

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1272

By: McCortney

AS INTRODUCED

An Act relating to Oklahoma Employees Insurance and Benefits Act; amending 74 O.S. 2021, Section 1312, which relates to the Health and Dental Insurance Reserve Fund; establishing maximum amount to be deposited into fund; requiring approval by Oklahoma Employees Insurance and Benefits Board for certain administrative changes; directing use of certain excess funds; requiring notification of certain information to enrollees; requiring reporting; providing contents of report; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 1312, is amended to read as follows:

Section 1312. ~~(1)~~ A. Except as otherwise provided by law, all employee and employer contributions, appropriations and dividend payments related to the health and dental plans administered by the Director of the Office of Management and Enterprise Services shall be deposited in a fund in the State Treasury which is hereby created and which shall be known as the ~~Health and Dental Insurance Reserve Fund~~ "Health and Dental Insurance Reserve Fund". The money in such

1 fund shall be invested by the Oklahoma Employees Insurance and
2 Benefits Board in the manner specified in Section 1305.1 of this
3 title. Investment income of the fund shall be added to the fund.
4 Money payable to the claims administrator and all expenses in
5 connection with the plans shall be paid from the fund. The Board
6 shall have responsibility for management of the fund.

7 ~~+2)~~ B. All monies in the Health and Dental Insurance Reserve
8 Fund that are reserves for the life insurance plan administered by
9 the Office shall be transferred to the Life Insurance Reserve Fund
10 on July 1, 1989.

11 C. 1. For the fiscal year beginning July 1, 2024, and each
12 fiscal year thereafter, monies in the Health and Dental Insurance
13 Reserve Fund shall not exceed the internal benchmark set by the
14 Office for funds necessary to operate the state-administered plans.

15 2. For the purposes of this section, "internal benchmark" means
16 the National Association of Insurance Commissioners' recommended
17 calculation for risk-based capital plus the previous ten (10) years
18 average for claims and investment losses.

19 3. Any funds in excess of the limitations set forth in
20 paragraph 1 of this subsection shall be used by the Office to lower
21 premiums and health insurance costs for the following plan year. A
22 clear and concise statement of how cost savings are implemented for
23 the plan year shall be provided to all enrollees.
24

1 4. Beginning July 1, 2025, and each fiscal year thereafter, the
2 office shall issue an annual report to the President Pro Tempore of
3 the Senate, the Speaker of the House of Representatives, and the
4 Oklahoma Employees Insurance and Benefits Board not later than July
5 1 containing the following information regarding all state-
6 administered plans:

7 a. reserve amounts for the previous five (5) fiscal
8 years,

9 b. current operating expenses,

10 c. premium rates for enrollees of each plan for the
11 previous five (5) plan years,

12 d. an explanation of all premium decreases, increases,
13 and cost savings realized by enrollees for the current
14 plan year, and

15 e. any other information deemed necessary by the Board.

16 SECTION 2. This act shall become effective July 1, 2024.

17 SECTION 3. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

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22 59-2-2365 RD 12/11/2023 10:51:17 AM
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