not more than three (3) members of the Board selected by the
15 ~~Director~~ Chief Executive Officer. The committee shall make
16 recommendations to the full Board on all matters related to the
17 choice of custodians and managers of the assets of the ~~Office of~~
18 ~~Management and Enterprise Services~~ Authority relating to the
19 Oklahoma Employees Insurance and Benefits Act, on the establishment
20 of investment and fund management guidelines, and in planning future
21 investment policy. The committee shall have no authority to act on
22 behalf of the Board or ~~Director~~ Chief Executive Officer in any
23 circumstances whatsoever. No recommendation of the committee shall
24 have effect as an action of the Board or ~~Director~~ Chief Executive

1 Officer nor take effect without the approval of the Board or
2 ~~Director~~ Chief Executive Officer.

3 (4) The ~~Office of Management and Enterprise Service~~ Authority,
4 based on recommendation of the Board shall retain qualified
5 investment managers to provide for the investment of the monies
6 received by the ~~Office~~ Authority. The investment managers shall be
7 chosen by a solicitation of proposals on a competitive bid basis
8 pursuant to standards set by the Board. Subject to the overall
9 investment guidelines set by the Board, the investment managers
10 shall have full discretion in the management of those monies of the
11 ~~Office~~ Authority allocated to the investment managers. The Board
12 shall oversee the management of those monies not specifically
13 allocated to the investment managers. The monies of the ~~Office~~
14 Authority allocated to the investment managers shall be actively
15 managed by the investment managers, which may include selling
16 investments and realizing losses if such action is considered
17 advantageous to longer term return maximization. Because of the
18 total return objective, no distinction shall be made for management
19 and performance evaluation purposes between realized and unrealized
20 capital gains and losses.

21 (5) Funds and revenues for investment by the investment
22 managers or the ~~Office of Management and Enterprise Services~~
23 Authority shall be placed with a custodian recommended by the Board.
24 The custodian shall be a bank or trust company offering pension fund

1 master trustee and master custodial services. The custodian shall
2 be chosen by a solicitation of proposals on a competitive bid basis
3 pursuant to standards set by the Board. In compliance with the
4 investment policy guidelines of the Board, the custodian bank or
5 trust company shall be contractually responsible for ensuring that
6 all monies of the ~~Office~~ Authority are invested in income-producing
7 investment vehicles at all times. If a custodian bank or trust
8 company has not received direction from the investment managers of
9 the ~~Office~~ Authority as to the investment of the monies ~~of the~~
10 ~~Office~~ in specific investment vehicles, the custodian bank or trust
11 company shall be contractually responsible to the ~~Office~~ Authority
12 for investing the monies in appropriately collateralized short-term
13 interest-bearing investment vehicles.

14 (6) Prior to August 1 of each year, the Board shall develop a
15 written investment plan for the monies received ~~by the Office~~.

16 (7) The Administrator shall compile annual financial statements
17 of all the activity of the ~~Office~~ Authority on a calendar year
18 basis. The financial statements shall be compiled pursuant to
19 accounting principles generally accepted in the United States. The
20 report shall include several relevant measures of investment value,
21 including acquisition cost and current fair market value with
22 appropriate summaries of total holdings and returns. The report
23 shall contain combined and individual rate of returns of the
24 investment managers by category of investment, over periods of time.

1 The report shall be distributed to the Board and the ~~Director of the~~
2 ~~Office of Management and Enterprise Services~~ Chief Executive Officer
3 of the Authority.

4 SECTION 4. AMENDATORY 74 O.S. 2021, Section 1306.1, is
5 amended to read as follows:

6 Section 1306.1. A. The ~~Office of Management and Enterprise~~
7 ~~Services~~ Oklahoma Health Care Authority shall have the right of
8 subrogation to recover any payments made for injury to an employee
9 or dependent caused by a third party's wrongful act or negligence.
10 The ~~Office shall have the authority to~~ Authority may waive or reduce
11 subrogation in individual cases when the exercise of the right of
12 subrogation would create an extreme financial hardship on the
13 employee or dependent.

14 B. Subrogation will exist only to the extent of actual claims
15 paid.

16 C. If an employee or dependent has prejudiced the ~~Office's~~
17 Authority's right of subrogation by releasing the responsible party
18 prior to submitting claims to the ~~Office~~ Authority, the claims may
19 be denied by the ~~Office~~ Authority. If claims are submitted and paid
20 after the employee or dependent has released the responsible party,
21 the ~~Office~~ Authority shall be entitled to bring an action against
22 the employee, dependent, or their assignees, for any such claims
23 paid and for additional costs incurred by the ~~Office~~ Authority
24

1 including, but not limited to: interest, administrative and
2 adjudicative costs, and attorney fees.

3 SECTION 5. AMENDATORY 74 O.S. 2021, Section 1306.2, is
4 amended to read as follows:

5 Section 1306.2. A. ~~The Director of the Office of Management~~
6 ~~and Enterprise Services~~ Oklahoma Health Care Authority shall submit
7 to the Insurance Commissioner the following information regarding
8 utilization review performed by employees of the ~~Office~~ Authority:

9 1. A utilization review plan that includes:

- 10 a. an adequate summary description of review standards,
11 protocol and procedures to be used in evaluating
12 proposed or delivered hospital and medical care,
13 b. assurances that the standards and criteria to be
14 applied in review determinations are established with
15 input from health care providers representing major
16 areas of specialty and certified by the boards of the
17 various American medical specialties, and
18 c. the provisions by which patients or health care
19 providers may seek reconsideration or appeal of
20 adverse decisions concerning requests for medical
21 evaluation, treatment or procedures;

22 2. The type and qualifications of the personnel either employed
23 or under contract to perform the utilization review;
24

1 3. The procedures and policies to ensure that an employee of
2 the ~~Office~~ Authority is reasonably accessible to patients and health
3 care providers five (5) days a week during normal business hours,
4 such procedures and policies to include as a requirement a toll-free
5 telephone number to be available during ~~said~~ such business hours;

6 4. The policies and procedures to ensure that all applicable
7 state and federal laws to protect the confidentiality of individual
8 medical records are followed;

9 5. The policies and procedures to verify the identity and
10 authority of personnel performing utilization review by telephone;

11 6. A copy of the materials designed to inform applicable
12 patients and health care providers of the requirements of the
13 utilization review plan;

14 7. The procedures for receiving and handling complaints by
15 patients, hospitals and health care providers concerning utilization
16 review; and

17 8. Procedures to ensure that after a request for medical
18 evaluation, treatment, or procedures has been rejected in whole or
19 in part and in the event a copy of the report on ~~said~~ such rejection
20 is requested, a copy of the report of the personnel performing
21 utilization review concerning the rejection shall be mailed by the
22 insurer, postage prepaid, to the ill or injured person, the treating
23 health care provider, hospital or to the person financially
24

1 responsible for the patient's bill within fifteen (15) days after
2 receipt of the request for the report.

3 B. The ~~Office~~ Authority shall pay an annual fee to the
4 Insurance Commissioner of Five Hundred Dollars (\$500.00).

5 SECTION 6. AMENDATORY 74 O.S. 2021, Section 1306.5, is
6 amended to read as follows:

7 Section 1306.5. A network provider facility or physician
8 contract, or any part or section of it, may be amended at any time
9 during the term of the contract only by mutual written consent of
10 duly authorized representatives of the ~~Office of Management and~~
11 ~~Enterprise Services~~ Oklahoma Health Care Authority and the facility
12 or physician.

13 SECTION 7. AMENDATORY 74 O.S. 2021, Section 1306.6, is
14 amended to read as follows:

15 Section 1306.6. The ~~Director of the Office of Management and~~
16 ~~Enterprise Services~~ Oklahoma Health Care Authority, in accordance
17 with administering the Medical Expense Liability Revolving Fund
18 pursuant to Section 746.1 of Title 19 of the Oklahoma Statutes,
19 shall employ, appoint, or otherwise designate the necessary
20 personnel to carry out the duties of the fund.

21 SECTION 8. AMENDATORY 74 O.S. 2021, Section 1307.1, is
22 amended to read as follows:

23 Section 1307.1. No employee or dependent who participates in an
24 ~~HMO~~ a health maintenance organization (HMO) through the Oklahoma

1 Employees Insurance and Benefits Act shall be denied the right of
2 changing the primary care physician to any other primary care
3 physician within the HMO. The employee or dependent shall notify
4 the HMO in writing of any change in the choice of primary care
5 physician forty-five (45) days in advance of the change by certified
6 mail with return receipt requested. Any such change in a primary
7 care physician shall not be subject to the approval of the HMO, ~~the~~
8 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care
9 Authority, or state agency.

10 SECTION 9. AMENDATORY 74 O.S. 2021, Section 1308.1, is
11 amended to read as follows:

12 Section 1308.1. (1) An educational entity may extend the
13 benefits of the health insurance plan, the dental insurance plan,
14 and the life insurance plan to education employees employed by the
15 entity. The benefits of the plans for an education employee shall
16 be the same and shall include the same plan options as would be made
17 available to a state employee participating in the plan that resided
18 at the same location. Notwithstanding the provisions of Section
19 1308.2 of this title, a period shall exist for enrolling education
20 entities from April 1, 1989, through October 1, 1991, whereby
21 education employees of a participating education entity may be
22 enrolled, pursuant to ~~this act~~ Section 1308.2 of this title, during
23 the entities' initial enrollment period, regardless of preexisting
24 conditions. The ~~Office of Management and Enterprise Services~~

1 Oklahoma Health Care Authority shall adopt rules and regulations for
2 enrollment by which education entities may apply to participate in
3 the insurance plans. Once an education entity becomes a participant
4 in the health and dental insurance plans offered through the
5 Oklahoma Employees Insurance and Benefits Act, the education entity
6 may withdraw from participation, in a manner prescribed by the
7 ~~Office~~ Authority. If a school district is participating in the
8 health and dental insurance plans pursuant to the Oklahoma Employees
9 Insurance and Benefits Act, Sections 1301 through 1329.1 of this
10 title, the employees of the school district who are eligible to
11 participate in the health and dental plans, at such time as the
12 school district may withdraw from such participation, may require
13 the board of education of the school district to call an election to
14 allow the employees to vote as to whether the school district shall
15 continue participation in the health and dental insurance plans
16 offered through the Oklahoma Employees Insurance and Benefits Act.
17 Upon the filing with the board of education of a petition calling
18 for such an election which is signed by no less than thirty percent
19 (30%) of the eligible employees of the school district, the board of
20 education shall call an election for the purpose of determining
21 whether the school district shall continue participation in the
22 health and dental insurance plans offered through the Oklahoma
23 Employees Insurance and Benefits Act. The election shall be held
24 within thirty (30) days of the filing of the petition. If a

1 majority of those eligible employees voting at the election vote to
2 continue participation in the health and dental insurance plans
3 offered through the Oklahoma Employees Insurance and Benefits Act,
4 the board of education shall be prohibited from withdrawing the
5 school district from such participation. If a majority of those
6 eligible employees voting at the election vote against continued
7 participation in the health and dental insurance plans offered
8 through the Oklahoma Employees Insurance and Benefits Act, the board
9 of education of the school district shall apply to discontinue such
10 participation within thirty (30) days of the election and within the
11 times the school district is authorized to withdraw from
12 participation in accordance with rules established for withdrawal by
13 the ~~Office~~ Authority.

14 (2) Except as otherwise provided in this subsection, when an
15 education entity participates in the health and dental insurance
16 plans offered through the Oklahoma Employees Insurance and Benefits
17 Act, all employees shall be advised of ~~Health Maintenance~~
18 ~~Organizations~~ health management organizations prepaid plans
19 available as an alternative to the state self-insured health
20 insurance plan. Eligible part-time education employees, at the
21 option of the employee, may enroll in the plans either at the time
22 the education entity begins participation in the plans or, if later,
23 upon a showing of insurability to the satisfaction of the ~~Office~~
24 Authority.

1 (3) Any employee of an education entity participating in the
2 health and dental insurance plans offered through the Oklahoma
3 Employees Insurance and Benefits Act who is employed after the
4 education entity began ~~said~~ such participation may be enrolled in
5 the health and dental insurance plans or ~~HMO~~ health maintenance
6 organization (HMO) plans approved by the ~~Office~~ Authority on the
7 first day of the second month of employment.

8 (4) Upon initial enrollment of an institution of higher
9 education to participate in the health and dental insurance plans
10 offered through the Oklahoma Employees Insurance and Benefits Act,
11 all individuals presently insured by ~~said~~ the institution's present
12 group health insurance plan shall become enrolled in ~~said~~ the state
13 plans for the remaining period of ~~said~~ the institution's contractual
14 liabilities.

15 (5) Education employees who shall be absent from the teaching
16 service because of election or appointment as a local, state, or
17 national education association officer shall be allowed to retain
18 coverage pursuant to the Oklahoma Employees Insurance and Benefits
19 Act upon the payment of the full cost of the coverage at the rate
20 and under such terms and conditions established by the Office or
21 Authority.

22 (6) Except as otherwise provided by law, an educational entity
23 may cease to participate in the Oklahoma Employees Insurance and
24 Benefits Act but provide health insurance coverage through another
25

1 insurance carrier. The subsequent carrier shall provide coverage to
2 the employees of the educational entity who terminated employment
3 with a retirement benefit, with a vested benefit, or who have ten
4 (10) or more years of service with a participating educational
5 entity but did not have a vested benefit through the retirement
6 system of the educational entity, if the election to retain health
7 insurance coverage was made within thirty (30) days of termination
8 of employment. Coverage shall also be provided to the eligible
9 dependents of the employees if an election to retain coverage is
10 made within thirty (30) days of termination of employment.

11 SECTION 10. AMENDATORY 74 O.S. 2021, Section 1309, is
12 amended to read as follows:

13 Section 1309. A. Any eligible employee may elect to have a
14 dependent or dependents of the employee covered by the ~~Health~~
15 ~~Insurance Plan~~ health insurance plan and ~~Dental Insurance Plan~~
16 dental insurance plan or by any available ~~Health Maintenance~~
17 ~~Organization~~ health maintenance organization (HMO) approved by the
18 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care
19 Authority. The employee may elect to cover all dependent children
20 and not elect to cover the spouse of the employee. Such election
21 shall be made at the time the employee becomes enrolled in the ~~Plan~~
22 plan, under such procedures as the ~~Office~~ Authority may establish.
23 If dependent coverage is not elected or if the employee elects to
24 cover all dependent children and not the spouse of the employee at

1 the time an employee becomes enrolled in the ~~Plan~~ plan, dependent
2 coverage or coverage for the spouse cannot be elected until the next
3 enrollment period or until a qualifying event has occurred as
4 established by the ~~Office~~ Authority. Such subsequent election of
5 dependent coverage shall be made under such conditions as the ~~Office~~
6 Authority may impose. If electing not to cover the spouse, the
7 employee shall submit a statement signed by both the employee and
8 the spouse acknowledging their choice not to provide insurance
9 coverage for the spouse under the ~~Health Insurance Plan~~ health
10 insurance plan and ~~Dental Insurance Plan~~ dental insurance plan or
11 approved HMO plans.

12 B. Any employee with dependent coverage, as provided in this
13 section, who has a change in the number of dependents may at the
14 time of such change increase or decrease the number of dependents
15 covered by the ~~Health Insurance Plan~~ health insurance plan and
16 ~~Dental Insurance Plan~~ dental insurance plan or approved HMO plans,
17 under procedures established by the ~~Office~~ Authority.

18 C. Any employee who has no eligible dependents at the time the
19 employee becomes enrolled may elect dependent coverage at the time
20 the dependency status of the employee changes under procedures
21 established by the ~~Office~~ Authority.

22 SECTION 11. AMENDATORY 74 O.S. 2021, Section 1310.1, is
23 amended to read as follows:
24

1 Section 1310.1. A. If a certified employee elects health care
2 coverage under a plan offered by a school district, including a plan
3 offered by the ~~Office of Management and Enterprise Services~~ Oklahoma
4 Health Care Authority or a self-insured plan offered by the school
5 district, then a school district shall pay no less than one hundred
6 percent (100%) of the premium amount for the HealthChoice (HI)
7 option plan for an individual offered by the ~~Office~~ Authority.

8 The amount a school district is required to pay pursuant to this
9 subsection shall be reduced by the flexible benefit allowance
10 provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

11 B. The premium for education entities that participate in the
12 health and dental insurance plans offered through the Oklahoma
13 Employees Insurance and Benefits Act shall be the same as paid by
14 state agencies for ~~said~~ such plans.

15 C. All education entities that participate in the insurance
16 plans offered through the Oklahoma Employees Insurance and Benefits
17 Act shall forward the appropriate premiums for each employee to the
18 Office no later than the tenth day of each month following the month
19 for which payment is due. Nothing shall prohibit a school district
20 from forwarding appropriate premiums to the ~~Office~~ Authority prior
21 to the month for which payment is due.

22 SECTION 12. AMENDATORY 74 O.S. 2021, Section 1310.2, is
23 amended to read as follows:
24
25

1 Section 1310.2. A school district shall pay fifty percent (50%)
2 of the cost of the individual health care premium amount for school
3 district employees who are not otherwise covered pursuant to Section
4 1310.1 of this title or Section 26-105 of Title 70 of the Oklahoma
5 Statutes, if such employee elects health care coverage under a plan
6 offered by a school district, including a plan offered by the ~~Office~~
7 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority
8 or a self-insured plan offered by the school district.

9 SECTION 13. AMENDATORY 74 O.S. 2021, Section 1312, is
10 amended to read as follows:

11 Section 1312. (1) Except as otherwise provided by law, all
12 employee and employer contributions, appropriations and dividend
13 payments related to the health and dental plans administered by the
14 ~~Director of the Office of Management and Enterprise Services~~ Chief
15 Executive Officer of the Oklahoma Health Care Authority shall be
16 deposited in a fund in the State Treasury which is hereby created
17 and which shall be known as the ~~Health and Dental Insurance Reserve~~
18 ~~Fund~~ "Health and Dental Insurance Reserve Fund". The money in such
19 fund shall be invested by the Oklahoma Employees Insurance and
20 Benefits Board in the manner specified in Section 1305.1 of this
21 title. Investment income of the fund shall be added to the fund.
22 Money payable to the claims administrator and all expenses in
23 connection with the plans shall be paid from the fund. The Board
24 shall have responsibility for management of the fund.

1 (2) All monies in the Health and Dental Insurance Reserve Fund
2 that are reserves for the life insurance plan administered by the
3 ~~Office Authority~~ shall be transferred to the Life Insurance Reserve
4 Fund on July 1, 1989.

5 SECTION 14. AMENDATORY 74 O.S. 2021, Section 1314.3, is
6 amended to read as follows:

7 Section 1314.3. (1) All otherwise eligible employees hired by
8 the Oklahoma Employment Security Commission after ~~the effective date~~
9 ~~of this act~~ May 30, 1990, shall participate in the State Plan and
10 shall not be entitled to the supplemental health insurance for which
11 provision is made in ~~this act~~ Section 1314.2 et seq. of this title
12 nor to any other Commission benefit plan not generally available to
13 state employees, and no other provisions of ~~this act~~ Section 1314.2
14 et seq. of this title shall apply to such future hirees.

15 (2) All otherwise eligible Commission employees not
16 participating in the Agency Plan as of ~~the effective date of this~~
17 ~~act~~ May 30, 1990, shall be enrolled in the State Plan on July 1,
18 1990. ~~Said~~ The nonparticipating Commission employees shall not be
19 entitled to the supplemental health insurance for which provision is
20 made in ~~this act~~ Section 1314.2 et seq. of this title.

21 (3) All Commission employees, retirees and dependents
22 participating in the Agency Plan as of ~~the effective date of this~~
23 ~~act~~ May 30, 1990, shall be permitted to transfer to the State Plan
24 and receive the supplemental insurance benefits for which provision

1 is made in Section 1314.4 of this title at such time as the
2 supplemental insurance is available. If not sooner transferred, all
3 Agency Plan participants shall be transferred to the State Plan on
4 January 1, 1991. Such mandatory transfer shall occur simultaneously
5 with any cancellation by the insurance provider of the Agency Plan,
6 occurring prior to January 1, 1991.

7 (4) All Commission employees, retirees and dependents enrolling
8 in or transferring to the State Plan under the provisions of this
9 section shall be given the opportunity to participate in all options
10 under the State Plan at the time of their enrollment or transfer.

11 (5) For active employees of the Commission, the Commission
12 shall pay the same monthly premium toward employee-only coverage as
13 that set by the ~~Office of Management and Enterprise Services~~
14 Oklahoma Health Care Authority and paid by the other state agencies
15 participating in the state health insurance program. For retirees
16 of the Commission who retired pursuant to the provisions of the
17 Oklahoma Public Employees Retirement System, the Oklahoma Public
18 Employees Retirement System shall pay the same monthly contribution
19 towards premiums for regular or Medicare supplement health insurance
20 coverage for those retirees as the amount paid towards the premiums
21 for the Oklahoma Public Employees Retirement System retirees from
22 other agencies. For retirees of the Commission who retired under
23 the provisions of another retirement plan, the Commission shall pay
24 the same monthly contribution towards premiums for regular or

1 Medicare supplement health insurance coverage for those retirees as
2 the amount paid towards premiums by the Oklahoma Public Employees
3 Retirement System for retirees of other state agencies.

4 (6) Except as provided in this subsection, employees and
5 retirees of the Commission, and their dependents, shall be covered
6 under the dental and life insurance plans provided by the ~~Office of~~
7 ~~Management and Enterprise Services~~ Authority pursuant to the same
8 provisions and premiums as apply to the employees and retirees of
9 other state agencies. Employees and retirees may elect to keep
10 their present agency offered life insurance, in addition to the
11 state life insurance. Any employee who elects to keep their agency
12 offered life insurance shall pay the premium for the life insurance
13 provided pursuant to the Oklahoma Employees Insurance and Benefits
14 Act. Any Commission retiree who elects to participate in the life
15 insurance program provided pursuant to the Oklahoma Employees
16 Insurance and Benefits Act shall pay the premium for such coverage.

17 (7) In the event that the agency offered life insurance plan is
18 canceled by the insurer offering it, the Commission shall contract
19 with the ~~Office~~ Authority for replacement coverage equal to that
20 lost by ~~said~~ such cancellation. The ~~Office~~ Authority is expressly
21 authorized and directed to enter into such a contract. The
22 Commission and the participants shall pay the full actuarial costs
23 and all reasonable administrative costs for such coverage. ~~Said~~ The
24 actuarial and administrative costs shall be divided between the

1 Commission and the participants in the same ratio as premiums are
2 now divided for the agency offered life insurance. The ~~Office~~
3 Authority shall maintain separate reserves for ~~said~~ such coverage.
4 On January 1, 2005, the Commission shall convert the agency offered
5 life insurance to the life insurance plans provided by the ~~Office~~
6 Authority pursuant to the same provisions and premiums as apply to
7 the employees and retirees of other state agencies. The Commission
8 may offer eligible employees an opportunity to voluntarily
9 relinquish their agency life insurance upon a payment to the
10 eligible employee, provided funds exist to do so.

11 SECTION 15. AMENDATORY 74 O.S. 2021, Section 1314.5, is
12 amended to read as follows:

13 Section 1314.5. A. The Oklahoma Employment Security Commission
14 shall attempt to obtain the supplemental health insurance described
15 in Section 1314.4 of this title through competitive procurement
16 under ~~The~~ the Oklahoma Central Purchasing Act. If the Commission
17 does not obtain such supplemental health insurance in this manner,
18 it shall contract with the ~~Office of Management and Enterprise~~
19 ~~Services~~ Oklahoma Health Care Authority for such coverage or the
20 Commission may provide the supplemental health insurance through a
21 self-insurance program.

22 B. If the Commission decides to contract with the ~~Office~~
23 Authority for the supplemental health insurance coverage, the ~~Office~~
24 Authority is expressly authorized and directed to enter into such a

1 contract and administer the supplemental benefit in such manner to
2 cause the least disruption to its systems and daily operations. The
3 supplemental benefit does not have to be offered as a supplemental
4 plan but can be combined with the state plan to be administered and
5 actuarially rated as a single plan. If this option is chosen, all
6 dependents of employees or former employees currently eligible for
7 the supplemental health insurance shall be included in the plan,
8 regardless of whether or not the dependents were previously included
9 in the plan, and this subsection will prevail over the provisions of
10 Section 1314.3 of this title. The Commission shall pay the full
11 actuarial cost to be determined by the ~~Office~~ Authority and all
12 reasonable administrative costs for such coverage, if provided by or
13 through the ~~Office~~ Authority. The ~~Office~~ Authority may consider the
14 utilization experience of the group participating in the benefit
15 when calculating the rate for providing the benefit. The ~~Office~~
16 Authority shall maintain separate reserves for ~~said~~ such coverage.

17 C. If the Commission decides to provide supplemental health
18 insurance through a self-insurance program, the Commission shall be
19 authorized to contract with a private company to provide claims
20 adjusting services for the supplemental health insurance claims
21 adjusting and processing.

22 SECTION 16. AMENDATORY 74 O.S. 2021, Section 1315, is
23 amended to read as follows:
24
25

1 Section 1315. A. Upon application in writing and subject to
2 any underwriting criteria that may be established by the ~~Office of~~
3 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority,
4 the ~~Office~~ Authority may extend the benefits of the Oklahoma
5 Employees Insurance and Benefits Plans to employees who are employed
6 in positions requiring actual performance of duty during not less
7 than one thousand (1,000) hours per year and to all full-time
8 employees of:

9 1. Any of the following groups which participate in the
10 Oklahoma Public Employees Retirement System:

- 11 a. county,
- 12 b. city,
- 13 c. town,
- 14 d. public trust for which the state is the primary
15 beneficiary, or
- 16 e. conservation districts; and

17 2. Any of the following groups:

- 18 a. county hospital,
- 19 b. rural water district, including employees and board
20 members,
- 21 c. sewer district,
- 22 d. gas district,
- 23 e. solid waste management district,

- f. nonprofit water corporation employees and board members,
- g. conservancy district or master conservancy district authorized by the provisions of Section 541 of Title 82 of the Oklahoma Statutes,
- h. voluntary organization of Oklahoma local government jurisdictions listed in Section 2003 of Title 62 of the Oklahoma Statutes including any council created by the voluntary organizations,
- i. voluntary association designated to administer the County Government Council as authorized in Section 7 of Title 19 of the Oklahoma Statutes,
- j. statewide nonprofit entities representing employees of the state or employees of local political subdivisions who are eligible for insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, or
- k. statewide nonprofit entities receiving state funds to provide ~~no-cost~~ no-cost legal services to low income and senior citizens.

B. Applications to participate in the Oklahoma Employees Insurance and Benefits Plans shall be approved by majority action of the governing body of the groups listed in subsection A of this section.

1 C. Groups listed in subsection A of this section participating
2 in the Oklahoma Employees Insurance and Benefits Plans shall pay all
3 costs attributable to their participation. The benefits of ~~said~~
4 such plans for a participant provided coverage pursuant to this
5 section shall be the same and shall include the same plan options as
6 would be made available to a state employee participating in the
7 plan that resided at the same location. The premium for
8 participating groups listed in subsection A of this section shall be
9 the same as paid by state and education employees.

10 D. Participating groups listed in subsection A of this section
11 shall not be required to offer dental insurance as defined in
12 paragraph ~~11~~ 12 of Section 1303 of this title, or other insurance as
13 defined in paragraph ~~12~~ 13 of Section 1303 of this title. However,
14 if dental insurance or any other insurance is offered, it must be
15 provided to all eligible employees. If an employee retires and
16 begins to receive benefits from the Oklahoma Public Employees
17 Retirement System or terminates service and has a vested benefit
18 with the Oklahoma Public Employees Retirement System, the employee
19 may elect, in the manner provided in Section 1316.2 of this title,
20 to participate in the dental insurance plan offered through the
21 Oklahoma Employees Insurance and Benefits Act within thirty (30)
22 days from the date of termination of employment. The employee shall
23 pay the full cost of the dental insurance.

1 E. 1. Any employee of a group listed in subsection A of this
2 section who retires or who has a vested benefit pursuant to the
3 Oklahoma Public Employees Retirement System may begin the health
4 insurance coverage if the employer of the employee is not a
5 participant of the Oklahoma Employees Insurance and Benefits Act and
6 does not offer health insurance to its employees. Such election by
7 the employee to begin coverage shall be made within thirty (30) days
8 from the date of termination of service.

9 2. Any employee of a group listed in subsection A of this
10 section who retires or who has a vested benefit pursuant to the
11 Oklahoma Public Employees Retirement System may begin or continue
12 the health insurance coverage if the employer of the employee is a
13 participant of the Oklahoma Employees Insurance and Benefits Act and
14 the election to begin or continue coverage is made within thirty
15 (30) days from the date of termination of service.

16 F. Any county, city, town, county hospital, public trust,
17 conservation district, or rural water, sewer, gas or solid waste
18 management district, or nonprofit water corporation, any of which of
19 the aforementioned groups is not a participating employer in the
20 Oklahoma Public Employees Retirement System, but which has employees
21 who are participating in the health, dental or life insurance plans
22 offered by or through the Oklahoma Employees Insurance and Benefits
23 Act on July 1, 1997, may continue to allow its current and future
24 employees to participate in such health, dental or life insurance

1 plans. Participation of such employees may also continue following
2 termination of employment if the employee has completed at least
3 eight (8) years of service with a participating employer and such an
4 election to continue in force is made within thirty (30) days
5 following termination of employment. Any retiree or terminated
6 employee electing coverage pursuant to this section shall pay the
7 full cost of the insurance.

8 G. An employee of a group listed in paragraph 2 of subsection A
9 of this section may continue in force health, dental and life
10 insurance coverage following termination of employment if the
11 employee has a minimum of eight (8) years of service with a
12 participating employer and the election to continue in force is made
13 within thirty (30) calendar days following termination of
14 employment.

15 H. Notwithstanding other provisions in this section, an
16 employer listed in subsection A of this section may cease to
17 participate in the Oklahoma Employees Insurance and Benefits Act but
18 provide health insurance coverage for its current and former
19 employees through another insurance carrier. The subsequent carrier
20 shall be responsible for providing coverage to the entity's
21 employees who terminated employment with a retirement benefit, with
22 a vested benefit, or who have eight (8) or more years of service
23 with a participating employer but did not have a vested benefit
24 through the Oklahoma Public Employees Retirement System, if the

1 election to retain health insurance coverage was made within thirty
2 (30) days of termination of employment. Coverage shall also be
3 provided to the eligible dependents of the employees if an election
4 to retain coverage is made within thirty (30) days of termination of
5 employment. Employees who terminate employment from an employer
6 covered by this paragraph before December 31, 2001, and elect
7 coverage under the Oklahoma Employees Insurance and Benefits Act,
8 shall not be required to change insurance carriers in the event that
9 the employer changes its insurance carrier to a subsequent carrier.
10 The provisions of this subsection shall become effective January 1,
11 2002.

12 I. Employers pursuant to subsection A of this section who
13 participate in the Oklahoma Public Employees Retirement System and
14 who offer health insurance coverage to their active employees, shall
15 offer health insurance coverage to those employees who retire from
16 the employer and also to those employees who terminate employment
17 and are eligible to elect a vested benefit in the System. Such
18 employers shall begin offering coverage to such employees on or
19 before January 1, 2004. Such employees who wish to continue
20 coverage shall make an election to retain health insurance coverage
21 within thirty (30) days of termination of employment. However,
22 former employees of such employers who have already retired or who
23 have terminated and are eligible to elect a vested benefit under the
24 Oklahoma Public Employees Retirement System, during the period

1 beginning January 1, 2002, and ending December 31, 2003, may make an
2 election to begin participation in the plans offered by the ~~Office~~
3 Authority on or before December 31, 2003, in the same manner as
4 other participating retired or vested members. The employer,
5 assisted by the Oklahoma Public Employees Retirement System, shall
6 notify by October 1, 2003, all members who have either retired from
7 the System or who are eligible to elect a vested benefit in the
8 System between January 1, 2002, through December 31, 2003, and who
9 were employed by an employer listed in subsection A of this section
10 of the member's potential eligibility to participate in such plans.
11 Each employer shall notify the Oklahoma Public Employees Retirement
12 System when an employee is retiring and makes the election pursuant
13 to this subsection to continue coverage under a plan offered by such
14 employer and when an employee terminates employment and is eligible
15 to elect a vested benefit in the System and such employee elects to
16 continue coverage under a plan offered by such employer. Such
17 employer shall also notify the Oklahoma Public Employees Retirement
18 System if a retired employee or an employee who is eligible to elect
19 a vested benefit in the System terminates such continued coverage.

20 J. Any group that begins participation in the Oklahoma
21 Employees Insurance and Benefits Plans after ~~the effective date of~~
22 ~~this act~~ May 30, 1990, and that is not composed of state or
23 education employees must have one hundred percent (100%)
24

1 participation in the health plan offered pursuant to the Oklahoma
2 Employees Insurance and Benefits Act.

3 SECTION 17. AMENDATORY 74 O.S. 2021, Section 1315.1, is
4 amended to read as follows:

5 Section 1315.1. Upon election and application by the secretary
6 of a county election board and subject to any underwriting criteria
7 that may be established by the ~~Office of Management and Enterprise~~
8 ~~Services~~ Oklahoma Health Care Authority, the ~~Office~~ Authority shall
9 extend the benefits of the Oklahoma Employees Insurance and Benefits
10 Plans to the secretary of each county election board, if the county
11 in which the secretary serves is not participating in such plans.

12 SECTION 18. AMENDATORY 74 O.S. 2021, Section 1316.1, is
13 amended to read as follows:

14 Section 1316.1. A. Any person who retires or who has elected
15 to receive a vested benefit under the provisions of the State of
16 Oklahoma retirement systems or persons who are currently drawing
17 disability benefits under Section 1331 et seq. of this title or who
18 meet each and every requirement of the State Employees Disability
19 Program or the spouse or dependent of any such employee may continue
20 in force the life insurance benefits authorized by ~~this act~~ Section
21 1301 et seq. of this title in a face amount of not less than one-
22 fourth (1/4) of the basic life insurance amount, if such election to
23 continue in force is made within thirty (30) days from the time of
24 severance. Persons electing to continue in force life insurance

1 benefits shall pay the full cost of the life insurance and under
2 such terms and conditions as established by the ~~Office of Management~~
3 ~~and Enterprise Services~~ Oklahoma Health Care Authority. Further,
4 any such retiree may continue in force any additional life insurance
5 that was purchased prior to retirement at an actuarially adjusted
6 rate and under such terms and conditions as established by the
7 ~~Office~~ Authority.

8 Effective January 1, 2002, nonvested employees may also continue
9 their life insurance benefits as provided in this section following
10 termination of employment, if the employee has completed at least
11 eight (8) years of service with an employer participating in the
12 Oklahoma Public Employees Retirement System or at least ten (10)
13 years of service with an employer participating in the Teachers'
14 Retirement System of Oklahoma. The election to continue the
15 employee's life insurance in force must be made within thirty (30)
16 days after the date of termination.

17 B. Any retired employee who is receiving a benefit or
18 terminates employment with a vested benefit from the Teachers'
19 Retirement System of Oklahoma and who becomes enrolled in the health
20 insurance plan offered by the Oklahoma Employees Insurance and
21 Benefits Act, pursuant to subsection E of Section 5-117.5 of Title
22 70 of the Oklahoma Statutes, may elect to purchase life insurance
23 benefits in amounts and at a cost as provided for in this section.
24

1 C. In lieu of subsection A of this section, any person who
2 retires or who has elected to receive a vested benefit under the
3 provisions of the State of Oklahoma retirement systems and who is
4 participating in a health insurance plan, the dental insurance plan,
5 or the life insurance plan offered by the ~~Office~~ Authority,
6 including such persons who are currently drawing disability benefits
7 under Section 1331 et seq. of this title or who meet each and every
8 requirement of the State Employees Disability Program on or before
9 July 1, 1999, or the spouse of any such person may elect to purchase
10 life insurance benefits authorized by this subsection in a face
11 amount not to exceed Fifty Thousand Dollars (\$50,000.00). Eligible
12 persons pursuant to this subsection shall make an election by
13 January 1, 2000, to purchase the life insurance coverage provided in
14 this subsection. Life insurance coverage pursuant to this
15 subsection shall depend upon providing satisfactory evidence of
16 insurability for the person who is to be covered. Life insurance
17 coverage, pursuant to this subsection, shall be purchased in blocks
18 of Five Thousand Dollars (\$5,000.00). The premium for such life
19 insurance coverage shall be at a blended rate and shall be set by
20 the ~~Office~~ Authority. The ~~Office~~ Authority shall promulgate rules
21 necessary for the implementation of the provisions of this
22 subsection.

23 SECTION 19. AMENDATORY 74 O.S. 2021, Section 1316.2, is
24 amended to read as follows:
25

1 Section 1316.2. A. Any employee, other than an education
2 employee, who retires pursuant to the provisions of the Oklahoma
3 Public Employees Retirement System or who has a vested benefit
4 pursuant to the provisions of the Oklahoma Public Employees
5 Retirement System may continue in force the health and dental
6 insurance benefits authorized by the provisions of the Oklahoma
7 Employees Insurance and Benefits Act, or other employer insurance
8 benefits if the employer does not participate in the plans offered
9 by the ~~Office of Management and Enterprise Services~~ Oklahoma Health
10 Care Authority, if such election to continue in force is made within
11 thirty (30) days from the date of termination of service. Except as
12 otherwise provided for in ~~Section 840-2.27I of this title and~~
13 subsection H of this section, health and dental insurance coverage
14 may not be reinstated at a later time if the election to continue in
15 force is declined. Vested employees other than education employees
16 who have terminated service and are not receiving benefits and
17 effective July 1, 1996, nonvested persons who have terminated
18 service with more than eight (8) years of participating service with
19 a participating employer, who within thirty (30) days from the date
20 of termination of service elect to continue such coverage, shall pay
21 the full cost of the insurance premium at the rate and pursuant to
22 the terms and conditions established by the ~~Office~~ Authority.
23 Provided also, any employee other than an education employee who
24 commences employment with a participating employer on or after

1 September 1, 1991, who terminates service with such employer on or
2 after July 1, 1996, but who otherwise has insufficient years of
3 service to retire or terminate service with a vested benefit
4 pursuant to the provisions of the Oklahoma Public Employees
5 Retirement System or to elect to continue coverage as a nonvested
6 employee as provided in this section, but who, immediately prior to
7 employment with the participating employer, was covered as a
8 dependent on the health and dental insurance policy of a spouse who
9 was an active employee other than an education employee, may count
10 as part of his or her credited service for the purpose of
11 determining eligibility to elect to continue coverage under this
12 section, the time during which the terminating employee was covered
13 as such a dependent.

14 B. 1. Health insurance benefit plans offered pursuant to this
15 section shall include:

- 16 a. indemnity plans offered through the ~~Office~~ Authority,
- 17 b. managed care plans offered as alternatives to the
18 indemnity plans offered through the ~~Office~~ Authority,
- 19 c. Medicare supplements offered pursuant to the Oklahoma
20 Employees Insurance and Benefits Act,
- 21 d. Medicare risk-sharing contracts offered as
22 alternatives to the Medicare supplements offered
23 through the ~~Office~~ Authority. All Medicare risk-
24 sharing contracts shall be subject to a risk

1 adjustment factor, based on generally accepted
2 actuarial principles for adverse selection which may
3 occur, and

- 4 e. for the Oklahoma Public Employees Retirement System,
5 other employer-provided health insurance benefit plans
6 if the employer does not participate in the plans
7 offered pursuant to the Oklahoma Employees Insurance
8 and Benefits Act.

9 2. Health insurance benefit plans offered pursuant to this
10 section shall provide prescription drug benefits, except for plans
11 designed pursuant to the Medicare Prescription Drug, Improvement,
12 and Modernization Act of 2003, for which provision of prescription
13 drug benefits is optional, and except for plans offered pursuant to
14 subparagraph e of paragraph 1 of this subsection.

15 C. 1. Designated public retirement systems shall contribute a
16 monthly amount towards the health insurance premium of certain
17 individuals receiving benefits from the public retirement system as
18 follows:

- 19 a. a retired employee, other than an education employee
20 or an employee who participates in the defined
21 contribution system administered by the Oklahoma
22 Public Employees Retirement System on or after
23 November 1, 2015, who is receiving benefits from the
24 Oklahoma Public Employees Retirement System after

1 September 30, 1988, shall have One Hundred Five
2 Dollars (\$105.00), or the premium rate of the health
3 insurance benefit plan, whichever is less, paid by the
4 Oklahoma Public Employees Retirement System to the
5 Board or to another insurance carrier or other
6 qualified benefits administrator of the employer if
7 the employer does not participate in the plans offered
8 by the ~~Office~~ Authority in the manner specified in
9 subsection G of this section,

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

20 c. a retired employee other than an education employee
21 who is receiving benefits from the Oklahoma Law
22 Enforcement Retirement System after September 30,
23 1988, is sixty-five (65) years of age or older or who
24 is under sixty-five (65) years of age and is eligible
25

1 for Medicare shall have One Hundred Five Dollars
2 (\$105.00), or the premium rate of the health insurance
3 benefit plan, whichever is less, paid by the Oklahoma
4 Law Enforcement Retirement System to the ~~Office~~
5 Authority in the manner specified in subsection G of
6 this section, and

- 7 d. a retired employee other than an education employee
8 who is receiving benefits from the Uniform Retirement
9 System for Justices and Judges after September 30,
10 1988, shall have One Hundred Five Dollars (\$105.00),
11 or the premium rate of the health insurance plan,
12 whichever is less, paid by the Uniform Retirement
13 System for Justices and Judges to the ~~Office~~ Authority
14 in the manner specified in subsection G of this
15 section.

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

- 18 a. the health plan shall be authorized by the provisions
19 of the Oklahoma Employees Insurance and Benefits Act,
20 except that if an employer from which an employee
21 retired or with a vested benefit pursuant to the
22 provisions of the Oklahoma Public Employees Retirement
23 System does not participate in the plans authorized by
24 the provisions of the Oklahoma Employees Insurance and
25

1 Benefits Act, the health plan will be the health
2 insurance benefits of the employer from which the
3 individual retired or vested,

4 b. for plans offered by the Oklahoma Employees Insurance
5 and Benefits Act, the amount to be paid shall be
6 determined pursuant to the provisions of this
7 subsection and shall first be applied in whole or in
8 part to the prescription drug coverage premium. Any
9 remaining amount shall be applied toward the medical
10 coverage premium,

11 c. for all plans, if the amount paid by the public
12 retirement system does not cover the full cost of the
13 elected coverage, the individual shall pay the
14 remaining premium amount, and

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

17 D. For any member of the Oklahoma Law Enforcement Retirement
18 System killed in the line of duty, whether the member was killed in
19 the line of duty prior to May 18, 2005, or on or after May 18, 2005,
20 or if the member was on a disability leave status at the time of
21 death, the surviving spouse or dependents of such deceased member of
22 the Oklahoma Law Enforcement Retirement System may elect to continue
23 or commence health and dental insurance benefits, provided the
24 dependents pay the full cost of such insurance, and for deaths

1 occurring on or after July 1, 2002, such election is made within
2 thirty (30) days of the date of death. The eligibility for the
3 benefits shall terminate for the surviving children when the
4 children cease to qualify as dependents.

5 E. Effective July 1, 2004, a retired member of the Oklahoma Law
6 Enforcement Retirement System who retired from the System by means
7 of a personal and traumatic injury of a catastrophic nature and in
8 the line of duty and any surviving spouse of such retired member and
9 any surviving spouse of a member who was killed in the line of duty
10 shall have one hundred percent (100%) of the retired member's or
11 surviving spouse's health care premium cost, whether the member or
12 surviving spouse elects coverage under the Medicare supplement or
13 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement
14 Retirement System to the ~~Office~~ Authority in the manner specified in
15 subsection H of this section. For plans offered by the ~~Office~~
16 Authority, such contributions will first be applied in whole or in
17 part to the prescription drug coverage premium, if any.

18 F. Dependents of a deceased employee who was on active work
19 status or on a disability leave at the time of death or of a
20 participating ~~retardant~~ retirant or of any person who has elected to
21 receive a vested benefit under the Oklahoma Public Employees
22 Retirement System, the Uniform Retirement System for Justices and
23 Judges or the Oklahoma Law Enforcement Retirement System may
24 continue the health and dental insurance benefits in force, provided

1 the dependents pay the full cost of such insurance and they were
2 covered as eligible dependents at the time of such death and such
3 election is made within thirty (30) days of date of death. The
4 eligibility for the benefits shall terminate for the surviving
5 children when the children cease to qualify as dependents.

6 G. The amounts required to be paid by the Oklahoma Public
7 Employees Retirement System, the Uniform Retirement System for
8 Justices and Judges and the Oklahoma Law Enforcement Retirement
9 System pursuant to this section shall be forwarded no later than the
10 tenth day of each month following the month for which payment is due
11 by the Oklahoma Public Employees Retirement System Board of Trustees
12 or the Oklahoma Law Enforcement Retirement Board to the ~~Office~~
13 Authority for deposit in the Health, Dental and Life Insurance
14 Reserve Fund or to another insurance carrier or other administrator
15 of qualified benefits of the employer as provided for in subsection
16 H of Section 1315 of this title.

17 H. Upon retirement from employment of the Board of Regents of
18 the University of Oklahoma, any person who was or is employed at the
19 George Nigh Rehabilitation Institute and who transferred employment
20 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
21 person who was employed at the Medical Technology and Research
22 Authority and who transferred employment pursuant to Section 7068 of
23 this title and any person who is a member of the Oklahoma Law
24 Enforcement Retirement System pursuant to the authority of Section

1 2-314 of Title 47 of the Oklahoma Statutes may participate in the
2 benefits authorized by the provisions of the Oklahoma Employees
3 Insurance and Benefits Act for retired participants including
4 health, dental and life insurance benefits, if such election to
5 participate is made within thirty (30) days from the date of
6 termination of service. Life insurance benefits for any such person
7 who transferred employment shall not exceed the coverage the person
8 had at the time of such transfer. Retirees who transferred
9 employment and who participate pursuant to this paragraph shall pay
10 the premium for elected benefits less any amounts paid by a state
11 retirement system pursuant to this section.

12 SECTION 20. AMENDATORY 74 O.S. 2021, Section 1316.3, is
13 amended to read as follows:

14 Section 1316.3. A. Any person who retires pursuant to the
15 provisions of the Teachers' Retirement System of Oklahoma with at
16 least ten (10) years of creditable service or who has a vested
17 benefit with at least ten (10) years of creditable service, pursuant
18 to the provisions of the Teachers' Retirement System of Oklahoma may
19 continue in force the health and dental insurance benefits
20 authorized by the provisions of the Oklahoma Employees Insurance and
21 Benefits Act if such election to continue in force or begin is made
22 within thirty (30) days from the date of termination of service.
23 Except as provided in subsection E of Sections 5-117.5 and 14-108.1
24 of Title 70 of the Oklahoma Statutes and ~~Section 840-2.27I of this~~

1 ~~title and~~ subsection K of this section, health and dental insurance
2 coverage may not be reinstated at a later time if the election to
3 continue in force or begin coverage is declined. Vested persons who
4 have terminated service and are not receiving benefits and effective
5 July 1, 1996, nonvested persons who have terminated service with
6 more than ten (10) years of participating service with a qualifying
7 employer, who within thirty (30) days from the date of termination
8 of service, elect to continue such coverage, shall pay the full cost
9 of ~~said~~ such insurance premium at the rate and pursuant to the terms
10 and conditions established by the ~~Office of Management and~~
11 ~~Enterprise Services~~ Oklahoma Health Care Authority.

12 B. 1. Health insurance benefit plans offered pursuant to this
13 section shall include:

- 14 a. indemnity plans offered through the ~~Office~~ Authority,
- 15 b. managed care plans offered as alternatives to the
16 indemnity plans,
- 17 c. Medicare supplements offered through the ~~Office~~
18 Authority,
- 19 d. Medicare risk-sharing contracts offered as
20 alternatives to the Medicare supplements offered
21 through the ~~Office~~ Authority, and
- 22 e. any other employer-provided health insurance benefit
23 plans if the employer does not participate in the
24

1 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,
6 and Modernization Act of 2003, which may or may not contain
7 prescription drug benefits, for which provision of prescription drug
8 benefits is optional, and except for plans offered pursuant to
9 subparagraph e of paragraph 1 of this subsection.

10 C. A retired person who:

11 1. Is receiving benefits from the Teachers' Retirement System
12 of Oklahoma after September 30, 1988, is under sixty-five (65) years
13 of age and is not otherwise eligible for Medicare and pursuant to
14 subsection A of this section elects to begin or to continue the
15 health insurance plan;

16 2. Is receiving benefits from the Teachers' Retirement System
17 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
18 age and is not otherwise eligible for Medicare and participates in a
19 health insurance plan provided by a participating education employer
20 of the Teachers' Retirement System of Oklahoma other than a health
21 insurance plan offered pursuant to the Oklahoma Employees Insurance
22 and Benefits Act or an alternative health plan offered pursuant to
23 the Oklahoma State Employees Benefits Act;

1 3. Is receiving benefits from the Teachers' Retirement System
2 of Oklahoma after September 30, 1988, made contributions to the
3 system and is sixty-five (65) years of age or older, or who is under
4 sixty-five (65) years of age and is eligible for Medicare and is a
5 participant in the Oklahoma Employees Insurance and Benefits Act and
6 elects coverage under the Medicare supplement offered by the ~~Office~~
7 Authority; or

8 4. Is receiving benefits from the Teachers' Retirement System
9 of Oklahoma after June 30, 1993, made contributions to the system
10 and is sixty-five (65) years of age or older, or who is under sixty-
11 five (65) years of age and is eligible for Medicare and participates
12 in a health insurance plan provided by a participating education
13 employer of the Teachers' Retirement System of Oklahoma other than a
14 health insurance plan offered pursuant to the Oklahoma Employees
15 Insurance and Benefits Act or an alternative health plan offered
16 pursuant to the Oklahoma State Employees Benefits Act and elects
17 coverage under the Medicare supplement offered by the ~~Office~~
18 Authority,

19 shall have the amount determined pursuant to subsection E of this
20 section, or the premium rate of the health insurance benefit plan,
21 whichever is less, paid by the Teachers' Retirement System of
22 Oklahoma. If the amount paid by the Teachers' Retirement System of
23 Oklahoma does not cover the full cost of the health insurance
24

premium, the retired person shall pay the remaining amount if the retired person wants to continue the coverage.

D. The Teachers' Retirement System shall pay the amount due pursuant to the provisions of subsection C of this section as follows:

1. For those individuals participating in plans provided through the Oklahoma Employees Insurance and Benefits Act, payment shall be made to the ~~Office~~ Authority pursuant to the provisions of subsection I of this section; or

2. For those individuals participating in plans provided through a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the Oklahoma Employees Insurance and Benefits Act, payment shall be made to the education employer.

E. Beginning July 1, 2000, the maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retired person toward ~~said~~ the person's monthly premium for health insurance shall be determined in accordance with the following schedule:

	LESS THAN		
	25 YEARS BUT		GREATER
	LESS THAN	GREATER THAN	THAN 24.99
AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE

1	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
2	Less than \$30,000.00 but			
3	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
4	Less than \$40,000.00 but			
5	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
6	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

7 For plans offered by the ~~Office~~ Authority, the amount paid
8 pursuant to this subsection shall first be applied to the
9 prescription drug coverage premium, if any. Any remaining amounts
10 shall be applied towards the medical coverage premium.

11 F. If a person retires and begins to receive benefits from the
12 Teachers' Retirement System of Oklahoma or terminates service and
13 has a vested benefit with the Teachers' Retirement System of
14 Oklahoma, the person may elect, in the manner provided in subsection
15 A of this section, to participate in the dental insurance plan
16 offered through the Oklahoma Employees Insurance and Benefits Act.
17 The person shall pay the full cost of the dental insurance.

18 G. Those persons who are receiving benefits from the Teachers'
19 Retirement System of Oklahoma and have health insurance coverage
20 which on the operative date of this section is being paid by the
21 education entity from which the person retired shall make the
22 election required in subsection A of this section within thirty (30)
23 days of the termination of ~~said~~ the health insurance coverage. The
24 person making the election shall give the ~~Office~~ Authority certified

1 documentation satisfactory to the ~~Office~~ Authority of the
2 termination date of the other health insurance coverage.

3 H. Dependents of a deceased education employee who was on
4 active work status or on a disability leave at the time of death or
5 of a participating retirant or of any person who has elected to
6 receive a vested benefit under the Teachers' Retirement System of
7 Oklahoma may continue the health and dental insurance benefits in
8 force provided ~~said~~ the dependents pay the full cost of such
9 insurance and they were covered as eligible dependents at the time
10 of such death and such election is made within thirty (30) days of
11 date of death. The eligibility for ~~said~~ such benefits shall
12 terminate for the surviving children when ~~said~~ the children cease to
13 qualify as dependents.

14 I. The amounts required to be paid by the Teachers' Retirement
15 System of Oklahoma pursuant to this section shall be forwarded no
16 later than the tenth day of each month following the month for which
17 payment is due by the Board of Trustees of the Teachers' Retirement
18 System of Oklahoma to the ~~Office~~ Authority for deposit in the
19 Education Employees Group Insurance Reserve Fund.

20 J. The Teachers' Retirement System of Oklahoma shall provide
21 the ~~Office~~ Authority information concerning the employers of retired
22 and vested members necessary to allow the ~~Office~~ Authority to track
23 eligibility for continued coverage.

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

20 SECTION 21. AMENDATORY 74 O.S. 2021, Section 1317, is
21 amended to read as follows:

22 Section 1317. Any legally blind person who is licensed by the
23 State Department of Rehabilitation Services as a vending stand
24 operator or managing operator shall be eligible for membership in
25

1 the ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance~~
2 ~~Plan~~ dental insurance plan and ~~Life Insurance Plan~~ life insurance
3 plan referred to in the Oklahoma Employees Insurance and Benefits
4 Act. Enrollment in the ~~Plan~~ plan shall be optional with each
5 operator pursuant to the rules prescribed by the ~~Office of~~
6 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority.

7 Any payments required to be made for enrollees in the ~~Plan~~ plan
8 shall be payable by the operator in such manner as may be determined
9 by the State Department of Rehabilitation Services; provided, that
10 the Department may, in its discretion, make all or a part of such
11 payments.

12 SECTION 22. AMENDATORY 74 O.S. 2021, Section 1318, is
13 amended to read as follows:

14 Section 1318. No former employee who is reemployed by a
15 participating entity within twenty-four (24) months after the date
16 of termination of previous employment shall be enrolled in the
17 Oklahoma Employees Insurance and Benefits Plan authorized by
18 Sections 1301 through 1329.1 of this title, for a greater amount of
19 life insurance or life benefit than the amount for which the life of
20 the former employee was insured under the plan at the date of
21 termination of employment, except upon the former employee
22 furnishing evidence of insurability, satisfactory to the ~~Office of~~
23 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority,

1 and any greater amount of benefit or insurance provided the employee
2 shall be at the former employee's cost.

3 SECTION 23. AMENDATORY 74 O.S. 2021, Section 1321, is
4 amended to read as follows:

5 Section 1321. A. ~~The Office of Management and Enterprise~~
6 ~~Services~~ Oklahoma Health Care Authority shall have the authority to
7 determine all rates and life, dental and health benefits for state-
8 sponsored plans. All rates shall be compiled in a comprehensive
9 Schedule of Benefits. The Schedule of Benefits shall be available
10 for inspection during regular business hours at the ~~Office of~~
11 ~~Management and Enterprise Services~~ Authority. The ~~Office~~ Authority
12 shall have the authority to annually adjust the rates and benefits
13 based on claim experience.

14 B. The premiums for such insurance plans offered for the next
15 plan year shall be established as follows:

16 1. For active employees and their dependents, the ~~Office's~~
17 Authority's premium determination shall be made no later than the
18 bid submission date for health maintenance organizations set by the
19 Oklahoma State Employees Benefits Council, which shall be set in
20 August no later than the third Friday of that month; and

21 2. For all other covered members and dependents, the ~~Office's~~
22 Authority's and the health maintenance organizations' premium
23 determinations shall be no later than the fourth Friday of
24 September.

1 C. The ~~Office~~ Authority may approve a mid-year adjustment
2 provided the need for an adjustment is substantiated by an actuarial
3 determination or more current experience rating. The only
4 publication or notice requirements that shall apply to the Schedule
5 of Benefits shall be those requirements provided in the Oklahoma
6 Open Meeting Act and within this section. It is the intent of the
7 Legislature that the benefits provided not include cosmetic dental
8 procedures except for certain orthodontic procedures as adopted by
9 the ~~Director~~ Chief Executive Officer of the Authority.

10 SECTION 24. AMENDATORY 74 O.S. 2021, Section 1323, is
11 amended to read as follows:

12 Section 1323. Any person who shall knowingly make any false
13 statement, or who shall falsify or permit to be falsified any record
14 necessary for carrying out the intent of the Oklahoma Employees
15 Insurance and Benefits Act, Sections 1301 through 1329.1 of this
16 title, for the purpose of committing fraud, shall be guilty of a
17 misdemeanor, and upon conviction shall be punished by a fine not
18 exceeding Five Thousand Dollars (\$5,000.00) or by imprisonment for
19 not exceeding one (1) year or by both the fine and imprisonment.
20 The ~~Office of Management and Enterprise Services~~ Oklahoma Health
21 Care Authority shall have the right to audit participating employer
22 groups to verify eligibility for any member and/or dependent and may
23 require proof of eligibility upon demand.

SECTION 25. AMENDATORY 74 O.S. 2021, Section 1374, is amended to read as follows:

Section 1374. A. For the plan year beginning January 1, 2017, and for each year thereafter, it shall be the responsibility of the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority to offer vision plans to participants during the open enrollment period. Providers of plans eligible for selection shall submit information requested by the ~~Office of Management and Enterprise Services~~ Authority. For the plan year beginning January 1, 2022, and for each year thereafter, the ~~Office of Management and Enterprise Services~~ Authority shall have the authority to renew vision plan contracts with plan providers for succeeding one-year terms if the provider had a contract for the immediately preceding year. The ~~Office of Management and Enterprise Services~~ Authority may, at its discretion, require the provider to submit information including, but not limited to, rate schedules, contact information for the plan, policy limits and applicable deductibles and billing practices of the plan prior to the renewal. Plans eligible for selection shall meet or exceed the following criteria:

1. Has in place a statewide network of at least one hundred fifty providers. "Providers", for purposes of this section, means ~~Optometrists~~ optometrists (OD), ~~Ophthalmologists~~ ophthalmologists (MD), and ~~Ophthalmologists~~ ophthalmologists (DO) which shall be counted once regardless of the number of locations where they may

1 practice. Optical shops and retail optical locations shall not be
2 listed as providers. The company offering the vision plan must have
3 a direct relationship with each provider on its panel, and may not
4 lease, borrow, or otherwise obtain use of a provider panel from
5 another company. This would not prevent a company from offering its
6 plan through one corporate entity and administering the plan or
7 provider panel through another legal entity of the same organization
8 so long as the entity receiving premiums remains legally responsible
9 for the payment of benefits. Providers must be actively engaged in
10 providing the services offered under the vision plan they represent;

11 2. Has operated in Oklahoma for at least five (5) years;
12 provided, that an immediately prior operation in Oklahoma of a
13 nonsurviving corporation that merges into an affiliated corporation
14 shall be counted in determining whether the surviving corporation
15 has operated a plan in Oklahoma for five (5) years;

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

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

23 5. Vision plans must provide an examination, frames and lenses,
24 and/or contact lenses and some form of indemnified payment to the
25

1 contracted providers for each component of the benefits, i.e., the
2 exam, frames and lenses and/or contact lenses. This does not
3 eliminate discounted supplementary benefits under a qualified plan,
4 so long as such benefits pertain to vision care.

5 B. Any administrative fees imposed by the ~~Office of Management~~
6 ~~and Enterprise Services~~ Authority shall be applied equally to all
7 qualified vision plans. There shall be no additional requirements
8 imposed on a vision plan other than the proper licensing,
9 certification or authorization to operate its business by the
10 ~~Oklahoma~~ Insurance Department.

11 C. No more than two Oklahoma-based vision care benefits
12 companies that meet the criteria as specified in subsection A of
13 this section and no more than two out-of-state vision care benefits
14 companies that meet the criteria as specified in subsection A of
15 this section shall be offered as vendors for enrollment in any state
16 employee benefit offering. For purposes of this subsection, an
17 "Oklahoma-based vision care benefits company" shall be defined as
18 follows:

19 1. A vision care benefits company that has a home office,
20 customer service and administration located within ~~the State of~~
21 ~~Oklahoma~~ this state and is subject to Oklahoma state income taxes;
22 or

23 2. A vision care benefits company that has a majority of
24 ownership interest held either directly or indirectly by residents
25

1 of ~~the State of Oklahoma~~ this state and is subject to Oklahoma state
2 income taxes.

3 D. In the event the number of vision companies submitting
4 offerings exceeds the amount permitted under subsection C of this
5 section, the ~~Office of Management and Enterprise Services~~ Authority
6 shall have the authority to reject excess offerings based upon
7 failures to meet bid requirements or for providing lesser value for
8 the State of Oklahoma.

9 SECTION 26. This act shall become effective November 1, 2024.

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