

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SENATE BILL 1694

By: Quinn

4  
5  
6 AS INTRODUCED

7 An Act relating to mandated health insurance  
8 coverage; amending Section 1, Chapter 92, O.S.L. 2016  
9 (36 O.S. Supp. 2019, Section 6011), which relates to  
10 mandated health insurance coverage; creating the  
11 Oklahoma Health Insurance Mandate Legislation  
12 Actuarial Analysis Act; defining terms; creating and  
13 providing for appointments of Mandate Review  
14 Commission; requiring certain bills be sent to  
15 Legislative Actuary; establishing procedure for  
16 introduction of mandate bills; establishing procedure  
17 for consideration of mandate bills in committee;  
18 requiring certain bills be subject to full actuarial  
19 investigation; requiring Legislative Actuary to  
20 complete investigation on certain bills by certain  
21 date; requiring assessment of certain bills by  
22 Mandate Review Commission; establishing terms for  
23 Commission to consider in assessment; requiring  
24 actuarial investigation documents to be attached to  
25 certain documents; establishing procedure for  
26 amending mandate bills; establishing procedure for  
27 consideration of mandate bills in Legislature after  
28 investigation; requiring certain documents be  
29 attached to certain enrolled bills; amending 74 O.S.  
30 2011, Section 452.15, which relates to Legislative  
31 Actuary duties; modifying purpose of hiring Actuary;  
32 adding required experience for certain hiring;  
33 providing for codification; and providing an  
34 effective date.

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

1 SECTION 1. AMENDATORY Section 1, Chapter 92, O.S.L. 2016  
2 (36 O.S. Supp. 2019, Section 6011), is amended to read as follows:

3 Section 6011. A. ~~Any mandated health insurance coverage signed~~  
4 ~~into law after November 1, 2016, for specific health services,~~  
5 ~~benefits, diseases, copay structure, formulary structure or for~~  
6 ~~certain providers of health care services shall also apply to the~~  
7 ~~Oklahoma Employees Health Insurance Plan~~ This act shall be known and  
8 may be cited as the "Oklahoma Health Insurance Mandate Legislation  
9 Actuarial Analysis Act".

10 B. As used in this ~~section,~~ act:

11 1. "Amendment" means any amendment, including a substitute  
12 bill, which includes a mandate on a health plan, and is made:

13 a. by any committee, author or committee member of the  
14 House of Representatives or Senate committee, if a  
15 committee substitute amendment or bill,

16 b. by any member of the Legislature, if a floor amendment  
17 or substitute bill, or

18 c. by a conference committee of the House of  
19 Representatives or Senate;

20 2. "Health plan" means an insurance plan that:

21 a. provides benefits for medical or surgical expenses  
22 incurred as a result of a health condition, accident  
23 or sickness, and

1           b. is offered by any insurance company, group hospital  
2           service corporation, the State and Education Employees  
3           Group Insurance Board, health maintenance organization  
4           that delivers or issues for delivery an individual,  
5           group, blanket or franchise insurance policy or  
6           insurance agreement, a group hospital service contract  
7           or an evidence of coverage or by a multiple employer  
8           welfare arrangement, as defined in Section 3 of  
9           Employee Retirement Income Security Act of 1974, to  
10           the extent permitted, or any other analogous benefit  
11           arrangement, whether the payment is fixed or by  
12           indemnity;

13           3. "Legislative Actuary" means the firm of entity that enters  
14           into a contract with the Legislative Service Bureau pursuant to  
15           Section 452.15 of Title 74 of the Oklahoma Statutes to provide the  
16           actuarial services and other duties provided for in this act;

17           4. "Mandate" means required coverage for services specified by  
18           law, treatments, benefits, productions, drugs, conditions,  
19           providers, provider reimbursement levels, copay structures or  
20           utilization of specific administrative services;

21           5. "Mandate bill" means any bill or joint resolution introduced  
22           or amended by a member or a committee of the Oklahoma Legislature  
23           that creates or amends any law directly affecting a mandate on a  
24           health plan;

1       6. "Oklahoma Employees Health Insurance Plan" shall have the  
2 same meaning as "health insurance plan" as defined in Section 1303  
3 of Title 74 of the Oklahoma Statutes;

4       7. "Physician" means a doctor of medicine or a doctor of  
5 osteopathic medicine licensed by and in good standing with the State  
6 Board of Medical Licensure and Supervision, the State Board of  
7 Osteopathic Examiners or the Board of Podiatric Medical Examiners.

8       SECTION 2.       NEW LAW       A new section of law to be codified  
9 in the Oklahoma Statutes as Section 6012 of Title 36, unless there  
10 is created a duplication in numbering, reads as follows:

11       There is hereby created the Oklahoma Mandate Review Commission.  
12 The Commission shall be comprised of the following members:

13       1. One member from the House of Representatives, to be  
14 appointed by the Speaker of the House of Representatives;

15       2. One member who shall be a representative of a self-insured  
16 business organization to be appointed by the Speaker of the House of  
17 Representatives;

18       3. One member who shall be a representative of a statewide  
19 hospital organization to be appointed by the Speaker of the House of  
20 Representatives;

21       4. One member of the Senate to be appointed by the President  
22 Pro Tempore of the Senate;

1           5. One member who shall be a representative of a fully-insured  
2 business organization to be appointed by the President Pro Tempore  
3 of the Senate;

4           6. One member who shall be a physician, to be appointed by the  
5 President Pro Tempore of the Senate;

6           7. One member who shall be a representative of a statewide  
7 association of health plans to be appointed by the President Pro  
8 Tempore of the Senate;

9           8. One member who shall be the Insurance Commissioner of the  
10 Oklahoma Insurance Department, or a designee;

11           9. One member of a health plan to be appointed by the Insurance  
12 Commissioner;

13           10. One member who shall be a pharmacy benefit manager to be  
14 appointed by the Insurance Commissioner; and

15           11. One independent pharmacist to be appointed by the Insurance  
16 Commissioner.

17           SECTION 3.        NEW LAW        A new section of law to be codified  
18 in the Oklahoma Statutes as Section 6013 of Title 36, unless there  
19 is created a duplication in numbering, reads as follows:

20           As a condition precedent to the introduction of any mandate  
21 bill, the applicable legislative staff, on behalf of the member of  
22 the Legislature who intends to be the primary author of the bill,  
23 shall present an exact copy of the proposed bill to the Legislative  
24 Actuary. The Actuary shall determine whether the proposed bill is a

1 mandate bill having a fiscal impact or a mandate bill not having a  
2 fiscal impact and provide a written certification of that  
3 determination to the member. If the proposed bill is then  
4 introduced into the Legislature, it shall have attached the  
5 certification of the Actuary. If the bill is certified as a mandate  
6 bill having a fiscal impact, its introduction shall be limited by  
7 the provisions of this act.

8 SECTION 4. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 6014 of Title 36, unless there  
10 is created a duplication in numbering, reads as follows:

11 A. Except as otherwise provided in this subsection, any mandate  
12 bill having a fiscal impact may be introduced according to the  
13 applicable deadlines established by the House of Representatives or  
14 the Senate only in any odd-numbered year during the regular session.  
15 It may be passed by the Legislature only during an even-numbered  
16 year of the regular session. Any mandate bill determined by the  
17 Legislative Actuary in an even-numbered year to be a fiscal mandate  
18 bill may be introduced in an even-numbered year but shall not be  
19 considered by the Legislature.

20 B. When a mandate bill having a fiscal impact is introduced, it  
21 shall be assigned to the respective House of Representatives or  
22 Senate standing committee or subcommittee that is responsible for  
23 the consideration of health insurance legislation. If a majority of  
24 the total membership of such committee is opposed to the bill on its

1 merits, no actuarial investigation provided for in this act shall be  
2 necessary and the bill shall not be reported out by the committee  
3 and shall not be adopted or considered by the Legislature. If a  
4 majority of the committee votes in favor of an actuarial  
5 investigation of the bill, the investigation shall be required as  
6 provided in this act. No mandate bill having a fiscal impact may be  
7 reported out of the committee to which it is assigned or considered  
8 and adopted by the House of Representatives or Senate without an  
9 actuarial investigation.

10 SECTION 5. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 6015 of Title 36, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. A mandate bill having a fiscal impact that the committee  
14 wishes to consider may be amended, if necessary, by the committee.  
15 If a mandate bill having a fiscal impact is changed by the committee  
16 to which it is assigned, the change shall be accomplished only by a  
17 substitute bill.

18 B. Immediately after a mandate bill having a fiscal impact has  
19 been considered and the committee has voted in favor of an actuarial  
20 investigation, the chair of the committee to which the bill was  
21 assigned shall transmit an exact copy of the bill, as amended by a  
22 substitute bill by the committee, if applicable, to the Legislative  
23 Actuary. The submission of the bill to the Actuary shall have  
24

1 attached a letter signed by the chair of the committee requesting  
2 the Actuary to complete an actuarial investigation of the bill.

3 SECTION 6. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 6016 of Title 36, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. If an actuarial investigation of a mandate bill having a  
7 fiscal impact is requested under this act, it shall be the duty of  
8 the Legislative Actuary to complete his or her investigation not  
9 later than December 1 of the same year during which the request for  
10 the actuarial investigation was made.

11 B. The actuarial investigation of the Actuary shall be  
12 accompanied by an assessment of the proposed mandate by the Mandate  
13 Review Commission which shall include, but is not limited to,  
14 findings on the following:

15 1. The potential impact on the cost of health insurance  
16 premiums that will result from the bill proposing the mandate; and

17 2. An assessment of the financial, medical and social impacts  
18 of the proposed mandate:

19 a. financial impacts include, but are not limited to, the  
20 extent to which:

21 (1) insurance coverage for the mandate may be  
22 reasonably expected to increase or decrease the  
23 insurance premiums and administrative expenses  
24 for policyholders, including small employers,



- (2) costs resulting from the lack of coverage or resulting from the mandated coverage are shifted to other payers, including both public and private entities,
- (3) the methods that will be implemented to manage the utilization and costs of the mandated health benefit, and
- (4) the treatment, service or equipment, supplies or drugs being more expensive than existing treatment, service or equipment, supplies or drugs determined to be equally safe and effective by credible scientific evidence published in peer-reviewed medical literature generally recognized by relevant medical communities,

The financial impact assessment shall include a comparison of the rate of increase in the Consumer Price Index for medical care services for the current year to the rate of increase in the Index for the previous year as reported by the Bureau of Labor Statistics,

b. medical impacts include, but are not limited to, the extent to which the proposed mandate:

- (1) is generally available and utilized by treating physicians,

1 (2) has credible scientific evidence published in  
2 peer-reviewed medical literature that is  
3 generally recognized by the relevant medical  
4 community determining the treatment, service or  
5 equipment, supplies or drugs, as applicable to be  
6 safe, effective and appropriate and the medical  
7 efficacy of the treatment or service compared to  
8 alternatives or not providing the treatment or  
9 service,

10 (3) does not diminish or eliminate access to  
11 currently available health care services,

12 (4) uses methods of the appropriate professional  
13 organization that assure clinical proficiency,  
14 and

15 (5) if applicable, accounts for the results of any  
16 professionally acceptable research demonstrating  
17 the medical results achieved by the additional  
18 class of practitioners relative to those already  
19 covered, and

20 c. social impacts include, but are not limited, to:

21 (1) the extent to which the treatment, service or  
22 equipment, supplies or drugs, as applicable, are  
23 utilized by a significant portion of the  
24 population,

- 1 (2) the impact of indirect costs, meaning costs other  
2 than premiums and administrative costs, on  
3 coverage,  
4 (3) the level of public demand for individual or  
5 group insurance coverage of the treatment or  
6 service, including the extent to which the  
7 proposed mandate is covered by self-funded  
8 employers and the state employee health insurance  
9 program,  
10 (4) the extent to which insurance coverage for  
11 treatment or service is already available, and if  
12 not, extent to which lack of coverage results in  
13 person being unable to obtain necessary treatment  
14 and results in unreasonable financial hardship on  
15 those persons needing treatment, and  
16 (5) the extent to which there are alternatives to  
17 meeting the identified need.

18 C. By no later than December 1 of the same year that the  
19 request for an actuarial investigation is made, the completed  
20 actuarial investigation shall be submitted by the Actuary to the  
21 chair of the committee who requested the investigation. It shall  
22 include a summary of the findings of the Actuary, to be accompanied  
23 by the report of the Mandate Review Commission containing the  
24 information specified in this section.

1 D. The chair of the committee, upon receipt of the information  
2 provided for under subsection C of this section, shall cause the  
3 summary of the actuarial investigation and the report of the Mandate  
4 Review Commission to be attached to all copies of the version of the  
5 bill submitted to the Actuary and made available to committee  
6 members, other legislators and any other interested parties. The  
7 summary of the actuarial investigation shall be attached to the  
8 original version of the substitute bill, as amended by the committee  
9 if applicable, or to the original version of the bill as introduced  
10 if the bill was not changed by the committee prior to its submission  
11 to the Actuary for actuarial investigation.

12 SECTION 7. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 6017 of Title 36, unless there  
14 is created a duplication in numbering, reads as follows:

15 A. When a mandate bill having a fiscal impact has had an  
16 actuarial investigation pursuant to this act, the bill may be  
17 considered at the next regular session of the Legislature, if the  
18 bill as originally introduced was not changed by the committee and  
19 the original version was submitted to the Legislative Actuary for an  
20 actuarial investigation. Provided, however, that the original  
21 version of the bill is the only one, except as otherwise provided by  
22 this section, that may be considered by the committee to which it is  
23 assigned or by the House of Representatives or the Senate. If the  
24 original bill was substituted by the committee and the substitute

1 version was the version submitted to the Actuary, the substitute  
2 bill is the only one, except as otherwise provided by this section,  
3 that may be considered by the committee or by the House of  
4 Representatives or the Senate.

5 B. After completion of an actuarial investigation, any  
6 amendment to a mandate bill having a fiscal impact shall be out of  
7 order and shall not be allowed either by a committee or by the House  
8 of Representatives or the Senate without submission to the  
9 Legislative Actuary. Any amendment to a mandate bill having a  
10 fiscal impact shall be submitted to the Actuary by the chair of the  
11 committee, if a committee amendment, or by the Presiding Officer of  
12 the Senate or the House of Representatives on the day the amendment  
13 is filed, if a floor amendment. If the Actuary certifies in writing  
14 that the amendment is a nonfiscal amendment and provides an  
15 actuarial certification as required in this act, then the bill as  
16 amended, with the certification attached to the original of the  
17 amendment, may continue in the legislative process. If the Actuary  
18 issues a certification that the amendment is a fiscal amendment, the  
19 progress of the bill shall end, and the bill shall not be considered  
20 further by either the House of Representatives or the Senate.

21 C. An amendment to a mandate bill having a fiscal impact that  
22 is prohibited by subsection B of this section may be withdrawn by  
23 the committee that made the amendment, if a committee amendment, or  
24 by the Senate or House of Representatives, if a floor amendment. If

1 the amendment is withdrawn, the bill may continue in the legislative  
2 process as any other bill, unless it is subsequently amended.

3 SECTION 8. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 6018 of Title 36, unless there  
5 is created a duplication in numbering, reads as follows:

6 The enrolled act resulting from a bill that is subject to the  
7 legislative procedures provided for in this act shall have attached  
8 thereto the original or a true and correct copy of all certificates  
9 and summaries of actuarial investigations submitted by the  
10 Legislative Actuary pursuant to the requirements of this act.

11 SECTION 9. AMENDATORY 74 O.S. 2011, Section 452.15, is  
12 amended to read as follows:

13 Section 452.15. A. The Legislative Service Bureau is  
14 authorized and directed to enter into a contract with a person or  
15 firm for the purposes of performing the services and duties of the  
16 Legislative Actuary as provided for in the Oklahoma Pension  
17 Legislation Actuarial Analysis Act and this act.

18 B. The person or firm who shall perform the duties of the  
19 Legislative Actuary shall:

20 1. Be a member of the American Academy of Actuaries, an  
21 Associate or Fellow of the Society of Actuaries or an enrolled  
22 actuary; ~~and~~

1           2. Have substantially provided actuarial services for large,  
2 public retirement systems when selected for an analysis for this  
3 act; and

4           3. Have substantially provided actuarial services for a large  
5 health plan when selected for an analysis for this act.

6           SECTION 10. This act shall become effective November 1, 2020.

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8           57-2-3275           CB           1/16/2020 3:20:08 PM