

1 **SENATE FLOOR VERSION**

2 February 24, 2020

3 SENATE BILL NO. 1351

By: Montgomery of the Senate

4 and

5 McEntire of the House

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

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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

1 beginning January 1, 2021, and for each year thereafter, the Office
2 of Management and Enterprise Services shall have the authority to
3 renew vision plan contracts with plan providers for succeeding one-
4 year terms if the provider had a contract for the immediately
5 preceding year. The Office of Management and Enterprise Services
6 may, at its discretion, require the provider to submit information
7 including, but not limited to, rate schedules, contact information
8 for the vision plan, policy limits and applicable deductibles, and
9 billing practices of the plan prior to renewal. Plans eligible for
10 selection shall meet or exceed the following criteria:

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

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1 Providers must be actively engaged in providing the services offered
2 under the vision plan they represent;

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

8 3. Is properly licensed, registered, certified or authorized to
9 operate its business in this state by the Insurance Department.

10 Vision plans must be offered by the company administering the plan,
11 not by an agent or third party. A company shall offer only one
12 vision plan and rate schedule for each plan year;

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

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

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

1 authorization to operate its business by the Oklahoma Insurance
2 Department.

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

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

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

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

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SECTION 2. This act shall become effective November 1, 2020.

COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
February 24, 2020 - DO PASS

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