



Oklahoma
State
Senate

Legislative Brief

June 2001

Health Insurance Related Legislation for Public Employees

Legislation affecting public employee health insurance was enacted during the 1st Session of the 48th Legislature. The following is an outline of the legislation:

SUMMARY OF ACTIONS

Miscellaneous

- **SB 422 (Milacek/McCarter):** A provision of this bill allows a member of a district board of education to retain health insurance upon termination of service. Such member must have at least ten years of service in order to be eligible and shall pay the full premium. Effective July 1, 2001.

(EBC) Oklahoma State Employee Benefits Council

- **SB 406 (Monson/Askins):** A provision of this bill deletes the requirement that the price of the basic plan may not exceed the flexible benefits allowance. This change accommodates SB 702 which also passed this session and bases the price of the basic plan on the average of high option plans. SB 702 will allow the flexible benefit allowance to increase when the price of such plans increases. However, because the flexible benefit allowance will now be based upon an average, some of the plans may cost in excess of the flexible benefit allowance. Effective July 1, 2001.

(OSEEGIB) STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD

- **SB 416 (Maddox/McCarter):** [§1] Allows OSEEGIB to negotiate with out-of-state providers in emergency situations for services not otherwise available in Oklahoma or when approved under exceptional circumstances. [§2] Changes the reference from out-of-state hospital to out-of-state provider.
- **SB 423 (Maddox/Benson):** Requires employer participation in the plans offered by OSEEGIB in order for a retiree of the Oklahoma Public Employees Retirement System to have OSEEGIB coverage. Allows an employer to cease participation in the OSEEGIB plans and use a different insurer. However, the new insurer must cover all employees including

retired and vested former employees. Employees who terminate prior to December 31, 2001, will not be affected by these changes. Effective date is January 1, 2002.

- **SB 502 (Rabon/Matlock):** [§1] Allows the OSEEGIB to determine what plans are appropriate to offer. [§2] Deletes restrictions on the high deductible plan design. Formerly, the high deductible plan was required to have the same coinsurance and benefit limits as the basic benefit plan. This amendment allows more flexibility in the design of the high deductible plan. Effective July 1, 2001.
- **SB 633 (Robinson/McCarter):** [§1] Like SB 502 above this bill allows OSEEGIB to determine what plans are appropriate to offer. [§2] Clarifies that education employees participating in an OSEEGIB offered HMO may change their primary care physician. [§3] Deletes obsolete language which prohibited enrollment into an HMO outside of a regular option period. [§4] Amends the requirement that a member must sign an affidavit in order not to cover his or her spouse. The amendment only requires a written statement. [§5] Clarifies that certain non-vested persons may also elect to continue life insurance. [§6] Provides that a former member who is re-employed in qualifying service after 24 months of the member's previous qualifying service may enroll in life insurance exceeding the previous coverage. [§7] Deletes the half-year deductible and extends the date for the annual adjustment of rates and benefits. [§8]. Deletes a provision added last session which prohibited the assessment of preexisting condition limitations or waiting periods against state employees prior to receiving disability coverage under the Disability Insurance Program. Section 5 becomes effective January 1, 2002. The other sections are effective May 7, 2001.
- **HB 1047 (Turner/Shurden) and HB 1689 (Askins/Monson):** These bills amended SB 423 by restructuring the section of law and added eligibility for the following entities to participate in the OSEEGIB plans:

HB 1047 a. conservancy districts or master conservancy districts; b. voluntary organizations of Oklahoma local government jurisdictions; c. voluntary association designated to administer the County Government Council

HB 1689 includes the same entities as HB 1047 but in addition adds certain statewide nonprofit entities representing employees of the state or employees of local political subdivisions.

Effective July 1, 2001.

- **HB 1638 (Matlock/Crutchfield):** This bill grants authority to conduct a Legislative Interim Study for the purpose of studying and reviewing premiums, benefits, financial reserves and retained earnings of the OSEEGIB. Emergency.

Contact For More Information:

Selden Jones
(405) 521-5559
jones@lsb.state.ok.us

Brian Phillips
(405) 521-5627
phillips@lsb.state.ok.us

Prepared By: The Oklahoma State Senate, Senate Staff
Senator Stratton Taylor, President Pro Tempore