

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1060</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>7855</b>
<b>Author:</b>	<b>Rep. McEntire</b>
<b>Date:</b>	<b>2/26/2019</b>
<b>Impact:</b>	<b>OID: \$0 anticipated</b>

**Research Analysis**

HB1060, as proposed committee substitute, expands applicability of the Oklahoma Life and Health Guaranty Association Act. The measure includes HMO's as member insurers in the association. The measure also includes health care providers and enrollees as persons to whom the association will provide coverage. The measure provides a definition of "health benefit plan" and its exclusions. The measure excludes Medicaid and CHIP payment obligations from the association's coverage obligations, and includes portions of policies or contracts that provide long-term care riders as part of the association's coverage obligations. These long-term care riders will be treated as basic life insurance policy or annuity contract benefits. The measure also increases the number of member insurers serving on the Board of Directors from 5-9 to 7-11. In the case of reissuing terminated coverage at a different rate, the measure states the new premium rate must be actuarially justified. The measure removes the maximum non-pro rata assessment amount for Class A assessments which can be charged to insurers and credited toward future insolvency. The measure also sets the Class B assessment for long-term care, 50% of which shall be allocated to accident and health member insurers and 50% of which shall be allocated to life and annuity member insurers.

The measure also removes the stipulation that deposits from HMOs to the Commissioner be used for administrative costs associated to receiverships or liquidations. The measure repeals sections related to:

- Uncovered expenditures of HMOs exceeding 10% of total expenditures, requiring these HMOs to place an insolvency deposit with the Commissioner.
- Rehabilitation, liquidation, or conservation of a HMO.
- Insolvency of a HMO.

Prepared By: Anna Rouw

**Fiscal Analysis**

After analysis, the measure as written has \$0 anticipated impact to the Oklahoma Insurance Department.

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**Other Considerations**

None.

