

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 504

By: Brooks

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5  
6 AS INTRODUCED

7 An Act relating to public employees; amending 74 O.S.  
8 2011, Section 1316.2, as last amended by Section 3,  
9 Chapter 419, O.S.L. 2014 (74 O.S. Supp. 2018, Section  
10 1316.2), which relates to continuance of health and  
11 dental insurance benefits; authorizing retired  
12 members to reenroll in health insurance in certain  
13 circumstances; and providing an effective date.

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

15 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.2, as  
16 last amended by Section 3, Chapter 419, O.S.L. 2014 (74 O.S. Supp.  
17 2018, Section 1316.2), is amended to read as follows:

18 Section 1316.2. A. Any employee, other than an education  
19 employee, who retires pursuant to the provisions of the Oklahoma  
20 Public Employees Retirement System or who has a vested benefit  
21 pursuant to the provisions of the Oklahoma Public Employees  
22 Retirement System may continue in force the health and dental  
23 insurance benefits authorized by the provisions of the Oklahoma  
24 Employees Insurance and Benefits Act, or other employer insurance  
benefits if the employer does not participate in the plans offered

1 by the Office of Management and Enterprise Services, ~~if such~~  
2 ~~election to continue in force is made within thirty (30) days from~~  
3 ~~the date of termination of service. Except as otherwise provided~~  
4 ~~for in Section 840-2.27I of this title and subsection H of this~~  
5 ~~section, health Health and dental insurance coverage may not be~~  
6 ~~reinstated at a later time during the next enrollment period if the~~  
7 ~~initial election to continue in force is declined or if the retired~~  
8 ~~member opted out during a previous enrollment period. Vested~~  
9 employees other than education employees who have terminated service  
10 and are not receiving benefits and effective July 1, 1996, nonvested  
11 persons who have terminated service with more than eight (8) years  
12 of participating service with a participating employer, who within  
13 thirty (30) days from the date of termination of service elect to  
14 continue such coverage, shall pay the full cost of the insurance  
15 premium at the rate and pursuant to the terms and conditions  
16 established by the Office. Provided also, any employee other than  
17 an education employee who commences employment with a participating  
18 employer on or after September 1, 1991, who terminates service with  
19 such employer on or after July 1, 1996, but who otherwise has  
20 insufficient years of service to retire or terminate service with a  
21 vested benefit pursuant to the provisions of the Oklahoma Public  
22 Employees Retirement System or to elect to continue coverage as a  
23 nonvested employee as provided in this section, but who, immediately  
24 prior to employment with the participating employer, was covered as

1 a dependent on the health and dental insurance policy of a spouse  
2 who was an active employee other than an education employee, may  
3 count as part of his or her credited service for the purpose of  
4 determining eligibility to elect to continue coverage under this  
5 section, the time during which the terminating employee was covered  
6 as such a dependent.

7 B. 1. Health insurance benefit plans offered pursuant to this  
8 section shall include:

- 9 a. indemnity plans offered through the Office,
- 10 b. managed care plans offered as alternatives to the  
11 indemnity plans offered through the Office,
- 12 c. Medicare supplements offered pursuant to the Oklahoma  
13 Employees Insurance and Benefits Act,
- 14 d. Medicare risk-sharing contracts offered as  
15 alternatives to the Medicare supplements offered  
16 through the Office. All Medicare risk-sharing  
17 contracts shall be subject to a risk adjustment  
18 factor, based on generally accepted actuarial  
19 principles for adverse selection which may occur, and  
20 e. for the Oklahoma Public Employee Retirement System,  
21 other employer-provided health insurance benefit plans  
22 if the employer does not participate in the plans  
23 offered pursuant to the Oklahoma Employees Insurance  
24 and Benefits Act.

1           2. Health insurance benefit plans offered pursuant to this  
2 section shall provide prescription drug benefits, except for plans  
3 designed pursuant to the Medicare Prescription Drug Improvement and  
4 Modernization Act of 2003, for which provision of prescription drug  
5 benefits is optional, and except for plans offered pursuant to  
6 subparagraph e of paragraph 1 of this subsection.

7           C. 1. Designated public retirement systems shall contribute a  
8 monthly amount towards the health insurance premium of certain  
9 individuals receiving benefits from the public retirement system as  
10 follows:

11           a. a retired employee, other than an education employee  
12 or an employee who participates in the defined  
13 contribution system administered by the Oklahoma  
14 Public Employees Retirement System on or after  
15 November 1, 2015, who is receiving benefits from the  
16 Oklahoma Public Employees Retirement System after  
17 September 30, 1988, shall have One Hundred Five  
18 Dollars (\$105.00), or the premium rate of the health  
19 insurance benefit plan, whichever is less, paid by the  
20 Oklahoma Public Employees Retirement System to the  
21 Board or other insurance carrier of the employer if  
22 the employer does not participate in the plans offered  
23 by the Office in the manner specified in subsection G  
24 of this section,

1           b.    a retired employee or surviving spouse other than an  
2                   education employee who is receiving benefits from the  
3                   Oklahoma Law Enforcement Retirement System after  
4                   September 30, 1988, is under sixty-five (65) years of  
5                   age and is not otherwise eligible for Medicare shall  
6                   have the premium rate for the health insurance benefit  
7                   plan or One Hundred Five Dollars (\$105.00), whichever  
8                   is less, paid by the Oklahoma Law Enforcement  
9                   Retirement System to the Office in the manner  
10                  specified in subsection G of this section,

11           c.    a retired employee other than an education employee  
12                   who is receiving benefits from the Oklahoma Law  
13                   Enforcement Retirement System after September 30,  
14                   1988, is sixty-five (65) years of age or older or who  
15                   is under sixty-five (65) years of age and is eligible  
16                   for Medicare shall have One Hundred Five Dollars  
17                   (\$105.00), or the premium rate of the health insurance  
18                   benefit plan, whichever is less, paid by the Oklahoma  
19                   Law Enforcement Retirement System to the Office in the  
20                   manner specified in subsection G of this section, and

21           d.    a retired employee other than an education employee  
22                   who is receiving benefits from the Uniform Retirement  
23                   System for Justices and Judges after September 30,  
24                   1988, shall have One Hundred Five Dollars (\$105.00),

1 or the premium rate of the health insurance plan,  
2 whichever is less, paid by the Uniform Retirement  
3 System for Justices and Judges to the Office in the  
4 manner specified in subsection G of this section.

5 2. Premium payments made pursuant to this section shall be made  
6 subject to the following conditions:

7 a. the health plan shall be authorized by the provisions  
8 of the Oklahoma Employees Insurance and Benefits Act,  
9 except that if an employer from which an employee  
10 retired or with a vested benefit pursuant to the  
11 provisions of the Oklahoma Public Employees Retirement  
12 System does not participate in the plans authorized by  
13 the provisions of the Oklahoma Employees Insurance and  
14 Benefits Act, the health plan will be the health  
15 insurance benefits of the employer from which the  
16 individual retired or vested,

17 b. for plans offered by the Oklahoma Employees Insurance  
18 and Benefits Act, the amount to be paid shall be  
19 determined pursuant to the provisions of this  
20 subsection and shall first be applied in whole or in  
21 part to the prescription drug coverage premium. Any  
22 remaining amount shall be applied toward the medical  
23 coverage premium,  
24

1 c. for all plans, if the amount paid by the public  
2 retirement system does not cover the full cost of the  
3 elected coverage, the individual shall pay the  
4 remaining premium amount, and

5 d. payment shall be made by the retirement systems in the  
6 manner specified under subsection G of this section.

7 D. For any member of the Oklahoma Law Enforcement Retirement  
8 System killed in the line of duty, whether the member was killed in  
9 the line of duty prior to May 18, 2005, or on or after May 18, 2005,  
10 or if the member was on a disability leave status at the time of  
11 death, the surviving spouse or dependents of such deceased member of  
12 the Oklahoma Law Enforcement Retirement System may elect to continue  
13 or commence health and dental insurance benefits, provided the  
14 dependents pay the full cost of such insurance, and for deaths  
15 occurring on or after July 1, 2002, such election is made within  
16 thirty (30) days of the date of death. The eligibility for the  
17 benefits shall terminate for the surviving children when the  
18 children cease to qualify as dependents.

19 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
20 Enforcement Retirement System who retired from the System by means  
21 of a personal and traumatic injury of a catastrophic nature and in  
22 the line of duty and any surviving spouse of such retired member and  
23 any surviving spouse of a member who was killed in the line of duty  
24 shall have one hundred percent (100%) of the retired member's or

1 surviving spouse's health care premium cost, whether the member or  
2 surviving spouse elects coverage under the Medicare supplement or  
3 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
4 Retirement System to the Office in the manner specified in  
5 subsection H of this section. For plans offered by the Office, such  
6 contributions will first be applied in whole or in part to the  
7 prescription drug coverage premium, if any.

8 F. Dependents of a deceased employee who was on active work  
9 status or on a disability leave at the time of death or of a  
10 participating retardant or of any person who has elected to receive  
11 a vested benefit under the Oklahoma Public Employees Retirement  
12 System, the Uniform Retirement System for Justices and Judges or the  
13 Oklahoma Law Enforcement Retirement System may continue the health  
14 and dental insurance benefits in force, provided the dependents pay  
15 the full cost of such insurance and they were covered as eligible  
16 dependents at the time of such death and such election is made  
17 within thirty (30) days of date of death. The eligibility for the  
18 benefits shall terminate for the surviving children when the  
19 children cease to qualify as dependents.

20 G. The amounts required to be paid by the Oklahoma Public  
21 Employees Retirement System, the Uniform Retirement System for  
22 Justices and Judges and the Oklahoma Law Enforcement Retirement  
23 System pursuant to this section shall be forwarded no later than the  
24 tenth day of each month following the month for which payment is due

1 by the Oklahoma Public Employees Retirement System Board of Trustees  
2 or the Oklahoma Law Enforcement Retirement Board to the Office for  
3 deposit in the Health, Dental and Life Insurance Reserve Fund or to  
4 another insurance carrier as provided for in subsection H of Section  
5 1315 of this title.

6 H. Upon retirement from employment of the Board of Regents of  
7 the University of Oklahoma, any person who was or is employed at the  
8 George Nigh Rehabilitation Institute and who transferred employment  
9 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
10 person who was employed at the Medical Technology and Research  
11 Authority and who transferred employment pursuant to Section 7068 of  
12 this title, and any person who is a member of the Oklahoma Law  
13 Enforcement Retirement System pursuant to the authority of Section  
14 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
15 benefits authorized by the provisions of the Oklahoma Employees  
16 Insurance and Benefits Act for retired participants, including  
17 health, dental and life insurance benefits, if such election to  
18 participate is made within thirty (30) days from the date of  
19 termination of service. Life insurance benefits for any such person  
20 who transferred employment shall not exceed the coverage the person  
21 had at the time of such transfer. Retirees who transferred  
22 employment and who participate pursuant to this paragraph shall pay  
23 the premium for elected benefits less any amounts paid by a state  
24 retirement system pursuant to this section.

1 SECTION 2. This act shall become effective November 1, 2019.

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