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**AS AMENDED**

BILL NO. 2108

and

Gillespie of the Senate

An Act relating to state government; amending 74 O.S. 2021, Sections 1304.1, as amended by Section 1, Chapter 241, O.S.L. 2024, 1305.1, 1306.1, 1306.6, 1307, 1307.1, 1307.2, 1307.3, 1308, 1308.1, 1309, 1310.1, 1310.2, 1311, 1311.1, 1312, 1312.1, 1312.2, 1312.3, 1314.3, 1314.5, 1315, 1315.1, 1316.1, 1316.2, as amended by Section 5, Chapter 245, O.S.L. 2024, 1316.3, 1317, 1320, 1321, as amended by Section 6, Chapter 245, O.S.L. 2024, 1323, 1324, 1325, 1326, 1327, 1328, and 1329 (74 O.S. Supp. 2024, Sections 1304.1, 1316.2, and 1321), which relate to the Oklahoma Employee Insurance and Benefits Act; updating statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 1304.1, as amended by Section 1, Chapter 241, O.S.L. 2024 (74 O.S. Supp. 2024, Section 1304.1), is amended to read as follows:

Section 1304.1. A. The State and Education Employees Group Insurance Board and the Oklahoma State Employees Benefits Council are hereby abolished. Wherever the State and Education Employees Group Insurance Board and the Oklahoma State Employees Benefits

1 Council are referenced in law, that reference shall be construed to  
2 mean the Oklahoma Employees Insurance and Benefits Board.

3 B. There is hereby created the Oklahoma Employees Insurance and  
4 Benefits Board.

5 C. The chair and vice-chair shall be elected by the Board  
6 members at the first meeting of the Board and shall preside over  
7 meetings of the Board and perform other duties as may be required by  
8 the Board. Upon the resignation or expiration of the term of the  
9 chair or vice-chair, the members shall elect a chair or vice-chair.  
10 The Board shall elect one of its members to serve as secretary.

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

- 13 1. The State Insurance Commissioner, or designee;
- 14 2. Four members shall be appointed by the Governor;
- 15 3. One member shall be appointed by the Speaker of the Oklahoma  
16 House of Representatives; and
- 17 4. One member shall be appointed by the President Pro Tempore  
18 of the Oklahoma State Senate.

19 E. The appointed members shall:

- 20 1. Have demonstrated professional experience in investment or  
21 funds management, public funds management, public or private group  
22 health or pension fund management, or group health insurance  
23 management;

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

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

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

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

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

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

16        2. The appointed members shall be reimbursed for their  
17 expenses, according to the State Travel Reimbursement Act, as are  
18 incurred in the performance of their duties, which shall be paid  
19 from the Health Insurance Reserve Fund;

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

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

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

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

10       H. The Board shall meet as often as necessary to conduct  
11 business but shall meet no less than four times a year, with an  
12 organizational meeting to be held prior to December 1, 2012. The  
13 organizational meeting shall be called by the Insurance  
14 Commissioner. A majority of the members of the Board shall  
15 constitute a quorum for the transaction of business, and any  
16 official action of the Board must have a favorable vote by a  
17 majority of the members of the Board present.

18       I. Except as otherwise provided in this subsection, no member  
19 of the Board shall be a lobbyist registered in this state as  
20 provided by law, or be employed directly or indirectly by any firm  
21 or health care provider under contract to the State and Education  
22 Employees Group Insurance Board, the Oklahoma State Employees  
23 Benefits Council, or the Oklahoma Employees Insurance and Benefits  
24 Board, or any benefit program under its jurisdiction, for any goods

1 or services whatsoever. Any physician member of the Board shall not  
2 be subject to the provisions of this subsection.

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

6 K. The Board shall act in accordance with the provisions of the  
7 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the  
8 Administrative Procedures Act.

9 L. The Administrative Director of the Courts shall designate  
10 grievance panel members as shall be necessary. The members of the  
11 grievance panel shall consist of two attorneys licensed to practice  
12 law in this state and one state-licensed health care professional or  
13 health care administrator who has at least three (3) years practical  
14 experience, has had or has admitting privileges to a hospital in  
15 this state, has a working knowledge of prescription medication, or  
16 has worked in an administrative capacity at some point in his or her  
17 career. The state health care professional shall be appointed by  
18 the Governor. At the Governor's discretion, one or more qualified  
19 individuals may also be appointed as an alternate to serve on the  
20 grievance panel in the event the Governor's primary appointee  
21 becomes unable to serve.

22 M. ~~The Office of Management and Enterprise Services~~ Oklahoma  
23 Health Care Authority shall **work in conjunction with the Office of**  
24 **Management and Enterprise Services to determine state employee**

1 **benefit elections and eligibility, and the Oklahoma Health Care**

2 **Authority shall** have the following duties, responsibilities and  
3 authority with respect to the administration of the flexible  
4 benefits plan authorized pursuant to the State Employees Flexible  
5 Benefits Act **and the Oklahoma State Employees Benefits Act:**

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

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

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

14 4. Beginning with the plan year which begins on January 1,  
15 2013, to select and contract with one or more providers to offer a  
16 group TRICARE Supplement product to eligible employees who are  
17 eligible TRICARE beneficiaries. Any membership dues required to  
18 participate in a group TRICARE Supplement product offered pursuant  
19 to this paragraph shall be paid by the employee. As used in this  
20 paragraph, "TRICARE" means the Department of Defense health care  
21 program for active duty and retired service members and their  
22 families;

23 5. To prepare and distribute information communicating and  
24 explaining the plan to participating employers and participants.

1 ~~Health Maintenance Organizations~~ Health maintenance organizations or  
2 other third-party insurance vendors may be directly or indirectly  
3 involved in the distribution of communicated information to  
4 participating state agency employers and state employee participants  
5 subject to the following condition: the Board shall verify all  
6 marketing and communications information for factual accuracy prior  
7 to distribution;

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

11 7. To furnish the participating employers and participants such  
12 annual reports with respect to the administration of the plan as are  
13 reasonable and appropriate;

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

16 9. To negotiate for best and final offer through competitive  
17 negotiation with the assistance and through the purchasing  
18 procedures adopted by the Office of Management and Enterprise  
19 Services and contract with federally qualified health maintenance  
20 organizations under the provisions of 42 U.S.C., Section 300e et  
21 seq., or with ~~Health Maintenance Organizations~~ health maintenance  
22 organizations granted a certificate of authority by the Insurance  
23 Commissioner pursuant to the Health Maintenance Reform Act of 2003  
24 for consideration by participants as an alternative to the health

1 plans offered by the Oklahoma Employees Insurance and Benefits  
2 Board, and to transfer to the health maintenance organizations such  
3 funds as may be approved for a participant electing health  
4 maintenance organization alternative services. The Board may also  
5 select and contract with a vendor to offer a point-of-service plan.  
6 An HMO may offer coverage through a point-of-service plan, subject  
7 to the guidelines established by the Board. However, if the Board  
8 chooses to offer a point-of-service plan, then a vendor that offers  
9 both an HMO plan and a point-of-service plan may choose to offer  
10 only its point-of-service plan in lieu of offering its HMO plan.  
11 The Board may, however, renegotiate rates with successful bidders  
12 after contracts have been awarded if there is an extraordinary  
13 circumstance. An extraordinary circumstance shall be limited to  
14 insolvency of a participating health maintenance organization or  
15 point-of-service plan, dissolution of a participating health  
16 maintenance organization or point-of-service plan or withdrawal of  
17 another participating health maintenance organization or point-of-  
18 service plan at any time during the calendar year. Nothing in this  
19 section of law shall be construed to permit either party to  
20 unilaterally alter the terms of the contract;

21 10. To retain as confidential information the initial Request  
22 For Proposal offers as well as any subsequent bid offers made by the  
23 health plans prior to final contract awards as a part of the best  
24 and final offer negotiations process for the benefit plan;



1        11. To promulgate administrative rules for the competitive  
2 negotiation process;

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

16        13. To authorize the purchase of any insurance deemed necessary  
17 for providing benefits under the plan including indemnity dental  
18 plans, provided that the only indemnity health plan selected by the  
19 Board shall be the indemnity plan offered by the Board, and to  
20 transfer to the Board such funds as may be approved for a  
21 participant electing a benefit plan offered by the Board. All  
22 indemnity dental plans shall meet or exceed the following  
23 requirements:

24            a. they shall have a statewide provider network,

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

- (1) diagnostic,
- (2) preventative,
- (3) restorative,
- (4) endodontic,
- (5) periodontic,
- (6) prosthodontics,
- (7) oral surgery,
- (8) dental implants,
- (9) dental prosthetics, and
- (10) orthodontics, and

c. they shall provide an annual benefit of not less than One Thousand Five Hundred Dollars (\$1,500.00) for all 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 this title;

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

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

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

6       18. To adopt rules requiring payment for medical and dental  
7 services and treatment rendered by duly licensed hospitals,  
8 physicians and dentists. Unless the Board has otherwise contracted  
9 with the out-of-state health care provider, the Board shall  
10 reimburse for medical services and treatment rendered and charged by  
11 an out-of-state health care provider at least at the same percentage  
12 level as the network percentage level of the fee schedule  
13 established by the Oklahoma Employees Insurance and Benefits Board  
14 if the insured employee was referred to the out-of-state health care  
15 provider by a physician or it was an emergency situation and the  
16 out-of-state provider was the closest in proximity to the place of  
17 residence of the employee which offers the type of health care  
18 services needed. For purposes of this paragraph, health care  
19 providers shall include, but not be limited to, physicians,  
20 dentists, hospitals and special care facilities;

21       19. To enter into a contract with out-of-state providers in  
22 connection with any PPO or hospital or medical network plan which  
23 shall include, but not be limited to, special care facilities and  
24 hospitals outside the borders of the State of Oklahoma. The

1 contract for out-of-state providers shall be identical to the in-  
2 state provider contracts. The Board may negotiate for discounts  
3 from billed charges when the out-of-state provider is not a network  
4 provider and the member sought services in an emergency situation,  
5 when the services were not otherwise available in the State of  
6 Oklahoma or when the Administrator appointed by the Board approved  
7 the service as an exceptional circumstance;

8 20. To create the establishment of external appeals procedures  
9 for complaints by insured employees in the two following manners:

10 a. independent review organizations, accredited by a  
11 national accrediting body, shall act as appeals bodies  
12 for complaints by insured employees regarding adverse  
13 benefit determinations based on:

14 (1) medical judgment,

15 (2) whether the insurer is complying with the  
16 surprise billing and cost-sharing protections set  
17 forth in Sections 2799A-1 and 2799A-2 of the  
18 Public Health Services Act, 42 U.S.C. 201 et  
19 seq., and

20 (3) a rescission in coverage,

21 b. a three-member grievance panel, which shall act as an  
22 appeals body for complaints by insured employees  
23 regarding all other issues.  
24

1 The appeals procedures provided by this paragraph shall be the  
2 exclusive remedies available to insured employees having complaints  
3 against the insurer. The appeals procedures of the three-member  
4 grievance panel shall be subject to the Oklahoma Administrative  
5 Procedures Act, including provisions thereof for review of agency  
6 decisions by the district court. The grievance panel shall schedule  
7 a hearing within sixty (60) days from the date the grievance panel  
8 receives a written request for a hearing unless the panel orders a  
9 continuance for good cause shown. Upon written request by the  
10 insured employee to the grievance panel and received not less than  
11 ten (10) days before the hearing date, the grievance panel shall  
12 cause a full stenographic record of the proceedings to be made by a  
13 competent court reporter at the insured employee's expense; and

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

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

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

1 P. The members of the Board shall not accept gifts or  
2 gratuities from an individual organization with a value in excess of  
3 Ten Dollars (\$10.00) per year. The provisions of this section shall  
4 not be construed to prevent the members of the Board from attending  
5 educational seminars, conferences, meetings or similar functions.

6 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1305.1, is  
7 amended to read as follows:

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

15 (a) for the exclusive purpose of:

16 (i) providing benefits to the participants and their  
17 dependents, and

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

22 (b) with the care, skill, prudence, and diligence under the  
23 circumstances then prevailing that a prudent person acting in a like  
24

1 capacity and familiar with such matters would use in the conduct of  
2 an enterprise of a like character and with like aims;

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

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

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

13 (3) The ~~Director~~ CEO may establish an investment committee.  
14 The investment committee shall be composed of not more than three

15 (3) members of the Board selected by the ~~Director~~ CEO. The  
16 committee shall make recommendations to the full Board on all  
17 matters related to the choice of custodians and managers of the  
18 assets of the ~~Office of Management and Enterprise Services~~ Oklahoma  
19 Health Care Authority relating to the Oklahoma Employees Insurance  
20 and Benefits Act, on the establishment of investment and fund  
21 management guidelines, and in planning future investment policy.

22 The committee shall have no authority to act on behalf of the Board  
23 or ~~Director~~ CEO in any circumstances whatsoever. No recommendation  
24 of the committee shall have effect as an action of the Board or

1 ~~Director~~ CEO nor take effect without the approval of the Board or  
2 ~~Director~~ CEO.

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



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

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

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

1 shall contain combined and individual rate of returns of the  
2 investment managers by category of investment, over periods of time.  
3 The report shall be distributed to the Board and the ~~Director of the~~  
4 ~~Office of Management and Enterprise Services~~ CEO of the Oklahoma  
5 Health Care Authority.

6 SECTION 3. AMENDATORY 74 O.S. 2021, Section 1306.1, is  
7 amended to read as follows:

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

16 B. Subrogation will exist only to the extent of actual claims  
17 paid.

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

1 paid and for additional costs incurred by the ~~Office~~ Authority  
2 including, but not limited to: interest, administrative and  
3 adjudicative costs, and attorney fees.

4 SECTION 4. AMENDATORY 74 O.S. 2021, Section 1306.6, is  
5 amended to read as follows:

6 Section 1306.6. ~~The Director of the Office of Management and~~  
7 ~~Enterprise Services~~ Chief Executive Officer of the Oklahoma Health  
8 Care Authority, in accordance with administering the Medical Expense  
9 Liability Revolving Fund pursuant to Section 746.1 of Title 19 of  
10 the Oklahoma Statutes, shall employ, appoint, or otherwise designate  
11 the necessary personnel to carry out the duties of the fund.

12 SECTION 5. AMENDATORY 74 O.S. 2021, Section 1307, is  
13 amended to read as follows:

14 Section 1307. A. The specifications drawn by the ~~Office of~~  
15 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
16 for the ~~Health Insurance Plan~~ health insurance plan shall provide  
17 for comprehensive hospital medical and surgical benefits. The  
18 ~~Health Insurance Plan~~ health insurance plan may limit coverage for a  
19 particular illness, disease, injury or condition; but, except for  
20 such limits, shall not exclude or limit particular services or  
21 procedures that can be provided for the diagnosis and treatment of  
22 an illness, disease, injury or condition, so long as the services  
23 and procedures provided are of sound efficacy, are medically  
24 necessary, and fall within the licensed scope of practice of the

1 practitioner providing same. The ~~Health Insurance Plan~~ health  
2 insurance plan may contract with providers for specific services  
3 based on levels of outcomes defined by the ~~Office~~ Authority and  
4 achieved by the provider. The ~~Health Insurance Plan~~ health  
5 insurance plan may provide for the application of deductibles and  
6 copayment or coinsurance provisions that are based on contracts with  
7 providers for specific services based on levels of outcomes or cost.

8 B. The ~~Life Insurance Plan~~ life insurance plan shall include  
9 Accidental Death and Dismemberment Benefits and additional optional  
10 life insurance coverage.

11 SECTION 6. AMENDATORY 74 O.S. 2021, Section 1307.1, is  
12 amended to read as follows:

13 Section 1307.1. No employee or dependent who participates in ~~an~~  
14 ~~HMO~~ a health maintenance organization (HMO) through the Oklahoma  
15 Employees Insurance and Benefits Act shall be denied the right of  
16 changing the primary care physician to any other primary care  
17 physician within the HMO. The employee or dependent shall notify  
18 the HMO in writing of any change in the choice of primary care  
19 physician forty-five (45) days in advance of the change by certified  
20 mail with return receipt requested. Any such change in a primary  
21 care physician shall not be subject to the approval of the HMO, the  
22 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
23 Authority or state agency.

1       SECTION 7.       AMENDATORY       74 O.S. 2021, Section 1307.2, is  
2 amended to read as follows:

3       Section 1307.2. On and after November 1, 1996, the ~~Office of~~  
4 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
5 shall include coverage for equipment, supplies and related services  
6 for the treatment of Type I, Type II, and gestational diabetes as  
7 provided by and pursuant to the provisions of Section 6060.2 of  
8 Title 36 of the Oklahoma Statutes.

9       SECTION 8.       AMENDATORY       74 O.S. 2021, Section 1307.3, is  
10 amended to read as follows:

11       Section 1307.3. Unless the ~~Office of Management and Enterprise~~  
12 ~~Services~~ Oklahoma Health Care Authority has otherwise contracted  
13 with an out-of-state provider, the ~~Office~~ Authority shall pay for  
14 medical services and treatment rendered by an out-of-state provider  
15 at the same level paid to an in-state provider if the insured was  
16 referred to the out-of-state provider by a physician or it was an  
17 emergency situation and the out-of-state provider which offers the  
18 type of services needed is the closest provider in proximity to the  
19 place of residence of the employee.

20       SECTION 9.       AMENDATORY       74 O.S. 2021, Section 1308, is  
21 amended to read as follows:

22       Section 1308. (1) Any employee eligible for membership in the  
23 ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~  
24 dental insurance plan or ~~Life Insurance Plan~~ life insurance plan

1 upon its effective date shall be enrolled in the plan unless the  
2 employee elects not to be enrolled within thirty (30) days of the  
3 effective dates. The employee shall be advised of ~~Health~~  
4 ~~Maintenance Organization~~ health maintenance organization (HMO)  
5 prepaid plans available as an alternative to the state self-insured  
6 ~~Health Insurance Plan~~ health insurance plan. The ~~Office of~~  
7 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
8 shall establish the procedure by which eligible employees not  
9 electing to be enrolled initially in the ~~Health Insurance Plan~~  
10 health insurance plan, ~~Dental Insurance Plan~~ dental insurance plan  
11 or ~~Life Insurance Plan~~ life insurance plan may be subsequently  
12 enrolled.

13 (2) Any eligible employee who is employed after the effective  
14 dates of the ~~Health Insurance Plan~~ health insurance plan, ~~Dental~~  
15 ~~Insurance Plan~~ dental insurance plan and ~~Life Insurance Plan~~ life  
16 insurance plan or HMO plans approved by the ~~Office~~ Authority may  
17 become enrolled on the first day of the second month of employment.

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

20 Section 1308.1. (1) An educational entity may extend the  
21 benefits of the health insurance plan, the dental insurance plan,  
22 and the life insurance plan to education employees employed by the  
23 entity. The benefits of the plans for an education employee shall  
24 be the same and shall include the same plan options as would be made

1 available to a state employee participating in the plan that resided  
2 at the same location. Notwithstanding the provisions of Section  
3 1308.2 of this title, a period shall exist for enrolling education  
4 entities from April 1, 1989 through October 1, 1991, whereby  
5 education employees of a participating education entity may be  
6 enrolled, pursuant to this act, during the entities' initial  
7 enrollment period, regardless of preexisting conditions. The ~~Office~~  
8 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority  
9 shall adopt rules and regulations for enrollment by which education  
10 entities may apply to participate in the insurance plans. Once an  
11 education entity becomes a participant in the health and dental  
12 insurance plans offered through the Oklahoma Employees Insurance and  
13 Benefits Act, the education entity may withdraw from participation,  
14 in a manner prescribed by the ~~Office~~ Authority. If a school  
15 district is participating in the health and dental insurance plans  
16 pursuant to the Oklahoma Employees Insurance and Benefits Act,  
17 Sections 1301 through ~~1329.1~~ 1329 of this title, the employees of  
18 the school district who are eligible to participate in the health  
19 and dental plans, at such time as the school district may withdraw  
20 from such participation, may require the board of education of the  
21 school district to call an election to allow the employees to vote  
22 as to whether the school district shall continue participation in  
23 the health and dental insurance plans offered through the Oklahoma  
24 Employees Insurance and Benefits Act. Upon the filing with the

1 board of education of a petition calling for such an election which  
2 is signed by no less than thirty percent (30%) of the eligible  
3 employees of the school district, the board of education shall call  
4 an election for the purpose of determining whether the school  
5 district shall continue participation in the health and dental  
6 insurance plans offered through the Oklahoma Employees Insurance and  
7 Benefits Act. The election shall be held within thirty (30) days of  
8 the filing of the petition. If a majority of those eligible  
9 employees voting at the election vote to continue participation in  
10 the health and dental insurance plans offered through the Oklahoma  
11 Employees Insurance and Benefits Act, the board of education shall  
12 be prohibited from withdrawing the school district from such  
13 participation. If a majority of those eligible employees voting at  
14 the election vote against continued participation in the health and  
15 dental insurance plans offered through the Oklahoma Employees  
16 Insurance and Benefits Act, the board of education of the school  
17 district shall apply to discontinue such participation within thirty  
18 (30) days of the election and within the times the school district  
19 is authorized to withdraw from participation in accordance with  
20 rules established for withdrawal by the ~~Office~~ Authority.

21 (2) Except as otherwise provided in this subsection, when an  
22 education entity participates in the health and dental insurance  
23 plans offered through the Oklahoma Employees Insurance and Benefits  
24 Act, all employees shall be advised of ~~Health Maintenance~~



1 ~~Organizations~~ health maintenance organizations (HMO) prepaid plans  
2 available as an alternative to the state self-insured health  
3 insurance plan. Eligible part-time education employees, at the  
4 option of the employee, may enroll in the plans either at the time  
5 the education entity begins participation in the plans or, if later,  
6 upon a showing of insurability to the satisfaction of the ~~Office~~  
7 Authority.

8 (3) Any employee of an education entity participating in the  
9 health and dental insurance plans offered through the Oklahoma  
10 Employees Insurance and Benefits Act who is employed after the  
11 education entity began said participation may be enrolled in the  
12 health and dental insurance plans or HMO plans approved by the  
13 ~~Office~~ Authority on the first day of the second month of employment.

14 (4) Upon initial enrollment of an institution of higher  
15 education to participate in the health and dental insurance plans  
16 offered through the Oklahoma Employees Insurance and Benefits Act,  
17 all individuals presently insured by said institution's present  
18 group health insurance plan shall become enrolled in said state  
19 plans for the remaining period of said institution's contractual  
20 liabilities.

21 (5) Education employees who shall be absent from the teaching  
22 service because of election or appointment as a local, state, or  
23 national education association officer shall be allowed to retain  
24 coverage pursuant to the Oklahoma Employees Insurance and Benefits

1 Act upon the payment of the full cost of the coverage at the rate  
2 and under such terms and conditions established by the ~~Office~~  
3 Authority.

4 (6) Except as otherwise provided by law, an educational entity  
5 may cease to participate in the Oklahoma Employees Insurance and  
6 Benefits Act but provide health insurance coverage through another  
7 insurance carrier. The subsequent carrier shall provide coverage to  
8 the employees of the educational entity who terminated employment  
9 with a retirement benefit, with a vested benefit, or who have ten  
10 (10) or more years of service with a participating educational  
11 entity but did not have a vested benefit through the retirement  
12 system of the educational entity, if the election to retain health  
13 insurance coverage was made within thirty (30) days of termination  
14 of employment. Coverage shall also be provided to the eligible  
15 dependents of the employees if an election to retain coverage is  
16 made within thirty (30) days of termination of employment.

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

19 Section 1309. A. Any eligible employee may elect to have a  
20 dependent or dependents of the employee covered by the ~~Health~~  
21 ~~Insurance Plan~~ health insurance plan and ~~Dental Insurance Plan~~  
22 dental insurance plan or by any available ~~Health Maintenance~~  
23 ~~Organization~~ health maintenance organization (HMO) approved by the  
24 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care

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

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

23 C. Any employee who has no eligible dependents at the time the  
24 employee becomes enrolled may elect dependent coverage at the time

1 the dependency status of the employee changes under procedures  
2 established by the ~~Office~~ Authority.

3 SECTION 12. AMENDATORY 74 O.S. 2021, Section 1310.1, is  
4 amended to read as follows:

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

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

15 B. The premium for education entities that participate in the  
16 health and dental insurance plans offered through the Oklahoma  
17 Employees Insurance and Benefits Act shall be the same as paid by  
18 state agencies for said plans.

19 C. All education entities that participate in the insurance  
20 plans offered through the Oklahoma Employees Insurance and Benefits  
21 Act shall forward the appropriate premiums for each employee to the  
22 ~~Office~~ Authority no later than the tenth day of each month following  
23 the month for which payment is due. Nothing shall prohibit a school  
24

1 district from forwarding appropriate premiums to the ~~Office~~  
2 Authority prior to the month for which payment is due.

3 SECTION 13. AMENDATORY 74 O.S. 2021, Section 1310.2, is  
4 amended to read as follows:

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

13 SECTION 14. AMENDATORY 74 O.S. 2021, Section 1311, is  
14 amended to read as follows:

15 Section 1311. The amount of monthly contribution to be made by  
16 employees enrolled in the ~~Insurance Plans~~ insurance plans shall be  
17 deducted from the monthly salaries of such employees and remitted to  
18 the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
19 Care Authority. The procedure for such deductions and remittances  
20 shall be established by the ~~Director~~ Chief Executive Officer of the  
21 Oklahoma Health Care Authority.

22 SECTION 15. AMENDATORY 74 O.S. 2021, Section 1311.1, is  
23 amended to read as follows:

1       Section 1311.1. The amount of monthly contribution to be made  
2 by persons who are drawing disability benefits under Section 1331 et  
3 seq. of this title and who are enrolled in the ~~Insurance Plans~~  
4 insurance plans shall be deducted from the monthly disability  
5 benefits of such persons and remitted to the ~~Office of Management~~  
6 ~~and Enterprise Services~~ Oklahoma Health Care Authority. The  
7 procedures for such deductions and remittances shall be established  
8 by the ~~Office~~ Authority.

9       SECTION 16.       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. The money in such fund shall be invested by the Oklahoma  
19 Employees Insurance and Benefits Board in the manner specified in  
20 Section 1305.1 of this title. Investment income of the fund shall  
21 be added to the fund. Money payable to the claims administrator and  
22 all expenses in connection with the plans shall be paid from the  
23 fund. The Board shall have responsibility for management of the  
24 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 17. AMENDATORY 74 O.S. 2021, Section 1312.1, is  
6 amended to read as follows:

7 Section 1312.1. There is hereby created in the State Treasury a  
8 Revolving Fund for the Oklahoma Employees Insurance and Benefits  
9 Plan. The revolving fund shall consist of funds transferred from  
10 the Health and Dental Insurance Reserve Fund and the Life Insurance  
11 Reserve Fund for operational expenses of the ~~State Health and Life~~  
12 ~~Insurance Plan~~ state health and life insurance plan and monies  
13 assessed from or collected for and due a ~~Health Maintenance~~  
14 ~~Organization~~ health maintenance organization (HMO) as approved by  
15 the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
16 Care Authority. Expenditures from said funds shall be made pursuant  
17 to the laws of the state and statutes relating to the ~~Plan~~ plan.  
18 This revolving fund shall be a continuing fund, not subject to  
19 fiscal year limitations, and shall be under the control and  
20 management of the ~~Office~~ Authority.

21 SECTION 18. AMENDATORY 74 O.S. 2021, Section 1312.2, is  
22 amended to read as follows:

23 Section 1312.2. (1) There is hereby created in the State  
24 Treasury, the Life Insurance Reserve Fund. Except as otherwise

1 provided by law, all contributions, appropriations, transfers,  
2 dividend payments, and investment income of the fund received from  
3 or for the benefit of the life insurance plan administered by the  
4 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
5 Authority shall be deposited in the reserve fund.

6 The monies in said reserve fund shall be invested by the  
7 Oklahoma Employees Insurance and Benefits Board in the manner  
8 specified in Section 1305.1 of this title. The Board shall have  
9 responsibility for management of the fund.

10 Money payable to the claims administrator and all expenses in  
11 connection with the life insurance plan shall be paid from the  
12 reserve fund.

13 (2) All monies in the Life Insurance Reserve Fund that are  
14 reserves for the health and dental plans administered by the ~~Office~~  
15 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority  
16 shall be transferred to the Health and Dental Insurance Reserve Fund  
17 on July 1, 1989.

18 SECTION 19. AMENDATORY 74 O.S. 2021, Section 1312.3, is  
19 amended to read as follows:

20 Section 1312.3. There is hereby created in the State Treasury,  
21 the Oklahoma Employees Insurance and Benefits Clearing Fund. The  
22 monies paid to the Oklahoma Employees Insurance and Benefits  
23 Clearing Fund pursuant to Section 1310 of this title shall be  
24 distributed as follows:



1        1. The first Thirty-one Million Five Hundred Thousand Dollars  
2 (\$31,500,000.00) received after ~~the effective date of this act~~ July  
3 1, 1991, during the fiscal year beginning July 1, 1996, shall be  
4 distributed to the Oklahoma State Regents for Higher Education; and

5        2. The balance thereof shall be distributed to and deposited in  
6 the appropriate reserve fund as directed by the ~~Office of Management~~  
7 ~~and Enterprise Services~~ Oklahoma Health Care Authority.

8        SECTION 20.        AMENDATORY        74 O.S. 2021, Section 1314.3, is  
9 amended to read as follows:

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

18        (2) All otherwise eligible Commission employees not  
19 participating in the ~~Agency Plan~~ agency plan as of ~~the effective~~  
20 ~~date of this act~~ May 30, 1990, shall be enrolled in the ~~State Plan~~  
21 state plan on July 1, 1990. Said nonparticipating Commission  
22 employees shall not be entitled to the supplemental health insurance  
23 for which provision is made in this act.

1       (3) All Commission employees, retirees and dependents  
2 participating in the ~~Agency Plan~~ agency plan as of ~~the effective~~  
3 ~~date of this act~~ May 30, 1990, shall be permitted to transfer to the  
4 ~~State Plan~~ state plan and receive the supplemental insurance  
5 benefits for which provision is made in Section 1314.4 of this title  
6 at such time as the supplemental insurance is available. If not  
7 sooner transferred, all ~~Agency Plan~~ agency plan participants shall  
8 be transferred to the ~~State Plan~~ state plan on January 1, 1991.  
9 Such mandatory transfer shall occur simultaneously with any  
10 cancellation by the insurance provider of the ~~Agency Plan~~ agency  
11 plan, occurring prior to January 1, 1991.

12       (4) All Commission employees, retirees and dependents enrolling  
13 in or transferring to the ~~State Plan~~ state plan under the provisions  
14 of this section shall be given the opportunity to participate in all  
15 options under the ~~State Plan~~ state plan at the time of their  
16 enrollment or transfer.

17       (5) For active employees of the Commission, the Commission  
18 shall pay the same monthly premium toward employee-only coverage as  
19 that set by the Oklahoma Health Care Authority and approved by the  
20 Office of Management and Enterprise Services and paid by the other  
21 state agencies participating in the state health insurance program.  
22 For retirees of the Commission who retired pursuant to the  
23 provisions of the Oklahoma Public Employees Retirement System, the  
24 Oklahoma Public Employees Retirement System shall pay the same

1 monthly contribution towards premiums for regular or Medicare  
2 supplement health insurance coverage for those retirees as the  
3 amount paid towards the premiums for the Oklahoma Public Employees  
4 Retirement System retirees from other agencies. For retirees of the  
5 Commission who retired under the provisions of another retirement  
6 plan, the Commission shall pay the same monthly contribution towards  
7 premiums for regular or Medicare supplement health insurance  
8 coverage for those retirees as the amount paid towards premiums by  
9 the Oklahoma Public Employees Retirement System for retirees of  
10 other state agencies.

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

1       (7) In the event that the agency offered life insurance plan is  
2 canceled by the insurer offering it, the Commission shall contract  
3 with the ~~Office~~ Authority for replacement coverage equal to that  
4 lost by said cancellation. The ~~Office~~ Authority is expressly  
5 authorized and directed to enter into such a contract. The  
6 Commission and the participants shall pay the full actuarial costs  
7 and all reasonable administrative costs for such coverage. Said  
8 actuarial and administrative costs shall be divided between the  
9 Commission and the participants in the same ratio as premiums are  
10 now divided for the agency offered life insurance. The ~~Office~~  
11 Authority shall maintain separate reserves for said coverage. On  
12 January 1, 2005, the Commission shall convert the agency offered  
13 life insurance to the life insurance plans provided by the ~~Office~~  
14 Authority pursuant to the same provisions and premiums as apply to  
15 the employees and retirees of other state agencies. The Commission  
16 may offer eligible employees an opportunity to voluntarily  
17 relinquish their agency life insurance upon a payment to the  
18 eligible employee, provided funds exist to do so.

19       SECTION 21.       AMENDATORY       74 O.S. 2021, Section 1314.5, is  
20 amended to read as follows:

21       Section 1314.5. A. The Oklahoma Employment Security Commission  
22 shall attempt to obtain the supplemental health insurance described  
23 in Section 1314.4 of this title through competitive procurement  
24 under The Central Purchasing Act. If the Commission does not obtain

1 such supplemental health insurance in this manner, it shall contract  
2 with the ~~Office of Management and Enterprise Services~~ Oklahoma  
3 Health Care Authority for such coverage or the Commission may  
4 provide the supplemental health insurance through a self-insurance  
5 program.

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

1 C. If the Commission decides to provide supplemental health  
2 insurance through a self-insurance program, the Commission shall be  
3 authorized to contract with a private company to provide claims  
4 adjusting services for the supplemental health insurance claims  
5 adjusting and processing.

6 SECTION 22. AMENDATORY 74 O.S. 2021, Section 1315, is  
7 amended to read as follows:

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

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

- 18 a. county,
- 19 b. city,
- 20 c. town,
- 21 d. public trust for which the state is the primary  
22 beneficiary, or
- 23 e. conservation districts; and

24 2. Any of the following groups:

- a. county hospital,
- b. rural water district, including employees and board members,
- c. sewer district,
- d. gas district,
- 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

1 k. statewide nonprofit entities receiving state funds to  
2 provide no cost legal services to low income and  
3 senior citizens.

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

8 C. Groups listed in subsection A of this section participating  
9 in the Oklahoma Employees Insurance and Benefits Plans shall pay all  
10 costs attributable to their participation. The benefits of said  
11 plans for a participant provided coverage pursuant to this section  
12 shall be the same and shall include the same plan options as would  
13 be made available to a state employee participating in the plan that  
14 resided at the same location. The premium for participating groups  
15 listed in subsection A of this section shall be the same as paid by  
16 state and education employees.

17 D. Participating groups listed in subsection A of this section  
18 shall not be required to offer dental insurance as defined in  
19 paragraph ~~11~~ 12 of Section 1303 of this title, or other insurance as  
20 defined in paragraph ~~12~~ 13 of Section 1303 of this title. However,  
21 if dental insurance or any other insurance is offered, it must be  
22 provided to all eligible employees. If an employee retires and  
23 begins to receive benefits from the Oklahoma Public Employees  
24 Retirement System or terminates service and has a vested benefit



1 with the Oklahoma Public Employees Retirement System, the employee  
2 may elect, in the manner provided in Section 1316.2 of this title,  
3 to participate in the dental insurance plan offered through the  
4 Oklahoma Employees Insurance and Benefits Act within thirty (30)  
5 days from the date of termination of employment. The employee shall  
6 pay the full cost of the dental insurance.

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

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

22 F. Any county, city, town, county hospital, public trust,  
23 conservation district, or rural water, sewer, gas or solid waste  
24 management district, or nonprofit water corporation, any of which of

1 the aforementioned groups is not a participating employer in the  
2 Oklahoma Public Employees Retirement System, but which has employees  
3 who are participating in the health, dental or life insurance plans  
4 offered by or through the Oklahoma Employees Insurance and Benefits  
5 Act on July 1, 1997, may continue to allow its current and future  
6 employees to participate in such health, dental or life insurance  
7 plans. Participation of such employees may also continue following  
8 termination of employment if the employee has completed at least  
9 eight (8) years of service with a participating employer and such an  
10 election to continue in force is made within thirty (30) days  
11 following termination of employment. Any retiree or terminated  
12 employee electing coverage pursuant to this section shall pay the  
13 full cost of the insurance.

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

21 H. Notwithstanding other provisions in this section, an  
22 employer listed in subsection A of this section may cease to  
23 participate in the Oklahoma Employees Insurance and Benefits Act but  
24 provide health insurance coverage for its current and former

1 employees through another insurance carrier. The subsequent carrier  
2 shall be responsible for providing coverage to the entity's  
3 employees who terminated employment with a retirement benefit, with  
4 a vested benefit, or who have eight (8) or more years of service  
5 with a participating employer but did not have a vested benefit  
6 through the Oklahoma Public Employees Retirement System, if the  
7 election to retain health insurance coverage was made within thirty  
8 (30) days of termination of employment. Coverage shall also be  
9 provided to the eligible dependents of the employees if an election  
10 to retain coverage is made within thirty (30) days of termination of  
11 employment. Employees who terminate employment from an employer  
12 covered by this ~~paragraph~~ subsection before December 31, 2001, and  
13 elect coverage under the Oklahoma Employees Insurance and Benefits  
14 Act, shall not be required to change insurance carriers in the event  
15 that the employer changes its insurance carrier to a subsequent  
16 carrier. The provisions of this subsection shall become effective  
17 January 1, 2002.

18 I. Employers pursuant to subsection A of this section who  
19 participate in the Oklahoma Public Employees Retirement System and  
20 who offer health insurance coverage to their active employees, shall  
21 offer health insurance coverage to those employees who retire from  
22 the employer and also to those employees who terminate employment  
23 and are eligible to elect a vested benefit in the System. Such  
24 employers shall begin offering coverage to such employees on or

1 before January 1, 2004. Such employees who wish to continue  
2 coverage shall make an election to retain health insurance coverage  
3 within thirty (30) days of termination of employment. However,  
4 former employees of such employers who have already retired or who  
5 have terminated and are eligible to elect a vested benefit under the  
6 Oklahoma Public Employees Retirement System, during the period  
7 beginning January 1, 2002, and ending December 31, 2003, may make an  
8 election to begin participation in the plans offered by the ~~Office~~  
9 Authority on or before December 31, 2003, in the same manner as  
10 other participating retired or vested members. The employer,  
11 assisted by the Oklahoma Public Employees Retirement System shall  
12 notify by October 1, 2003, all members who have either retired from  
13 the System or who are eligible to elect a vested benefit in the  
14 System between January 1, 2002, through December 31, 2003, and who  
15 were employed by an employer listed in subsection A of this section  
16 of the member's potential eligibility to participate in such plans.  
17 Each employer shall notify the Oklahoma Public Employees Retirement  
18 System when an employee is retiring and makes the election pursuant  
19 to this subsection to continue coverage under a plan offered by such  
20 employer and when an employee terminates employment and is eligible  
21 to elect a vested benefit in the System and such employee elects to  
22 continue coverage under a plan offered by such employer. Such  
23 employer shall also notify the Oklahoma Public Employees Retirement  
24

1 System if a retired employee or an employee who is eligible to elect  
2 a vested benefit in the System terminates such continued coverage.

3 J. Any group that begins participation in the Oklahoma  
4 Employees Insurance and Benefits Plans after ~~the effective date of~~  
5 ~~this act~~ March 17, 1970, and that is not composed of state or  
6 education employees must have one hundred percent (100%)  
7 participation in the health plan offered pursuant to the Oklahoma  
8 Employees Insurance and Benefits Act.

9 SECTION 23. AMENDATORY 74 O.S. 2021, Section 1315.1, is  
10 amended to read as follows:

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

18 SECTION 24. AMENDATORY 74 O.S. 2021, Section 1316.1, is  
19 amended to read as follows:

20 Section 1316.1. A. Any person who retires or who has elected  
21 to receive a vested benefit under the provisions of the State of  
22 Oklahoma retirement systems or persons who are currently drawing  
23 disability benefits under Section 1331 et seq. of this title or who  
24 meet each and every requirement of the State Employees Disability

1 Program or the spouse or dependent of any such employee may continue  
2 in force the life insurance benefits authorized by ~~this act~~ the  
3 Oklahoma Employees Insurance Benefits Act in a face amount of not  
4 less than one-fourth (1/4) of the basic life insurance amount, if  
5 such election to continue in force is made within thirty (30) days  
6 from the time of severance. Persons electing to continue in force  
7 life insurance benefits shall pay the full cost of the life  
8 insurance and under such terms and conditions as established by the  
9 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
10 Authority. Further, any such retiree may continue in force any  
11 additional life insurance that was purchased prior to retirement at  
12 an actuarially adjusted rate and under such terms and conditions as  
13 established by the ~~Office~~ Authority.

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

23 B. Any retired employee who is receiving a benefit or  
24 terminates employment with a vested benefit from the Teachers'

1 Retirement System of Oklahoma and who becomes enrolled in the health  
2 insurance plan offered by the Oklahoma Employees Insurance and  
3 Benefits Act, pursuant to subsection E of Section 5-117.5 of Title  
4 70 of the Oklahoma Statutes, may elect to purchase life insurance  
5 benefits in amounts and at a cost as provided for in this section.

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

1 the Authority and approved by the Office of Management and  
2 Enterprise Services. The ~~Office~~ Authority shall promulgate rules  
3 necessary for the implementation of the provisions of this  
4 subsection.

5 SECTION 25. AMENDATORY 74 O.S. 2021, Section 1316.2, as  
6 amended by Section 5, Chapter 245, O.S.L. 2024 (74 O.S. Supp. 2024,  
7 Section 1316.2), is amended to read as follows:

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



1 participating service with a participating employer, who within  
2 thirty (30) days from the date of termination of service elect to  
3 continue such coverage, shall pay the full cost of the insurance  
4 premium at the rate and pursuant to the terms and conditions  
5 established by the ~~Office~~ Authority. Provided also, any employee  
6 other than an education employee who commences employment with a  
7 participating employer on or after September 1, 1991, who terminates  
8 service with such employer on or after July 1, 1996, but who  
9 otherwise has insufficient years of service to retire or terminate  
10 service with a vested benefit pursuant to the provisions of the  
11 Oklahoma Public Employees Retirement System or to elect to continue  
12 coverage as a nonvested employee as provided in this section, but  
13 who, immediately prior to employment with the participating  
14 employer, was covered as a dependent on the health and dental  
15 insurance policy of a spouse who was an active employee other than  
16 an education employee, may count as part of his or her credited  
17 service for the purpose of determining eligibility to elect to  
18 continue coverage under this section, the time during which the  
19 terminating employee was covered as such a dependent.

20 B. 1. Health insurance benefit plans offered pursuant to this  
21 section shall include:

- 22 a. indemnity plans offered through the ~~Office~~ Authority,
- 23 b. managed care plans offered as alternatives to the
- 24 indemnity plans offered through the ~~Office~~ Authority,

1 c. Medicare supplements offered pursuant to the Oklahoma  
2 Employees Insurance and Benefits Act,

3 d. Medicare risk-sharing contracts offered as  
4 alternatives to the Medicare supplements offered  
5 through the ~~Office~~ Authority. All Medicare risk-  
6 sharing contracts shall be subject to a risk  
7 adjustment factor, based on generally accepted  
8 actuarial principles for adverse selection which may  
9 occur, and

10 e. for the Oklahoma Public Employees Retirement System,  
11 other employer-provided health insurance benefit plans  
12 if the employer does not participate in the plans  
13 offered pursuant to the Oklahoma Employees Insurance  
14 and Benefits Act.

15 2. Health insurance benefit plans offered pursuant to this  
16 section shall provide prescription drug benefits, except for plans  
17 designed pursuant to the Medicare Prescription Drug Improvement and  
18 Modernization Act, pursuant to 42 USCA Section 1395w-101, et seq.,  
19 for which provision of prescription drug benefits is optional, and  
20 except for plans offered pursuant to subparagraph e of paragraph 1  
21 of this subsection.

22 C. 1. Designated public retirement systems shall contribute a  
23 monthly amount towards the health insurance premium of certain  
24

1 individuals receiving benefits from the public retirement system as  
2 follows:

3           a.    a retired employee, other than an education employee  
4                   or an employee who participates in the defined  
5                   contribution system administered by the Oklahoma  
6                   Public Employees Retirement System on or after  
7                   November 1, 2015, who is receiving benefits from the  
8                   Oklahoma Public Employees Retirement System after  
9                   September 30, 1988, shall have One Hundred Five  
10                  Dollars (\$105.00), or the premium rate of the health  
11                  insurance benefit plan, whichever is less, paid by the  
12                  Oklahoma Public Employees Retirement System to the  
13                  Board or to another insurance carrier or other  
14                  qualified benefits administrator of the employer if  
15                  the employer does not participate in the plans offered  
16                  by the ~~Office~~ Authority in the manner specified in  
17                  subsection G of this section,

18           b.    a retired employee or surviving spouse other than an  
19                   education employee who is receiving benefits from the  
20                   Oklahoma Law Enforcement Retirement System after  
21                   September 30, 1988, is under sixty-five (65) years of  
22                   age and is not otherwise eligible for Medicare shall  
23                   have the premium rate for the health insurance benefit  
24                   plan or One Hundred Five Dollars (\$105.00), whichever

- 1 is less, paid by the Oklahoma Law Enforcement  
2 Retirement System to the ~~Office~~ Authority in the  
3 manner specified in subsection G of this section,
- 4 c. a retired employee other than an education employee  
5 who is receiving benefits from the Oklahoma Law  
6 Enforcement Retirement System after September 30,  
7 1988, is sixty-five (65) years of age or older or who  
8 is under sixty-five (65) years of age and is eligible  
9 for Medicare shall have One Hundred Five Dollars  
10 (\$105.00), or the premium rate of the health insurance  
11 benefit plan, whichever is less, paid by the Oklahoma  
12 Law Enforcement Retirement System to the ~~Office~~  
13 Authority in the manner specified in subsection G of  
14 this section, and
- 15 d. a retired employee other than an education employee  
16 who is receiving benefits from the Uniform Retirement  
17 System for Justices and Judges after September 30,  
18 1988, shall have One Hundred Five Dollars (\$105.00),  
19 or the premium rate of the health insurance plan,  
20 whichever is less, paid by the Uniform Retirement  
21 System for Justices and Judges to the ~~Office~~ Authority  
22 in the manner specified in subsection G of this  
23 section.  
24

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

3            a. the health plan shall be authorized by the provisions  
4 of the Oklahoma Employees Insurance and Benefits Act,  
5 except that if an employer from which an employee  
6 retired or with a vested benefit pursuant to the  
7 provisions of the Oklahoma Public Employees Retirement  
8 System does not participate in the plans authorized by  
9 the provisions of the Oklahoma Employees Insurance and  
10 Benefits Act, the health plan will be the health  
11 insurance benefits of the employer from which the  
12 individual retired or vested,

13           b. for plans offered by the Oklahoma Employees Insurance  
14 and Benefits Act, the amount to be paid shall be  
15 determined pursuant to the provisions of this  
16 subsection and shall first be applied in whole or in  
17 part to the prescription drug coverage premium. Any  
18 remaining amount shall be applied toward the medical  
19 coverage premium,

20           c. for all plans, if the amount paid by the public  
21 retirement system does not cover the full cost of the  
22 elected coverage, the individual shall pay the  
23 remaining premium amount, and  
24

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

D. For any member of the Oklahoma Law Enforcement Retirement System killed in the line of duty, whether the member was killed in the line of duty prior to May 18, 2005, or on or after May 18, 2005, or if the member was on a disability leave status at the time of death, the surviving spouse or dependents of such deceased member of the Oklahoma Law Enforcement Retirement System may elect to continue or commence health and dental insurance benefits, provided the dependents pay the full cost of such insurance, and for deaths occurring on or after July 1, 2002, such election is made within thirty (30) days of the date of death. The eligibility for the benefits shall terminate for the surviving children when the children cease to qualify as dependents.

E. Effective July 1, 2004, a retired member of the Oklahoma Law Enforcement Retirement System who retired from the System by means of a personal and traumatic injury of a catastrophic nature and in the line of duty and any surviving spouse of such retired member and any surviving spouse of a member who was killed in the line of duty shall have one hundred percent (100%) of the retired member's or surviving spouse's health care premium cost, whether the member or surviving spouse elects coverage under the Medicare supplement or Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement Retirement System to the ~~Office~~ Authority in the manner specified in

1 subsection H of this section. For plans offered by the ~~Office~~  
2 Authority, such contributions will first be applied in whole or in  
3 part to the prescription drug coverage premium, if any.

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

16 G. The amounts required to be paid by the Oklahoma Public  
17 Employees Retirement System, the Uniform Retirement System for  
18 Justices and Judges and the Oklahoma Law Enforcement Retirement  
19 System pursuant to this section shall be forwarded no later than the  
20 tenth day of each month following the month for which payment is due  
21 by the Oklahoma Public Employees Retirement System Board of Trustees  
22 or the Oklahoma Law Enforcement Retirement Board to the ~~Office~~  
23 Authority for deposit in the Health, Dental and Life Insurance  
24 Reserve Fund or to another insurance carrier or other administrator

1 of qualified benefits of the employer as provided for in subsection  
2 H of Section 1315 of this title.

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

22 SECTION 26. AMENDATORY 74 O.S. 2021, Section 1316.3, is  
23 amended to read as follows:

24



1       Section 1316.3. A. Any person who retires pursuant to the  
2 provisions of the Teachers' Retirement System of Oklahoma with at  
3 least ten (10) years of creditable service or who has a vested  
4 benefit with at least ten (10) years of creditable service, pursuant  
5 to the provisions of the Teachers' Retirement System of Oklahoma may  
6 continue in force the health and dental insurance benefits  
7 authorized by the provisions of the Oklahoma Employees Insurance and  
8 Benefits Act if such election to continue in force or begin is made  
9 within thirty (30) days from the date of termination of service.  
10 Except as provided in subsection E of Sections 5-117.5 and 14-108.1  
11 of Title 70 of the Oklahoma Statutes ~~and Section 840-2.27I of this~~  
12 ~~title~~ and subsection K of this section, health and dental insurance  
13 coverage may not be reinstated at a later time if the election to  
14 continue in force or begin coverage is declined. Vested persons who  
15 have terminated service and are not receiving benefits and effective  
16 July 1, 1996, nonvested persons who have terminated service with  
17 more than ten (10) years of participating service with a qualifying  
18 employer, who within thirty (30) days from the date of termination  
19 of service, elect to continue such coverage, shall pay the full cost  
20 of said insurance premium at the rate and pursuant to the terms and  
21 conditions established by the ~~Office of Management and Enterprise~~  
22 ~~Services~~ Oklahoma Health Care Authority.

23       B. 1. Health insurance benefit plans offered pursuant to this  
24 section shall include:

- a. indemnity plans offered through the ~~Office~~ Authority,
- b. managed care plans offered as alternatives to the indemnity plans,
- c. Medicare supplements offered through the ~~Office~~ Authority,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the ~~Office~~ Authority, and
- e. any other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the Oklahoma Employees Insurance and Benefits Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, which may or may not contain prescription drug benefits, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. A retired person who:

1. Is receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to

1 subsection A of this section elects to begin or to continue the  
2 health insurance plan;

3 2. Is receiving benefits from the Teachers' Retirement System  
4 of Oklahoma after June 30, 1993, is under sixty-five (65) years of  
5 age and is not otherwise eligible for Medicare and participates in a  
6 health insurance plan provided by a participating education employer  
7 of the Teachers' Retirement System of Oklahoma other than a health  
8 insurance plan offered pursuant to the Oklahoma Employees Insurance  
9 and Benefits Act or an alternative health plan offered pursuant to  
10 the Oklahoma State Employees Benefits Act;

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

18 4. Is receiving benefits from the Teachers' Retirement System  
19 of Oklahoma after June 30, 1993, made contributions to the system  
20 and is sixty-five (65) years of age or older, or who is under sixty-  
21 five (65) years of age and is eligible for Medicare and participates  
22 in a health insurance plan provided by a participating education  
23 employer of the Teachers' Retirement System of Oklahoma other than a  
24 health insurance plan offered pursuant to the Oklahoma Employees

1 Insurance and Benefits Act or an alternative health plan offered  
2 pursuant to the Oklahoma State Employees Benefits Act and elects  
3 coverage under the Medicare supplement offered by the ~~Office~~  
4 Authority,  
5 shall have the amount determined pursuant to subsection E of this  
6 section, or the premium rate of the health insurance benefit plan,  
7 whichever is less, paid by the Teachers' Retirement System of  
8 Oklahoma. If the amount paid by the Teachers' Retirement System of  
9 Oklahoma does not cover the full cost of the health insurance  
10 premium, the retired person shall pay the remaining amount if the  
11 retired person wants to continue the coverage.

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

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

19 2. For those individuals participating in plans provided  
20 through a participating education employer of the Teachers'  
21 Retirement System of Oklahoma other than a health insurance plan  
22 offered pursuant to the Oklahoma Employees Insurance and Benefits  
23 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 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
Less than \$20,000.00	\$103.00	\$104.00	\$105.00
Less than \$30,000.00 but			
greater than \$19,999.99	\$102.00	\$103.00	\$104.00
Less than \$40,000.00 but			
greater than \$29,999.99	\$101.00	\$102.00	\$103.00
\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

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

F. If a person retires and begins to receive benefits from the Teachers' Retirement System of Oklahoma or terminates service and has a vested benefit with the Teachers' Retirement System of Oklahoma, the person may elect, in the manner provided in subsection

1 A of this section, to participate in the dental insurance plan  
2 offered through the Oklahoma Employees Insurance and Benefits Act.  
3 The person shall pay the full cost of the dental insurance.

4 G. Those persons who are receiving benefits from the Teachers'  
5 Retirement System of Oklahoma and have health insurance coverage  
6 which on ~~the operative date of this section~~ October 1, 1988, is  
7 being paid by the education entity from which the person retired  
8 shall make the election required in subsection A of this section  
9 within thirty (30) days of the termination of said health insurance  
10 coverage. The person making the election shall give the ~~Office~~  
11 Authority certified documentation satisfactory to the ~~Office~~  
12 Authority of the termination date of the other health insurance  
13 coverage.

14 H. Dependents of a deceased education employee who was on  
15 active work status or on a disability leave at the time of death or  
16 of a participating retirant or of any person who has elected to  
17 receive a vested benefit under the Teachers' Retirement System of  
18 Oklahoma may continue the health and dental insurance benefits in  
19 force provided said dependents pay the full cost of such insurance  
20 and they were covered as eligible dependents at the time of such  
21 death and such election is made within thirty (30) days of date of  
22 death. The eligibility for said benefits shall terminate for the  
23 surviving children when said children cease to qualify as  
24 dependents.

1 I. The amounts required to be paid by the Teachers' Retirement  
2 System of Oklahoma pursuant to this section shall be forwarded no  
3 later than the tenth day of each month following the month for which  
4 payment is due by the Board of Trustees of the Teachers' Retirement  
5 System of Oklahoma to the ~~Office~~ Authority for deposit in the  
6 Education Employees Group Insurance Reserve Fund.

7 J. The Teachers' Retirement System of Oklahoma shall provide  
8 the ~~Office~~ Authority information concerning the employers of retired  
9 and vested members necessary to allow the ~~Office~~ Authority to track  
10 eligibility for continued coverage.

11 K. Upon retirement from employment with the Board of Regents of  
12 the University of Oklahoma, any person who is or was employed at the  
13 George Nigh Rehabilitation Institute and who transferred employment  
14 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
15 person who was employed at the Medical Technology and Research  
16 Authority and who transferred employment pursuant to Section 7068 of  
17 this title, and any person who is a member of the Oklahoma Law  
18 Enforcement Retirement System pursuant to the authority of Section  
19 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
20 benefits authorized by the provisions of the Oklahoma Employees  
21 Insurance and Benefits Act for retired participants, including  
22 health, dental and life insurance benefits, if such election to  
23 participate is made within thirty (30) days from the date of  
24 termination of employment. Life insurance benefits for any such

1 person who transferred employment shall not exceed the coverage the  
2 person had at the time of such transfer. Retirees who are persons  
3 transferred employment and who participate pursuant to this  
4 ~~paragraph~~ subsection shall pay the premium for elected benefits less  
5 any amounts paid by the retirement system pursuant to this section.

6 SECTION 27. AMENDATORY 74 O.S. 2021, Section 1317, is  
7 amended to read as follows:

8 Section 1317. Any legally blind person who is licensed by the  
9 Department of Rehabilitation Services as a vending stand operator or  
10 managing operator shall be eligible for membership in the ~~Health~~  
11 ~~Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~ dental  
12 insurance plan and ~~Life Insurance Plan~~ life insurance plan referred  
13 to in the Oklahoma Employees Insurance and Benefits Act. Enrollment  
14 in the Plan shall be optional with each operator pursuant to the  
15 rules prescribed by the ~~Office of Management and Enterprise Services~~  
16 Oklahoma Health Care Authority. Any payments required to be made  
17 for enrollees in the Plan shall be payable by the operator in such  
18 manner as may be determined by the Department of Rehabilitation  
19 Services; provided, that the Department may, in its discretion, make  
20 all or a part of such payments.

21 SECTION 28. AMENDATORY 74 O.S. 2021, Section 1320, is  
22 amended to read as follows:

23 Section 1320. A. For purposes of administering the Oklahoma  
24 Employees Insurance and Benefits Act, the ~~Director~~ Chief Executive



1 ~~Officer (CEO) of the Office of Management and Enterprise Services~~  
2 Oklahoma Health Care Authority is authorized to hire and appoint an  
3 Administrator who shall be in the unclassified service and shall  
4 serve at the pleasure of the ~~Director~~ CEO of the ~~Office of~~  
5 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority.

6 B. The ~~Director~~ CEO of the ~~Office of Management and Enterprise~~  
7 ~~Services~~ Oklahoma Health Care Authority may hire a director of  
8 internal audit and one attorney licensed to practice law in this  
9 state. The attorney hired by the Oklahoma Employees Insurance and  
10 Benefits Board shall have not less than five (5) years of experience  
11 in matters related to the insurance industry. The ~~Director~~ CEO  
12 shall directly supervise the duties of the director of internal  
13 audit, and shall not delegate the supervision to the Administrator  
14 or any other employee. In addition to duties assigned by the  
15 ~~Director~~ CEO, the director of internal audit is authorized to audit  
16 all records of health providers and pharmacists who enter into any  
17 contract with the Board in order to ensure compliance with said  
18 contract provisions.

19 The ~~Director~~ CEO shall employ such persons as are necessary to  
20 administer the provisions of the Oklahoma Employees Insurance and  
21 Benefits Act, the State Employees Flexible Benefits Act and the  
22 State Employees Disability Program Act. The ~~Director~~ CEO may employ  
23 a maximum of two attorneys for purposes of administering the  
24 Oklahoma Employees Insurance and Benefits Act. The Administrator or

1 one of the deputy administrators shall have not less than seven (7)  
2 years of group health insurance administration experience on a  
3 senior managerial level.

4 C. The ~~Director~~ CEO shall not contract for private legal  
5 counsel except for extraordinary situations other than normal day to  
6 day situations, and when approved by the Attorney General. The  
7 ~~Director~~ CEO may contract with a nonemployee consulting actuary, a  
8 nonemployee medical consultant and a nonemployee dental consultant  
9 subject to competitive bid at least every three (3) years. The  
10 ~~Director~~ CEO may contract with health care providers for a level of  
11 reimbursement for the payment of claims incurred by the plan  
12 participants. The ~~Director~~ CEO may at its request use the services  
13 of the ~~office~~ Office of the Attorney General and the actuarial  
14 services of any actuary employed by the Insurance Commissioner and  
15 may also seek the advice and counsel of the Insurance Commissioner  
16 of the State of Oklahoma or any employee of the Office of the  
17 Insurance Commissioner.

18 SECTION 29. AMENDATORY 74 O.S. 2021, Section 1321, as  
19 amended by Section 6, Chapter 245, O.S.L. 2024 (74 O.S. Supp. 2024,  
20 Section 1321), is amended to read as follows:

21 Section 1321. A. The ~~Office of Management and Enterprise~~  
22 ~~Services~~ Oklahoma Health Care Authority shall have the authority to  
23 determine all rates and life, dental and health benefits. All rates  
24 shall be compiled in a comprehensive Schedule of Benefits. The

1 Schedule of Benefits shall be available for inspection during  
2 regular business hours at the ~~Office of Management and Enterprise~~  
3 ~~Services~~ Oklahoma Health Care Authority. The ~~Office~~ Authority shall  
4 have the authority to annually adjust the rates and benefits based  
5 on claim experience.

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

8 1. For active employees and their dependents, the ~~Office's~~  
9 Authority's premium determination shall be made no later than the  
10 bid submission date for health maintenance organizations set by the  
11 Oklahoma Employees Insurance and Benefits Board, which shall be set  
12 in August no later than the third Friday of that month; and

13 2. For all other covered members and dependents, the ~~Office's~~  
14 Authority's and the health maintenance organizations' premium  
15 determinations shall be no later than the fourth Friday of  
16 September.

17 C. The CEO of the Authority shall review for approval all rates  
18 and life, dental, and health benefits for the state sponsored plans  
19 recommended by the Oklahoma Employees Insurance and Benefits Board.  
20 If approved by the CEO of the Authority, those rates and benefits  
21 along with the final health maintenance organizations' rates and  
22 benefits shall be sent to the Director of the Office of Management  
23 and Enterprise Services for final approval.  
24

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

10        SECTION 30.        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~~ 1329 of  
16 this title, for the purpose of committing fraud, shall be guilty of  
17 a 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 31. AMENDATORY 74 O.S. 2021, Section 1324, is amended to read as follows:

Section 1324. A. All health benefit plans that are offered by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall provide coverage for side effects that are commonly associated with radical retropubic prostatectomy surgery, including, but not limited to impotence and incontinence, and for other prostate-related conditions.

B. The ~~Office~~ Authority shall provide notice to each insured or enrollee under the plan regarding the coverage required by this section in the plan's evidence of coverage, and shall provide additional written notice of the coverage to the insured or enrollee as follows:

1. In the next mailing made by the plan to the employee; or

2. As part of the enrollment information packet sent to the enrollee.

C. The ~~Office~~ Authority shall promulgate any rules or actions necessary to implement the provisions of this section.

SECTION 32. AMENDATORY 74 O.S. 2021, Section 1325, is amended to read as follows:

Section 1325. The ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall schedule a hearing thirty (30) days prior to adopting any major change in the reimbursement rates or methodology. The ~~Office~~ Authority shall notify health care

1 providers who provide services pursuant to a contract with the  
2 ~~Office~~ Authority at least fifteen (15) days prior to the hearing.  
3 The notice shall include proposed changes to the reimbursement rates  
4 or methodology. The ~~Office~~ Authority shall also inform such health  
5 care providers at the hearing of any proposed changes to the  
6 reimbursement rates or methodology. At the hearing the ~~Office~~  
7 Authority shall provide an open forum for such health care providers  
8 to comment on the proposed changes.

9 SECTION 33. AMENDATORY 74 O.S. 2021, Section 1326, is  
10 amended to read as follows:

11 Section 1326. The ~~Office of Management and Enterprise Services~~  
12 Oklahoma Health Care Authority shall make available, upon request,  
13 copies of relevant fee schedules to participating health care  
14 providers.

15 SECTION 34. AMENDATORY 74 O.S. 2021, Section 1327, is  
16 amended to read as follows:

17 Section 1327. A. All health benefit plans offered by the  
18 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
19 Authority which provide for services for vision care or medical  
20 diagnosis and treatment for the eye shall allow optometrists to be  
21 providers of those services. All such health benefit plans shall  
22 also require equal payment for the same services provided by an  
23 optometrist if the services are within the scope of practice of  
24 optometry.

1 B. With respect to optometric services, any health benefit plan  
2 offered by the ~~Office~~ Authority which uses a gatekeeper or  
3 equivalent for referrals for services for vision care or for medical  
4 diagnosis and treatment of the eye shall require such covered  
5 services be provided on a referral basis within the medical group or  
6 network at the request of an enrollee who has a condition requiring  
7 vision care or medical diagnosis and treatment of the eye if:

8 1. A referral is necessitated in the judgment of the primary  
9 care physician; and

10 2. Treatment for the condition falls within the licensed scope  
11 of practice of an optometrist.

12 C. All health benefit plans offered by the ~~Office~~ Authority  
13 shall have a defined set of standards and procedures for selecting  
14 providers, including specialists, to serve enrollees. The standards  
15 and procedures shall be drafted in such a manner that they are  
16 applicable to all categories of providers and shall be utilized by  
17 the health maintenance organization in a manner that is without bias  
18 for or discrimination against a particular category or categories of  
19 providers.

20 D. No health benefit plan specified by this section shall  
21 require a provider to have hospital privileges if hospital  
22 privileges are not usual and customary for the services the provider  
23 provides.

24 E. Nothing in this section shall be construed to:

1        1. Prohibit a health benefit plan offered by the ~~Office~~  
2 Authority which provides for services for vision care or medical  
3 diagnosis and treatment for the eye from determining the adequacy of  
4 the size of its network;

5        2. Prohibit an optometrist from agreeing to a fee schedule;

6        3. Limit, expand, or otherwise affect the scope of practice of  
7 optometry; or

8        4. Alter, repeal, modify or affect the laws of this state  
9 except where such laws are in conflict or are inconsistent with ~~the~~  
10 express provisions of this section.

11       F. Existing health benefit plans offered by the ~~Office~~  
12 Authority shall comply with the requirements of this section upon  
13 issuance or renewal on or after ~~the effective date of this act~~  
14 November 1, 2000.

15       SECTION 35.        AMENDATORY        74 O.S. 2021, Section 1328, is  
16 amended to read as follows:

17       Section 1328. A. The contracted claims administrator for the  
18 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
19 Authority shall reimburse all clean claims of an enrollee, an  
20 assignee of the enrollee, or a health care provider within forty-  
21 five (45) calendar days after receipt of the claim by the entity.

22       B. As used in this section, "clean claim" means a claim that  
23 has no defect or impropriety, including a lack of any required  
24



1 substantiating documentation, or particular circumstance requiring  
2 special treatment that impedes prompt payment.

3 C. 1. If a claim or any portion of a claim is determined to  
4 have defects or improprieties, including a lack of any required  
5 substantiating documentation, or a particular circumstance requiring  
6 special treatment, the enrollee, assignee of the enrollee, or health  
7 care provider shall be notified in writing within thirty (30)  
8 calendar days after receipt of the claim by the contracted claims  
9 administrator for the ~~Office~~ Authority. The written notice shall  
10 specify the portion of the claim that is causing a delay in  
11 processing and explain any additional information or corrections  
12 needed. Failure of the ~~Office's~~ Authority's claims administrator to  
13 provide the enrollee, assignee of the enrollee, or health care  
14 provider with such notice shall constitute prima facie evidence that  
15 the claim will be paid in accordance with the terms of the health  
16 benefit claims administration contract.

17 2. The portion of the claim that is accurate shall be paid  
18 within forty-five (45) calendar days after receipt of the claim by  
19 the claims administrator for the ~~Office~~ Authority.

20 D. Upon receipt of the additional information or corrections  
21 which led to the claim's being delayed and a determination that the  
22 information is accurate, the claims administrator for the ~~Office~~  
23 Authority shall either pay or deny the claim or a portion of the  
24 claim within forty-five (45) calendar days.

E. Payment shall be considered made on:

1. The date a draft or other valid instrument which is equivalent to the amount of the payment is placed in the United States mail in a properly addressed, postpaid envelope; or

2. If not so posted, the date of delivery.

F. An overdue payment shall bear simple interest at the rate of ten percent (10%) per year.

G. In the event litigation should ensue based upon such a claim, the prevailing party shall be entitled to recover a reasonable attorney fee to be set by the court and taxed as costs against the party or parties who do not prevail.

SECTION 36. AMENDATORY 74 O.S. 2021, Section 1329, is amended to read as follows:

Section 1329. ~~The Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall contract with a vendor to make available a health savings account to all enrollees in the HealthChoice qualified high-deductible health plan. Any employer or employee contributions to the health savings account shall be allowable as a remittance to the vendor through payroll deduction in conjunction with the employer's Section 125 Plan and shall not be subject to any assessment of administrative fees by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority or any state agency for remittance to the vendor. The State of Oklahoma and the ~~Office of Management and Enterprise Services~~

1 Oklahoma Health Care Authority shall take necessary measures to make  
2 any employer or employee health savings account contributions  
3 permissible under the state's Section 125 Plan.

4 SECTION 37. This act shall become effective November 1, 2025.

5 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT  
6 RESOURCES

April 8, 2025 - DO PASS AS AMENDED