

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1947

By: Bullard

6 AS INTRODUCED

7 An Act relating to Oklahoma Employees Insurance and  
8 Benefits Act; amending 74 O.S. 2021, Sections 1308.3,  
9 as amended by Section 1, Chapter 21, O.S.L. 2025, and  
10 1370, as amended by Section 10, Chapter 245, O.S.L.  
11 2024 (74 O.S. Supp. 2025, Sections 1308.3 and 1370),  
12 which relate to basic health plan and flexible  
13 benefit allowance; defining terms; authorizing opt  
14 out for certain participants enrolled with certain  
15 health care sharing ministry; requiring active  
16 employees to receive certain funds in lieu of certain  
17 flexible benefit amount; updating statutory language;  
18 and providing an effective date.

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

20 SECTION 1. AMENDATORY 74 O.S. 2021, Section 1308.3, as  
21 amended by Section 1, Chapter 21, O.S.L. 2025 (74 O.S. Supp. 2025,  
22 Section 1308.3), is amended to read as follows:

23 Section 1308.3. A. As used in this section:

24 1. “Health care sharing ministry” (HCSM) means a not-for-profit  
organization that is tax-exempt under Section 501(c) (3) of the  
Internal Revenue Code of 1986, as amended, and:

25 a. limits its members to those who share a common  
set of ethical or religious beliefs,

- 1                   b. facilitates sharing of medical expenses between  
2                   members in accordance with its ethical or  
3                   religious beliefs,  
4                   c. requires regular contributions from members with  
5                   no assumptions of risk or promise to pay for  
6                   medical expenses,  
7                   d. provides an electronic report at least quarterly  
8                   to members detailing the amount of needs shared  
9                   and contributions received,  
10                  e. conducts an annual audit which shall be performed  
11                  by an independent certified public accounting  
12                  firm in accordance with generally accepted  
13                  accounting principles and shall be made available  
14                  to the public upon request, and  
15                  f. provides a disclaimer stating that it is not an  
16                  insurance company and participation is voluntary;  
17                  and

18                  2. "Qualified HCSM member" means any resident of this state who

19                  has been an active member of an HCSM for at least one (1) month  
20                  during the applicable tax year.

21                  B. Any active employee eligible to participate or who is a  
22                  participant may opt out of the state's basic plan as outlined in  
23                  Sections 1370 and 1371 of this title, or may opt out of the health  
24                  and dental basic plan options only and retain the life and

disability plan benefits, provided that the participant is currently covered by a separate health insurance plan or will be covered by a separate health insurance plan at or before the beginning of the next plan year or is a qualified HCSM member or will be at or before the beginning of the next plan year. Any active employee eligible to participate or who is a participant opting out of coverage pursuant to this section shall provide proof of the separate health insurance plan or health care sharing ministry participation and sign an affidavit attesting that the participant is currently covered and does not require state-provided health insurance each plan year. Any active employee opting out of the state's basic plan or the health and dental basic plan options pursuant to this section due to coverage by a separate health insurance plan shall receive One Hundred Fifty Dollars (\$150.00) in lieu of the flexible benefit amount the employee would be otherwise eligible to receive. Any active employee who is a qualified HCSM member opting out of the state's basic plan or the health and dental basic plan options shall receive the full flexible benefit amount the employee would be otherwise eligible to receive. Any savings realized by the state as a result of a participant opting out of health insurance plan coverage shall be retained by the state.

SECTION 2. AMENDATORY 74 O.S. 2021, Section 1370, as

23 amended by Section 10, Chapter 245, O.S.L. 2024 (74 O.S. Supp. 2025,  
24 Section 1370), is amended to read as follows:

1       Section 1370. A. Subject to the requirement that a participant  
2 must elect the default benefits, or the basic plan, or is a person  
3 who has retired from a branch of the United States military and has  
4 been provided with health care through a federal plan, to the extent  
5 that it is consistent with federal law, or is an active employee who  
6 is eligible to participate and who is a participant who has opted  
7 out of the state's basic plan according to the provisions of Section  
8 1308.3 of this title, and provides proof of this coverage, flexible  
9 benefit dollars may be used to purchase any of the benefits offered  
10 by the Oklahoma Employees Insurance and Benefits Board under the  
11 flexible benefits plan. A participant who has opted out of the  
12 state's basic plan and provided proof of other coverage as described  
13 in this subsection shall receive ~~One Hundred Fifty Dollars (\$150.00)~~  
14 an amount pursuant to Section 1308.3 of this title in lieu of the  
15 flexible benefit monthly. A participant's flexible benefit dollars  
16 for a plan year shall consist of the sum of (1) flexible benefit  
17 allowance credited to a participant by the participating employer,  
18 and (2) pay conversion dollars elected by a participant.

19       B. Each participant shall be credited annually with a specified  
20 amount as a flexible benefit allowance which shall be available for  
21 the purchase of benefits. For participants on a biweekly payroll  
22 system the disbursement of the flexible benefit allowance shall be  
23 credited over twenty-four pay periods resulting in two pay periods  
24 that do not reflect a credit. The amount of the flexible benefit

1 allowance credited to each participant shall be communicated to him  
2 or her prior to the enrollment period for each plan year.

3       C. Except as provided in subsection D of this section, for the  
4 plan year beginning January 1, 2013, the benefit allowance shall not  
5 be less than the ~~Plan Year~~ plan year 2012 benefit allowance amounts,  
6 and each plan year thereafter, the amount of a participant's benefit  
7 allowance, which shall be the total amount the employer contributes  
8 for the payment of insurance premiums or other benefits, shall be:

9           1. The greater of the amount of benefit which the participant  
10 would have qualified for as of plan year 2021, or an amount equal to  
11 the monthly premium of the HealthChoice High Option plan, the  
12 average monthly premiums of the dental plans, the monthly premium of  
13 the disability plan, and the monthly premium of the basic life  
14 insurance plan offered to state employees or the amount determined  
15 by the ~~Council~~ Oklahoma Employees Insurance and Benefits Board based  
16 on a formula for determining a participant's benefit credits  
17 consistent with the requirements of 26 U.S.C., Section 125(g)(2) and  
18 regulations thereunder;

19           2. The greater of the amount of benefit which the participant  
20 would have qualified for as of plan year 2021 or an amount equal to  
21 the monthly premium of the HealthChoice High Option plan, the  
22 average monthly premiums of the dental plans, the monthly premium of  
23 the disability plan, and the monthly premium of the basic life  
24 insurance plan offered to state employees plus one of the additional

1 amounts as follows for participants who elect to include one or more  
2 dependents:

- 3 a. for a spouse, seventy-five percent (75%) of the  
4 HealthChoice High Option plan, available for coverage  
5 of a spouse,
- 6 b. for one child, seventy-five percent (75%) of the  
7 HealthChoice High Option plan, for coverage of one  
8 child,
- 9 c. for two or more children, seventy-five percent (75%)  
10 of the HealthChoice High Option plan, for coverage of  
11 two or more children,
- 12 d. for a spouse and one child, seventy-five percent (75%)  
13 of the HealthChoice High Option plan, for coverage of  
14 a spouse and one child, or
- 15 e. for a spouse and two or more children, seventy-five  
16 percent (75%) of the HealthChoice High Option plan,  
17 for coverage of a spouse and two or more children;

18 3. For the plan year beginning January 1, 2022, the amount of a  
19 participant's benefit allowance shall be increased by two percent  
20 (2%) from the amount provided in the previous year;

21 4. For the plan year beginning January 1, 2023, the amount of a  
22 participant's benefit allowance shall be increased by two percent  
23 (2%) from the amount provided in the previous year; or

1       5. The greater of the amount of benefit which the participant  
2 would have qualified for as of plan year 2023, or an amount equal to  
3 the monthly premium of the HealthChoice High Option plan, the  
4 average monthly premiums of the dental plans, the monthly premium of  
5 the disability plan, and the monthly premium of the basic life  
6 insurance plan offered to state employees plus one of the additional  
7 amounts as follows for participants who elect to include one or more  
8 dependents:

- 9       a. for a spouse, seventy-five percent (75%) of the  
10            HealthChoice High Option plan, available for coverage  
11            of a spouse,
- 12       b. for one child, seventy-five percent (75%) of the  
13            HealthChoice High Option plan, for coverage of one  
14            child,
- 15       c. for two or more children, seventy-five percent (75%)  
16            of the HealthChoice High Option plan, for coverage of  
17            two or more children,
- 18       d. for a spouse and one child, seventy-five percent (75%)  
19            of the HealthChoice High Option plan, for coverage of  
20            a spouse and one child, or
- 21       e. for a spouse and two or more children, seventy-five  
22            percent (75%) of the HealthChoice High Option plan,  
23            for coverage of a spouse and two or more children.

1       D. To the extent that it is consistent with federal laws and  
2 regulations, and in particular the regulations set forth by the  
3 United States Secretary of Defense in 32 C.F.R.1 Section  
4 199.8(d)(6), a benefit may be provided to an employee who is an  
5 eligible TRICARE beneficiary whereby he or she may purchase a group  
6 TRICARE ~~Supplemental~~ supplemental product under a qualifying  
7 cafeteria plan consistent with the requirements of 26 U.S.C.,  
8 Section 125, provided that:

9           1. The state, as employer, may not provide any payment for nor  
10 receive any consideration or compensation for offering the benefit;

11           2. The employer's only involvement is in providing the  
12 administrative support for the benefit under the cafeteria plan; and

13           3. The employee's participation in the plan is completely  
14 voluntary.

15           The benefit allowance under paragraph 2 of subsection C of this  
16 section of an employee whose plan participation includes a group  
17 TRICARE ~~Supplemental~~ supplemental benefit shall not include any  
18 allowance or portion thereof for such TRICARE ~~Supplemental~~  
19 supplemental benefit.

20           E. This section shall not prohibit payments for supplemental  
21 health insurance coverage made pursuant to Section 1314.4 of this  
22 title or payments for the cost of providing health insurance  
23 coverage for dependents of employees of the Grand River Dam  
24 Authority.

1       F. If a participant desires to buy benefits whose sum total of  
2 benefit prices is in excess of his or her flexible benefit  
3 allowance, the participant may elect to use pay conversion dollars  
4 to purchase such excess benefits. Pay conversion dollars may be  
5 elected through a salary reduction agreement made pursuant to the  
6 election procedures of Section 1371 of this title. The elected  
7 amount shall be deducted from the participant's compensation in  
8 equal amounts each pay period, with the exception of participants on  
9 a biweekly payroll system, where such deduction shall occur over  
10 twenty-four pay periods over the plan year. On termination of  
11 employment during a plan year, a participant shall have no  
12 obligation to pay the participating employer any pay conversion  
13 dollars allocated to the portion of the plan year after the  
14 participant's termination of employment.

15       G. If a participant elects benefits whose sum total of benefit  
16 prices is less than his or her flexible benefit allowance, he or she  
17 shall receive any excess flexible benefit allowance as taxable  
18 compensation. Such taxable compensation will be paid in  
19 substantially equal amounts each pay period, with the exception of  
20 participants on a biweekly payroll system, where such deduction  
21 shall occur over twenty-four pay periods over the plan year. On  
22 termination during a plan year, a participant shall have no right to  
23 receive any such taxable cash compensation allocated to the portion  
24 of the plan year after the participant's termination. Nothing

1 herein shall affect a participant's obligation to elect the minimum  
2 benefits or to accept the default benefits of the plan with  
3 corresponding reduction in the sum of his or her flexible benefit  
4 allowance equal to the sum total benefit price of such minimum  
5 benefits or default benefits.

6 SECTION 3. This act shall become effective November 1, 2026.

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