

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1060
Version:	SAHB
Request Number:	NA
Author:	Rep. McEntire
Date:	5/1/2019
Impact:	OID: \$0 Anticipated

Research Analysis

The senate amendments to HB1060 remove the provision that members of the Board of Directors of the Oklahoma Life and Health Insurance Guaranty Association be reimbursed for expenses according to the State Travel Reimbursement Act. The amendments specify that the Association will reimburse the board members.

HB1060 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 with receiverships or liquidations. The measure removes the requirement that an HMO be in rehabilitation or conservation in order for the Commissioner to use the HMO's deposit for ensuring enrollees' coverage. 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

The measure relates to insurance and the Oklahoma Life and Health Insurance Guaranty Association Act. The bill as currently written is anticipated to have \$0 fiscal impact to the Oklahoma Insurance Department.

Prepared By: Jenny Mobley

Other Considerations

None.

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