

1 ENGROSSED SENATE
2 BILL NO. 1351

By: Montgomery of the Senate

3 and

4 McEntire of the House

5
6 An Act relating to the Oklahoma State Employees
7 Benefits Act; amending 74 O.S. 2011, Section 1374, as
8 last amended by Section 1, Chapter 26, O.S.L. 2018
9 (74 O.S. Supp. 2019, Section 1374), which relates to
10 vision plans; authorizing Office of Management and
11 Enterprise Services to renew certain vision plan
12 contracts for one year periods; specifying certain
13 information that may be required to renew; and
14 providing an effective date.

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

16 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1374, as
17 last amended by Section 1, Chapter 26, O.S.L. 2018 (74 O.S. Supp.
18 2019, Section 1374), is amended to read as follows:

19 Section 1374. A. For the plan year beginning January 1, 2017,
20 and for each year thereafter, it shall be the responsibility of the
21 Office of Management and Enterprise Services to offer vision plans
22 to participants during the open enrollment period. Providers of
23 plans eligible for selection shall submit information requested by
24 the Office of Management and Enterprise Services. For the plan year
beginning January 1, 2021, and for each year thereafter, the Office
of Management and Enterprise Services shall have the authority to

1 renew vision plan contracts with plan providers for succeeding one-
2 year terms if the provider had a contract for the immediately
3 preceding year. The Office of Management and Enterprise Services
4 may, at its discretion, require the provider to submit information
5 including, but not limited to, rate schedules, contact information
6 for the vision plan, policy limits and applicable deductibles, and
7 billing practices of the plan prior to renewal. Plans eligible for
8 selection shall meet or exceed the following criteria:

9 1. Has in place a statewide network of at least one hundred
10 fifty providers. "Providers", for purposes of this section, means
11 Optometrists (OD), Ophthalmologists (MD), and Ophthalmologists (DO)
12 which shall be counted once regardless of the number of locations
13 where they may practice. Optical shops and retail optical locations
14 shall not be listed as providers. The company offering the vision
15 plan must have a direct relationship with each provider on its
16 panel, and may not lease, borrow, or otherwise obtain use of a
17 provider panel from another company. This would not prevent a
18 company from offering its plan through one corporate entity and
19 administering the plan or provider panel through another legal
20 entity of the same organization so long as the entity receiving
21 premiums remains legally responsible for the payment of benefits.
22 Providers must be actively engaged in providing the services offered
23 under the vision plan they represent;

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

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

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

13 5. Vision plans must provide an examination, frames and lenses,
14 and/or contact lenses and some form of indemnified payment to the
15 contracted providers for each component of the benefits, i.e., the
16 exam, frames and lenses and/or contact lenses. This does not
17 eliminate discounted supplementary benefits under a qualified plan,
18 so long as such benefits pertain to vision care.

19 B. Any administrative fees imposed by the Office of Management
20 and Enterprise Services shall be applied equally to all qualified
21 vision plans. There shall be no additional requirements imposed on
22 a vision plan other than the proper licensing, certification or
23 authorization to operate its business by the Oklahoma Insurance
24 Department.

1 C. No more than two Oklahoma-based vision care benefits
2 companies that meet the criteria as specified in subsection A of
3 this section and no more than two out-of-state vision care benefits
4 companies that meet the criteria as specified in subsection A of
5 this section shall be offered as vendors for enrollment in any state
6 employee benefit offering. For purposes of this subsection, an
7 "Oklahoma-based vision care benefits company" shall be defined as
8 follows:

9 1. A vision care benefits company that has a home office,
10 customer service and administration located within the State of
11 Oklahoma and is subject to Oklahoma state income taxes; or

12 2. A vision care benefits company that has a majority of
13 ownership interest held either directly or indirectly by residents
14 of the State of Oklahoma and is subject to Oklahoma state income
15 taxes.

16 D. In the event the number of vision companies submitting
17 offerings exceeds the amount permitted under subsection C of this
18 section, the Office of Management and Enterprise Services shall have
19 the authority to reject excess offerings based upon failures to meet
20 bid requirements or for providing lesser value for the State of
21 Oklahoma.

22 SECTION 2. This act shall become effective November 1, 2020.
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1 Passed the Senate the 2nd day of March, 2020.

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Presiding Officer of the Senate

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5 Passed the House of Representatives the ____ day of _____,

6 2020.

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Presiding Officer of the House
of Representatives

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