

An Act

ENROLLED HOUSE
BILL NO. 2108

By: Osburn of the House

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.

SUBJECT: State government

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

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

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

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

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

E. The appointed members shall:

1. Have demonstrated professional experience in investment or funds management, public funds management, public or private group health or pension fund management, or group health insurance management;
2. Be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or
3. Be licensed by the Oklahoma Accountancy Board to practice in this state as a public accountant or a certified public accountant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

M. ~~The Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall work in conjunction with the Office of Management and Enterprise Services to determine state employee benefit elections and eligibility, and the Oklahoma Health Care Authority shall have the following duties, responsibilities and authority with respect to the administration of the flexible benefits plan authorized pursuant to the State Employees Flexible Benefits Act and the Oklahoma State Employees Benefits Act:

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

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

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

4. Beginning with the plan year which begins on January 1, 2013, to select and contract with one or more providers to offer a

group TRICARE Supplement product to eligible employees who are eligible TRICARE beneficiaries. Any membership dues required to participate in a group TRICARE Supplement product offered pursuant to this paragraph shall be paid by the employee. As used in this paragraph, "TRICARE" means the Department of Defense health care program for active duty and retired service members and their families;

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

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

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

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

9. To negotiate for best and final offer through competitive negotiation with the assistance and through the purchasing procedures adopted by the Office of Management and Enterprise Services and contract with federally qualified health maintenance organizations under the provisions of 42 U.S.C., Section 300e et seq., or with ~~Health Maintenance Organizations~~ health maintenance organizations granted a certificate of authority by the Insurance Commissioner pursuant to the Health Maintenance Reform Act of 2003 for consideration by participants as an alternative to the health plans offered by the Oklahoma Employees Insurance and Benefits Board, and to transfer to the health maintenance organizations such funds as may be approved for a participant electing health maintenance organization alternative services. The Board may also select and contract with a vendor to offer a point-of-service plan. An HMO may offer coverage through a point-of-service plan, subject to the guidelines established by the Board. However, if the Board

chooses to offer a point-of-service plan, then a vendor that offers both an HMO plan and a point-of-service plan may choose to offer only its point-of-service plan in lieu of offering its HMO plan. The Board may, however, renegotiate rates with successful bidders after contracts have been awarded if there is an extraordinary circumstance. An extraordinary circumstance shall be limited to insolvency of a participating health maintenance organization or point-of-service plan, dissolution of a participating health maintenance organization or point-of-service plan or withdrawal of another participating health maintenance organization or point-of-service plan at any time during the calendar year. Nothing in this section of law shall be construed to permit either party to unilaterally alter the terms of the contract;

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

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

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

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

- 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;

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

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

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

19. To enter into a contract with out-of-state providers in connection with any PPO or hospital or medical network plan which shall include, but not be limited to, special care facilities and hospitals outside the borders of the State of Oklahoma. The contract for out-of-state providers shall be identical to the in-state provider contracts. The Board may negotiate for discounts from billed charges when the out-of-state provider is not a network provider and the member sought services in an emergency situation, when the services were not otherwise available in the State of Oklahoma or when the Administrator appointed by the Board approved the service as an exceptional circumstance;

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

- a. independent review organizations, accredited by a national accrediting body, shall act as appeals bodies for complaints by insured employees regarding adverse benefit determinations based on:
 - (1) medical judgment,
 - (2) whether the insurer is complying with the surprise billing and cost-sharing protections set forth in Sections 2799A-1 and 2799A-2 of the Public Health Services Act, 42 U.S.C. 201 et seq., and
 - (3) a rescission in coverage,

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

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

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

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

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

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

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

Section 1305.1. (1) The ~~Director of the Office of Management and Enterprise Services~~ Chief Executive Officer (CEO) of the Oklahoma Health Care Authority and the Oklahoma Employees Insurance

and Benefits Board shall discharge their duties with respect to the Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act solely in the interest of said ~~Acts~~ acts and:

(a) for the exclusive purpose of:

- (i) providing benefits to the participants and their dependents, and
- (ii) defraying reasonable expenses of administering the Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act;

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

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

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

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

(3) The ~~Director~~ CEO may establish an investment committee. The investment committee shall be composed of not more than three (3) members of the Board selected by the ~~Director~~ CEO. The committee shall make recommendations to the full Board on all matters related to the choice of custodians and managers of the assets of the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority relating to the Oklahoma Employees Insurance and Benefits Act, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Board or ~~Director~~ CEO in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Board or

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

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

(5) Funds and revenues for investment by the investment managers or the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall be placed with a custodian recommended by the Board. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board. In compliance with the investment policy guidelines of the Board, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the ~~Office~~ Authority are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the ~~Office~~ Authority as to the investment of the monies of the ~~Office~~ Authority in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the ~~Office~~ Authority for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

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

(7) The Administrator shall compile annual financial statements of all the activity of the ~~Office~~ Authority on a calendar year basis. The financial statements shall be compiled pursuant to accounting principles generally accepted in the United States. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The report shall be distributed to the Board and the ~~Director of the Office of Management and Enterprise Services~~ CEO of the Oklahoma Health Care Authority.

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

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

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

C. If an employee or dependent has prejudiced the ~~Office's~~ Authority's right of subrogation by releasing the responsible party prior to submitting claims to the ~~Office~~ Authority, the claims may be denied by the ~~Office~~ Authority. If claims are submitted and paid after the employee or dependent has released the responsible party, the ~~Office~~ Authority shall be entitled to bring an action against the employee, dependent, or their assignees, for any such claims paid and for additional costs incurred by the ~~Office~~ Authority including, but not limited to: interest, administrative and adjudicative costs, and attorney fees.

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

Section 1306.6. The ~~Director of the Office of Management and Enterprise Services~~ Chief Executive Officer of the Oklahoma Health Care Authority, in accordance with administering the Medical Expense

Liability Revolving Fund pursuant to Section 746.1 of Title 19 of the Oklahoma Statutes, shall employ, appoint, or otherwise designate the necessary personnel to carry out the duties of the fund.

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

Section 1307. A. The specifications drawn by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority for the ~~Health Insurance Plan~~ health insurance plan shall provide for comprehensive hospital medical and surgical benefits. The ~~Health Insurance Plan~~ health insurance plan may limit coverage for a particular illness, disease, injury or condition; but, except for such limits, shall not exclude or limit particular services or procedures that can be provided for the diagnosis and treatment of an illness, disease, injury or condition, so long as the services and procedures provided are of sound efficacy, are medically necessary, and fall within the licensed scope of practice of the practitioner providing same. The ~~Health Insurance Plan~~ health insurance plan may contract with providers for specific services based on levels of outcomes defined by the ~~Office~~ Authority and achieved by the provider. The ~~Health Insurance Plan~~ health insurance plan may provide for the application of deductibles and copayment or coinsurance provisions that are based on contracts with providers for specific services based on levels of outcomes or cost.

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

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

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

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

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

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

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

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

Section 1308. (1) Any employee eligible for membership in the ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~ dental insurance plan or ~~Life Insurance Plan~~ life insurance plan upon its effective date shall be enrolled in the plan unless the employee elects not to be enrolled within thirty (30) days of the effective dates. The employee shall be advised of ~~Health Maintenance Organization~~ health maintenance organization (HMO) prepaid plans available as an alternative to the state self-insured ~~Health Insurance Plan~~ health insurance plan. The ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall establish the procedure by which eligible employees not electing to be enrolled initially in the ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~ dental insurance plan or ~~Life Insurance Plan~~ life insurance plan may be subsequently enrolled.

(2) Any eligible employee who is employed after the effective dates of the ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~ dental insurance plan and ~~Life Insurance Plan~~ life

insurance plan or HMO plans approved by the ~~Office~~ Authority may become enrolled on the first day of the second month of employment.

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

Section 1308.1. (1) An educational entity may extend the benefits of the health insurance plan, the dental insurance plan, and the life insurance plan to education employees employed by the entity. The benefits of the plans for an education employee shall be the same and shall include the same plan options as would be made available to a state employee participating in the plan that resided at the same location. Notwithstanding the provisions of Section 1308.2 of this title, a period shall exist for enrolling education entities from April 1, 1989 through October 1, 1991, whereby education employees of a participating education entity may be enrolled, pursuant to this act, during the entities' initial enrollment period, regardless of preexisting conditions. The ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall adopt rules and regulations for enrollment by which education entities may apply to participate in the insurance plans. Once an education entity becomes a participant in the health and dental insurance plans offered through the Oklahoma Employees Insurance and Benefits Act, the education entity may withdraw from participation, in a manner prescribed by the ~~Office~~ Authority. If a school district is participating in the health and dental insurance plans pursuant to the Oklahoma Employees Insurance and Benefits Act, Sections 1301 through ~~1329.1~~ 1329 of this title, the employees of the school district who are eligible to participate in the health and dental plans, at such time as the school district may withdraw from such participation, may require the board of education of the school district to call an election to allow the employees to vote as to whether the school district shall continue participation in the health and dental insurance plans offered through the Oklahoma Employees Insurance and Benefits Act. Upon the filing with the board of education of a petition calling for such an election which is signed by no less than thirty percent (30%) of the eligible employees of the school district, the board of education shall call an election for the purpose of determining whether the school district shall continue participation in the health and dental insurance plans offered through the Oklahoma Employees Insurance and Benefits Act. The election shall be held within thirty (30) days of the filing of the petition. If a majority of those eligible employees voting at the election vote to continue participation in the health and dental insurance plans offered through the Oklahoma

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

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

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

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

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

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

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

Section 1309. A. Any eligible employee may elect to have a dependent or dependents of the employee covered by the ~~Health Insurance Plan~~ health insurance plan and ~~Dental Insurance Plan~~ dental insurance plan or by any available ~~Health Maintenance Organization~~ health maintenance organization (HMO) approved by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority. The employee may elect to cover all dependent children and not elect to cover the spouse of the employee. Such election shall be made at the time the employee becomes enrolled in the Plan, under such procedures as the ~~Office~~ Authority may establish. If dependent coverage is not elected or if the employee elects to cover all dependent children and not the spouse of the employee at the time an employee becomes enrolled in the Plan, dependent coverage or coverage for the spouse cannot be elected until the next enrollment period or until a qualifying event has occurred as established by the ~~Office~~ Authority. Such subsequent election of dependent coverage shall be made under such conditions as the ~~Office~~ Authority may impose. If electing not to cover the spouse, the employee shall submit a statement signed by both the employee and the spouse acknowledging their choice not to provide insurance coverage for the spouse under the ~~Health Insurance Plan~~ health insurance plan and ~~Dental Insurance Plan~~ dental insurance plan or approved HMO plans.

B. Any employee with dependent coverage, as provided in this section, who has a change in the number of dependents may at the time of such change increase or decrease the number of dependents covered by the ~~Health Insurance Plan~~ health insurance plan and

~~Dental Insurance Plan~~ dental insurance plan or approved HMO plans, under procedures established by the ~~Office~~ Authority.

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

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

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

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

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

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

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

Section 1310.2. A school district shall pay fifty percent (50%) of the cost of the individual health care premium amount for school district employees who are not otherwise covered pursuant to Section 1310.1 of this title or Section 26-105 of Title 70 of the Oklahoma Statutes, if such employee elects health care coverage under a plan offered by a school district, including a plan offered by the ~~Office~~ Authority.

~~of Management and Enterprise Services~~ Oklahoma Health Care Authority
or a self-insured plan offered by the school district.

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

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

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

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

SECTION 16. AMENDATORY 74 O.S. 2021, Section 1312, is amended to read as follows:

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

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

SECTION 17. AMENDATORY 74 O.S. 2021, Section 1312.1, is amended to read as follows:

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

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

Section 1312.2. (1) There is hereby created in the State Treasury, the Life Insurance Reserve Fund. Except as otherwise provided by law, all contributions, appropriations, transfers, dividend payments, and investment income of the fund received from or for the benefit of the life insurance plan administered by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall be deposited in the reserve fund.

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

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

(2) All monies in the Life Insurance Reserve Fund that are reserves for the health and dental plans administered by the ~~Office~~

~~of Management and Enterprise Services~~ Oklahoma Health Care Authority shall be transferred to the Health and Dental Insurance Reserve Fund on July 1, 1989.

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

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

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

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

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

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

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

(3) All Commission employees, retirees and dependents participating in the ~~Agency Plan~~ agency plan as of ~~the effective date of this act~~ May 30, 1990, shall be permitted to transfer to the ~~State Plan~~ state plan and receive the supplemental insurance

benefits for which provision is made in Section 1314.4 of this title at such time as the supplemental insurance is available. If not sooner transferred, all ~~Agency Plan~~ agency plan participants shall be transferred to the ~~State Plan~~ state plan on January 1, 1991. Such mandatory transfer shall occur simultaneously with any cancellation by the insurance provider of the ~~Agency Plan~~ agency plan, occurring prior to January 1, 1991.

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

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

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

pursuant to the Oklahoma Employees Insurance and Benefits Act shall pay the premium for such coverage.

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

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

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

B. If the Commission decides to contract with the Office Authority for the supplemental health insurance coverage, the Office Authority is expressly authorized and directed to enter into such a contract and administer the supplemental benefit in such manner to cause the least disruption to its systems and daily operations. The supplemental benefit does not have to be offered as a supplemental plan but can be combined with the state plan to be administered and actuarially rated as a single plan. If this option is chosen, all dependents of employees or former employees currently eligible for the supplemental health insurance shall be included in the plan,

regardless of whether or not the dependents were previously included in the plan, and this subsection will prevail over the provisions of Section 1314.3 of this title. The Commission shall pay the full actuarial cost to be determined by the ~~Office~~ Authority and all reasonable administrative costs for such coverage, if provided by or through the ~~Office~~ Authority. The ~~Office~~ Authority may consider the utilization experience of the group participating in the benefit when calculating the rate for providing the benefit. The ~~Office~~ Authority shall maintain separate reserves for said coverage.

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

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

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

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

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

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

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

C. Groups listed in subsection A of this section participating in the Oklahoma Employees Insurance and Benefits Plans shall pay all costs attributable to their participation. The benefits of said plans for a participant provided coverage pursuant to this section

shall be the same and shall include the same plan options as would be made available to a state employee participating in the plan that resided at the same location. The premium for participating groups listed in subsection A of this section shall be the same as paid by state and education employees.

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

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

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

F. Any county, city, town, county hospital, public trust, conservation district, or rural water, sewer, gas or solid waste management district, or nonprofit water corporation, any of which of the aforementioned groups is not a participating employer in the Oklahoma Public Employees Retirement System, but which has employees who are participating in the health, dental or life insurance plans offered by or through the Oklahoma Employees Insurance and Benefits

Act on July 1, 1997, may continue to allow its current and future employees to participate in such health, dental or life insurance plans. Participation of such employees may also continue following termination of employment if the employee has completed at least eight (8) years of service with a participating employer and such an election to continue in force is made within thirty (30) days following termination of employment. Any retiree or terminated employee electing coverage pursuant to this section shall pay the full cost of the insurance.

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

H. Notwithstanding other provisions in this section, an employer listed in subsection A of this section may cease to participate in the Oklahoma Employees Insurance and Benefits Act but provide health insurance coverage for its current and former employees through another insurance carrier. The subsequent carrier shall be responsible for providing coverage to the entity's employees who terminated employment with a retirement benefit, with a vested benefit, or who have eight (8) or more years of service with a participating employer but did not have a vested benefit through the Oklahoma Public Employees Retirement System, if the election to retain health insurance coverage was made within thirty (30) days of termination of employment. Coverage shall also be provided to the eligible dependents of the employees if an election to retain coverage is made within thirty (30) days of termination of employment. Employees who terminate employment from an employer covered by this ~~paragraph~~ subsection before December 31, 2001, and elect coverage under the Oklahoma Employees Insurance and Benefits Act, shall not be required to change insurance carriers in the event that the employer changes its insurance carrier to a subsequent carrier. The provisions of this subsection shall become effective January 1, 2002.

I. Employers pursuant to subsection A of this section who participate in the Oklahoma Public Employees Retirement System and who offer health insurance coverage to their active employees, shall offer health insurance coverage to those employees who retire from the employer and also to those employees who terminate employment

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

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

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

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

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

Section 1316.1. A. Any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems or persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program or the spouse or dependent of any such employee may continue in force the life insurance benefits authorized by ~~this act~~ the Oklahoma Employees Insurance Benefits Act in a face amount of not less than one-fourth (1/4) of the basic life insurance amount, if such election to continue in force is made within thirty (30) days from the time of severance. Persons electing to continue in force life insurance benefits shall pay the full cost of the life insurance and under such terms and conditions as established by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority. Further, any such retiree may continue in force any additional life insurance that was purchased prior to retirement at an actuarially adjusted rate and under such terms and conditions as established by the ~~Office~~ Authority.

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

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

C. In lieu of subsection A of this section, any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems and who is participating in a health insurance plan, the dental insurance plan,

or the life insurance plan offered by the ~~Office~~ Authority, including such persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program on or before July 1, 1999, or the spouse of any such person may elect to purchase life insurance benefits authorized by this subsection in a face amount not to exceed Fifty Thousand Dollars (\$50,000.00). Eligible persons pursuant to this subsection shall make an election by January 1, 2000, to purchase the life insurance coverage provided in this subsection. Life insurance coverage pursuant to this subsection shall depend upon providing satisfactory evidence of insurability for the person who is to be covered. Life insurance coverage, pursuant to this subsection, shall be purchased in blocks of Five Thousand Dollars (\$5,000.00). The premium for such life insurance coverage shall be at a blended rate and shall be set by the Authority and approved by the Office of Management and Enterprise Services. The ~~Office~~ Authority shall promulgate rules necessary for the implementation of the provisions of this subsection.

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

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

established by the ~~Office~~ Authority. Provided also, any employee other than an education employee who commences employment with a participating employer on or after September 1, 1991, who terminates service with such employer on or after July 1, 1996, but who otherwise has insufficient years of service to retire or terminate service with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System or to elect to continue coverage as a nonvested employee as provided in this section, but who, immediately prior to employment with the participating employer, was covered as a dependent on the health and dental insurance policy of a spouse who was an active employee other than an education employee, may count as part of his or her credited service for the purpose of determining eligibility to elect to continue coverage under this section, the time during which the terminating employee was covered as such a dependent.

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

- a. indemnity plans offered through the ~~Office~~ Authority,
- b. managed care plans offered as alternatives to the indemnity plans offered through the ~~Office~~ Authority,
- c. Medicare supplements offered pursuant to the Oklahoma Employees Insurance and Benefits Act,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the ~~Office~~ Authority. All Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principles for adverse selection which may occur, and
- e. for the Oklahoma Public Employees Retirement System, 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, pursuant to 42 USCA Section 1395w-101, et seq.,

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

- a. a retired employee, other than an education employee or an employee who participates in the defined contribution system administered by the Oklahoma Public Employees Retirement System on or after November 1, 2015, who is receiving benefits from the Oklahoma Public Employees Retirement System after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Public Employees Retirement System to the Board or to another insurance carrier or other qualified benefits administrator of the employer if the employer does not participate in the plans offered by the ~~Office~~ Authority in the manner specified in subsection G of this section,
- b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the ~~Office~~ Authority in the manner specified in subsection G of this section,
- c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the ~~Office~~

Authority in the manner specified in subsection G of this section, and

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

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

- a. the health plan shall be authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, except that if an employer from which an employee retired or with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System does not participate in the plans authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, the health plan will be the health insurance benefits of the employer from which the individual retired or vested,
- b. for plans offered by the Oklahoma Employees Insurance and Benefits Act, the amount to be paid shall be determined pursuant to the provisions of this subsection and shall first be applied in whole or in part to the prescription drug coverage premium. Any remaining amount shall be applied toward the medical coverage premium,
- c. for all plans, if the amount paid by the public retirement system does not cover the full cost of the elected coverage, the individual shall pay the remaining premium amount, and
- 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 subsection H of this section. For plans offered by the Office Authority, such contributions will first be applied in whole or in part to the prescription drug coverage premium, if any.

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

G. The amounts required to be paid by the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges and the Oklahoma Law Enforcement Retirement System pursuant to this section shall be forwarded no later than the tenth day of each month following the month for which payment is due by the Oklahoma Public Employees Retirement System Board of Trustees or the Oklahoma Law Enforcement Retirement Board to the Office

Authority for deposit in the Health, Dental and Life Insurance Reserve Fund or to another insurance carrier or other administrator of qualified benefits of the employer as provided for in subsection H of Section 1315 of this title.

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

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

Section 1316.3. A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act if such election to continue in force or begin is made within thirty (30) days from the date of termination of service. Except as provided in subsection E of Sections 5-117.5 and 14-108.1 of Title 70 of the Oklahoma Statutes ~~and Section 840-2.271 of this title~~ and subsection K of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force or begin coverage is declined. Vested persons who have terminated service and are not receiving benefits and effective July 1, 1996, nonvested persons who have terminated service with more than ten (10) years of participating service with a qualifying

employer, who within thirty (30) days from the date of termination of service, elect to continue such coverage, shall pay the full cost of said insurance premium at the rate and pursuant to the terms and conditions established by the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority.

B. 1. Health insurance benefit plans offered pursuant to this 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 subsection A of this section elects to begin or to continue the health insurance plan;

2. Is receiving benefits from the Teachers' Retirement System of Oklahoma after June 30, 1993, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and participates in a

health insurance plan provided by a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the Oklahoma Employees Insurance and Benefits Act or an alternative health plan offered pursuant to the Oklahoma State Employees Benefits Act;

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

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

shall have the amount determined pursuant to subsection E of this section, or the premium rate of the health insurance benefit plan, whichever is less, paid by the Teachers' Retirement System of Oklahoma. If the amount paid by the Teachers' Retirement System of Oklahoma does not cover the full cost of the health insurance premium, the retired person shall pay the remaining amount if the retired person wants to continue the coverage.

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

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

2. For those individuals participating in plans provided through a participating education employer of the Teachers'

Retirement System of Oklahoma other than a health insurance plan offered pursuant to the Oklahoma Employees Insurance and Benefits Act, payment shall be made to the education employer.

E. Beginning July 1, 2000, the maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retired person toward said 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 A of this section, to participate in the dental insurance plan offered through the Oklahoma Employees Insurance and Benefits Act. The person shall pay the full cost of the dental insurance.

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

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

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

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

K. Upon retirement from employment with the Board of Regents of the University of Oklahoma, any person who is or was employed at the George Nigh Rehabilitation Institute and who transferred employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the benefits authorized by the provisions of the Oklahoma Employees

Insurance and Benefits Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of employment. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who are persons transferred employment and who participate pursuant to this ~~paragraph~~ subsection shall pay the premium for elected benefits less any amounts paid by the retirement system pursuant to this section.

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

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

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

Section 1320. A. For purposes of administering the Oklahoma Employees Insurance and Benefits Act, the ~~Director~~ Chief Executive Officer (CEO) of the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority is authorized to hire and appoint an Administrator who shall be in the unclassified service and shall serve at the pleasure of the ~~Director~~ CEO of the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority.

B. The ~~Director~~ CEO of the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority may hire a director of internal audit and one attorney licensed to practice law in this state. The attorney hired by the Oklahoma Employees Insurance and Benefits Board shall have not less than five (5) years of experience in matters related to the insurance industry. The ~~Director~~ CEO shall directly supervise the duties of the director of internal

audit, and shall not delegate the supervision to the Administrator or any other employee. In addition to duties assigned by the ~~Director~~ CEO, the director of internal audit is authorized to audit all records of health providers and pharmacists who enter into any contract with the Board in order to ensure compliance with said contract provisions.

The ~~Director~~ CEO shall employ such persons as are necessary to administer the provisions of the Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act. The ~~Director~~ CEO may employ a maximum of two attorneys for purposes of administering the Oklahoma Employees Insurance and Benefits Act. The Administrator or one of the deputy administrators shall have not less than seven (7) years of group health insurance administration experience on a senior managerial level.

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

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

Section 1321. A. ~~The Office of Management and Enterprise Services~~ Oklahoma Health Care Authority shall have the authority to determine all rates and life, dental and health benefits. All rates shall be compiled in a comprehensive Schedule of Benefits. The Schedule of Benefits shall be available for inspection during regular business hours at the ~~Office of Management and Enterprise Services~~ Oklahoma Health Care Authority. The ~~Office~~ Authority shall have the authority to annually adjust the rates and benefits based on claim experience.

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

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

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

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

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

SECTION 30. AMENDATORY 74 O.S. 2021, Section 1323, is amended to read as follows:

Section 1323. Any person who shall knowingly make any false statement, or who shall falsify or permit to be falsified any record necessary for carrying out the intent of the Oklahoma Employees Insurance and Benefits Act, Sections 1301 through ~~1329.1~~ 1329 of this title, for the purpose of committing fraud, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding Five Thousand Dollars (\$5,000.00) or by imprisonment for not exceeding one (1) year or by both the fine and imprisonment. ~~The Office of Management and Enterprise Services~~ Oklahoma Health

Care Authority shall have the right to audit participating employer groups to verify eligibility for any member and/or dependent and may 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 providers who provide services pursuant to a contract with the ~~Office~~ Authority at least fifteen (15) days prior to the hearing. The notice shall include proposed changes to the reimbursement rates or methodology. The ~~Office~~ Authority shall also inform such health care providers at the hearing of any proposed changes to the reimbursement rates or methodology. At the hearing the ~~Office~~ Authority shall provide an open forum for such health care providers to comment on the proposed changes.

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

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

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

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

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

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

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

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

D. No health benefit plan specified by this section shall require a provider to have hospital privileges if hospital

privileges are not usual and customary for the services the provider provides.

E. Nothing in this section shall be construed to:

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

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

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

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

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

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

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

B. As used in this section, "clean claim" means a claim that has no defect or impropriety, including a lack of any required substantiating documentation, or particular circumstance requiring special treatment that impedes prompt payment.

C. 1. If a claim or any portion of a claim is determined to have defects or improprieties, including a lack of any required substantiating documentation, or a particular circumstance requiring special treatment, the enrollee, assignee of the enrollee, or health care provider shall be notified in writing within thirty (30) calendar days after receipt of the claim by the contracted claims administrator for the ~~Office~~ Authority. The written notice shall

specify the portion of the claim that is causing a delay in processing and explain any additional information or corrections needed. Failure of the ~~Office's~~ Authority's claims administrator to provide the enrollee, assignee of the enrollee, or health care provider with such notice shall constitute prima facie evidence that the claim will be paid in accordance with the terms of the health benefit claims administration contract.

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

D. Upon receipt of the additional information or corrections which led to the claim's being delayed and a determination that the information is accurate, the claims administrator for the ~~Office~~ Authority shall either pay or deny the claim or a portion of the 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~~ Oklahoma Health Care Authority shall take necessary measures to make any employer or employee health savings account contributions permissible under the state's Section 125 Plan.

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

Passed the House of Representatives the 15th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 22nd day of April, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____