

1 ENGROSSED HOUSE  
2 BILL NO. 2108

By: Osburn of the House

and

Gillespie of the Senate

3  
4  
5  
6 An Act relating to state government; amending 74 O.S.  
7 2021, Sections 1304.1, as amended by Section 1,  
8 Chapter 241, O.S.L. 2024, 1305.1, 1306.1, 1306.6,  
9 1307, 1307.1, 1307.2, 1307.3, 1308, 1308.1, 1309,  
10 1310.1, 1310.2, 1311, 1311.1, 1312, 1312.1, 1312.2,  
11 1312.3, 1314.3, 1314.5, 1315, 1315.1, 1316.1, 1316.2,  
12 as amended by Section 5, Chapter 245, O.S.L. 2024,  
13 1316.3, 1317, 1320, 1321, as amended by Section 6,  
14 Chapter 245, O.S.L. 2024, 1323, 1324, 1325, 1326,  
15 1327, 1328, and 1329 (74 O.S. Supp. 2024, Sections  
16 1304.1, 1316.2, and 1321), which relate to the  
17 Oklahoma Employee Insurance and Benefits Act;  
18 updating statutory references; and providing an  
19 effective date.

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

21 SECTION 1. AMENDATORY 74 O.S. 2021, Section 1304.1, as  
22 amended by Section 1, Chapter 241, O.S.L. 2024 (74 O.S. Supp. 2024,  
23 Section 1304.1), is amended to read as follows:

24 Section 1304.1. A. The State and Education Employees Group  
Insurance Board and the Oklahoma State Employees Benefits Council  
are hereby abolished. Wherever the State and Education Employees  
Group Insurance Board and the Oklahoma State Employees Benefits  
Council are referenced in law, that reference shall be construed to  
mean the Oklahoma Employees Insurance and Benefits Board.

1 B. There is hereby created the Oklahoma Employees Insurance and  
2 Benefits Board.

3 C. The chair and vice-chair shall be elected by the Board  
4 members at the first meeting of the Board and shall preside over  
5 meetings of the Board and perform other duties as may be required by  
6 the Board. Upon the resignation or expiration of the term of the  
7 chair or vice-chair, the members shall elect a chair or vice-chair.  
8 The Board shall elect one of its members to serve as secretary.

9 D. The Board shall consist of seven (7) members to be appointed  
10 as follows:

- 11 1. The State Insurance Commissioner, or designee;
- 12 2. Four members shall be appointed by the Governor;
- 13 3. One member shall be appointed by the Speaker of the Oklahoma  
14 House of Representatives; and
- 15 4. One member shall be appointed by the President Pro Tempore  
16 of the Oklahoma State Senate.

17 E. The appointed members shall:

- 18 1. Have demonstrated professional experience in investment or  
19 funds management, public funds management, public or private group  
20 health or pension fund management, or group health insurance  
21 management;
- 22 2. Be licensed to practice law in this state and have  
23 demonstrated professional experience in commercial matters; or  
24

1           3. Be licensed by the Oklahoma Accountancy Board to practice in  
2 this state as a public accountant or a certified public accountant.

3           In making appointments that conform to the requirements of this  
4 subsection, at least one but not more than three members shall be  
5 appointed each from paragraphs 2 and 3 of this subsection by the  
6 combined appointing authorities.

7           F. Each member of the Board shall serve a term of four (4)  
8 years from the date of appointment.

9           G. Members of the Board shall be subject to the following:

10          1. The appointed members shall each receive compensation of  
11 Five Hundred Dollars (\$500.00) per month. Appointed members who  
12 fail to attend a regularly scheduled meeting of the Board shall not  
13 receive the related compensation;

14          2. The appointed members shall be reimbursed for their  
15 expenses, according to the State Travel Reimbursement Act, as are  
16 incurred in the performance of their duties, which shall be paid  
17 from the Health Insurance Reserve Fund;

18          3. In the event an appointed member does not attend at least  
19 seventy-five percent (75%) of the regularly scheduled meetings of  
20 the Board during a calendar year, the appointing authority may  
21 remove the member;

22          4. A member may also be removed for any other cause as provided  
23 by law;

1 5. No Board member shall be individually or personally liable  
2 for any action of the Board; and

3 6. Participation on the Board is contingent upon maintaining  
4 all necessary annual training as may be required through the Health  
5 Insurance Portability and Accountability Act of 1996, Medicare  
6 contracting requirements or other statutory or regulatory  
7 guidelines.

8 H. The Board shall meet as often as necessary to conduct  
9 business but shall meet no less than four times a year, with an  
10 organizational meeting to be held prior to December 1, 2012. The  
11 organizational meeting shall be called by the Insurance  
12 Commissioner. A majority of the members of the Board shall  
13 constitute a quorum for the transaction of business, and any  
14 official action of the Board must have a favorable vote by a  
15 majority of the members of the Board present.

16 I. Except as otherwise provided in this subsection, no member  
17 of the Board shall be a lobbyist registered in this state as  
18 provided by law, or be employed directly or indirectly by any firm  
19 or health care provider under contract to the State and Education  
20 Employees Group Insurance Board, the Oklahoma State Employees  
21 Benefits Council, or the Oklahoma Employees Insurance and Benefits  
22 Board, or any benefit program under its jurisdiction, for any goods  
23 or services whatsoever. Any physician member of the Board shall not  
24 be subject to the provisions of this subsection.

1 J. Any vacancy occurring on the Board shall be filled for the  
2 unexpired term of office in the same manner as provided for in  
3 subsection D of this section.

4 K. The Board shall act in accordance with the provisions of the  
5 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the  
6 Administrative Procedures Act.

7 L. The Administrative Director of the Courts shall designate  
8 grievance panel members as shall be necessary. The members of the  
9 grievance panel shall consist of two attorneys licensed to practice  
10 law in this state and one state-licensed health care professional or  
11 health care administrator who has at least three (3) years practical  
12 experience, has had or has admitting privileges to a hospital in  
13 this state, has a working knowledge of prescription medication, or  
14 has worked in an administrative capacity at some point in his or her  
15 career. The state health care professional shall be appointed by  
16 the Governor. At the Governor's discretion, one or more qualified  
17 individuals may also be appointed as an alternate to serve on the  
18 grievance panel in the event the Governor's primary appointee  
19 becomes unable to serve.

20 M. ~~The Office of Management and Enterprise Services~~ Oklahoma  
21 Health Care Authority shall have the following duties,  
22 responsibilities and authority with respect to the administration of  
23 the flexible benefits plan authorized pursuant to the State  
24 Employees Flexible Benefits Act:

- 1           1. To construe and interpret the plan, and decide all questions  
2 of eligibility in accordance with the Oklahoma State Employees  
3 Benefits Act and 26 U.S.C.A., Section 1 et seq.;
- 4           2. To select those benefits which shall be made available to  
5 participants under the plan, according to the Oklahoma State  
6 Employees Benefits Act, and other applicable laws and rules;
- 7           3. To prescribe procedures to be followed by participants in  
8 making elections and filing claims under the plan;
- 9           4. Beginning with the plan year which begins on January 1,  
10 2013, to select and contract with one or more providers to offer a  
11 group TRICARE Supplement product to eligible employees who are  
12 eligible TRICARE beneficiaries. Any membership dues required to  
13 participate in a group TRICARE Supplement product offered pursuant  
14 to this paragraph shall be paid by the employee. As used in this  
15 paragraph, "TRICARE" means the Department of Defense health care  
16 program for active duty and retired service members and their  
17 families;
- 18           5. To prepare and distribute information communicating and  
19 explaining the plan to participating employers and participants.  
20 ~~Health Maintenance Organizations~~ Health maintenance organizations or  
21 other third-party insurance vendors may be directly or indirectly  
22 involved in the distribution of communicated information to  
23 participating state agency employers and state employee participants  
24 subject to the following condition: the Board shall verify all

1 marketing and communications information for factual accuracy prior  
2 to distribution;

3 6. To receive from participating employers and participants  
4 such information as shall be necessary for the proper administration  
5 of the plan, and any of the benefits offered thereunder;

6 7. To furnish the participating employers and participants such  
7 annual reports with respect to the administration of the plan as are  
8 reasonable and appropriate;

9 8. To keep reports of benefit elections, claims and  
10 disbursements for claims under the plan;

11 9. To negotiate for best and final offer through competitive  
12 negotiation with the assistance and through the purchasing  
13 procedures adopted by the Office of Management and Enterprise  
14 Services and contract with federally qualified health maintenance  
15 organizations under the provisions of 42 U.S.C., Section 300e et  
16 seq., or with ~~Health Maintenance Organizations~~ health maintenance  
17 organizations granted a certificate of authority by the Insurance  
18 Commissioner pursuant to the Health Maintenance Reform Act of 2003  
19 for consideration by participants as an alternative to the health  
20 plans offered by the Oklahoma Employees Insurance and Benefits  
21 Board, and to transfer to the health maintenance organizations such  
22 funds as may be approved for a participant electing health  
23 maintenance organization alternative services. The Board may also  
24 select and contract with a vendor to offer a point-of-service plan.

1 An HMO may offer coverage through a point-of-service plan, subject  
2 to the guidelines established by the Board. However, if the Board  
3 chooses to offer a point-of-service plan, then a vendor that offers  
4 both an HMO plan and a point-of-service plan may choose to offer  
5 only its point-of-service plan in lieu of offering its HMO plan.  
6 The Board may, however, renegotiate rates with successful bidders  
7 after contracts have been awarded if there is an extraordinary  
8 circumstance. An extraordinary circumstance shall be limited to  
9 insolvency of a participating health maintenance organization or  
10 point-of-service plan, dissolution of a participating health  
11 maintenance organization or point-of-service plan or withdrawal of  
12 another participating health maintenance organization or point-of-  
13 service plan at any time during the calendar year. Nothing in this  
14 section of law shall be construed to permit either party to  
15 unilaterally alter the terms of the contract;

16 10. To retain as confidential information the initial Request  
17 For Proposal offers as well as any subsequent bid offers made by the  
18 health plans prior to final contract awards as a part of the best  
19 and final offer negotiations process for the benefit plan;

20 11. To promulgate administrative rules for the competitive  
21 negotiation process;

22 12. To require vendors offering coverage to provide such  
23 enrollment and claims data as is determined by the Board. The Board  
24 shall be authorized to retain as confidential any proprietary



1 information submitted in response to the Board's Request For  
2 Proposal. Provided, however, that any such information requested by  
3 the Board from the vendors shall only be subject to the  
4 confidentiality provision of this paragraph if it is clearly  
5 designated in the Request For Proposal as being protected under this  
6 provision. All requested information lacking such a designation in  
7 the Request For Proposal shall be subject to Section 24A.1 et seq.  
8 of Title 51 of the Oklahoma Statutes. From health maintenance  
9 organizations, data provided shall include the current Health Plan  
10 Employer Data and Information Set (HEDIS);

11 13. To authorize the purchase of any insurance deemed necessary  
12 for providing benefits under the plan including indemnity dental  
13 plans, provided that the only indemnity health plan selected by the  
14 Board shall be the indemnity plan offered by the Board, and to  
15 transfer to the Board such funds as may be approved for a  
16 participant electing a benefit plan offered by the Board. All  
17 indemnity dental plans shall meet or exceed the following  
18 requirements:

- 19 a. they shall have a statewide provider network,
- 20 b. they shall provide benefits which shall reimburse the  
21 expense for the following types of dental procedures:
  - 22 (1) diagnostic,
  - 23 (2) preventative,
  - 24 (3) restorative,

- 1 (4) endodontic,
- 2 (5) periodontic,
- 3 (6) prosthodontics,
- 4 (7) oral surgery,
- 5 (8) dental implants,
- 6 (9) dental prosthetics, and
- 7 (10) orthodontics, and

8 c. they shall provide an annual benefit of not less than  
9 One Thousand Five Hundred Dollars (\$1,500.00) for all  
10 services other than orthodontic services, and a  
11 lifetime benefit of not less than One Thousand Five  
12 Hundred Dollars (\$1,500.00) for orthodontic services;

13 14. To communicate deferred compensation programs as provided  
14 in Section 1701 of this title;

15 15. To assess and collect reasonable fees from contracted  
16 health maintenance organizations and third-party insurance vendors  
17 to offset the costs of administration;

18 16. To accept, modify or reject elections under the plan in  
19 accordance with the Oklahoma State Employees Benefits Act and 26  
20 U.S.C.A., Section 1 et seq.;

21 17. To promulgate election and claim forms to be used by  
22 participants;

23 18. To adopt rules requiring payment for medical and dental  
24 services and treatment rendered by duly licensed hospitals,

1 physicians and dentists. Unless the Board has otherwise contracted  
2 with the out-of-state health care provider, the Board shall  
3 reimburse for medical services and treatment rendered and charged by  
4 an out-of-state health care provider at least at the same percentage  
5 level as the network percentage level of the fee schedule  
6 established by the Oklahoma Employees Insurance and Benefits Board  
7 if the insured employee was referred to the out-of-state health care  
8 provider by a physician or it was an emergency situation and the  
9 out-of-state provider was the closest in proximity to the place of  
10 residence of the employee which offers the type of health care  
11 services needed. For purposes of this paragraph, health care  
12 providers shall include, but not be limited to, physicians,  
13 dentists, hospitals and special care facilities;

14 19. To enter into a contract with out-of-state providers in  
15 connection with any PPO or hospital or medical network plan which  
16 shall include, but not be limited to, special care facilities and  
17 hospitals outside the borders of the State of Oklahoma. The  
18 contract for out-of-state providers shall be identical to the in-  
19 state provider contracts. The Board may negotiate for discounts  
20 from billed charges when the out-of-state provider is not a network  
21 provider and the member sought services in an emergency situation,  
22 when the services were not otherwise available in the State of  
23 Oklahoma or when the Administrator appointed by the Board approved  
24 the service as an exceptional circumstance;

1           20. To create the establishment of external appeals procedures  
2 for complaints by insured employees in the two following manners:

3           a. independent review organizations, accredited by a  
4 national accrediting body, shall act as appeals bodies  
5 for complaints by insured employees regarding adverse  
6 benefit determinations based on:

7           (1) medical judgment,

8           (2) whether the insurer is complying with the  
9 surprise billing and cost-sharing protections set  
10 forth in Sections 2799A-1 and 2799A-2 of the  
11 Public Health Services Act, 42 U.S.C. 201 et  
12 seq., and

13           (3) a rescission in coverage,

14           b. a three-member grievance panel, which shall act as an  
15 appeals body for complaints by insured employees  
16 regarding all other issues.

17 The appeals procedures provided by this paragraph shall be the  
18 exclusive remedies available to insured employees having complaints  
19 against the insurer. The appeals procedures of the three-member  
20 grievance panel shall be subject to the Oklahoma Administrative  
21 Procedures Act, including provisions thereof for review of agency  
22 decisions by the district court. The grievance panel shall schedule  
23 a hearing within sixty (60) days from the date the grievance panel  
24 receives a written request for a hearing unless the panel orders a

1 continuance for good cause shown. Upon written request by the  
2 insured employee to the grievance panel and received not less than  
3 ten (10) days before the hearing date, the grievance panel shall  
4 cause a full stenographic record of the proceedings to be made by a  
5 competent court reporter at the insured employee's expense; and

6 21. To intercept monies owing to plan participants from other  
7 state agencies, when those participants in turn owe money to the  
8 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
9 Authority, and to ensure that the participants are afforded due  
10 process of law.

11 N. Except for a breach of fiduciary obligation, a Board member  
12 shall not be individually or personally responsible for any action  
13 of the Board.

14 O. The Board shall operate in an advisory capacity to the  
15 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
16 Authority.

17 P. The members of the Board shall not accept gifts or  
18 gratuities from an individual organization with a value in excess of  
19 Ten Dollars (\$10.00) per year. The provisions of this section shall  
20 not be construed to prevent the members of the Board from attending  
21 educational seminars, conferences, meetings or similar functions.

22 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1305.1, is  
23 amended to read as follows:

24

1           Section 1305.1. (1) ~~The Director of the Office of Management~~  
2 ~~and Enterprise Services~~ Chief Executive Officer (CEO) of the  
3 Oklahoma Health Care Authority and the Oklahoma Employees Insurance  
4 and Benefits Board shall discharge their duties with respect to the  
5 Oklahoma Employees Insurance and Benefits Act, the State Employees  
6 Flexible Benefits Act and the State Employees Disability Program Act  
7 solely in the interest of said ~~Acts~~ acts and:

8           (a) for the exclusive purpose of:

9               (i) providing benefits to the participants and their  
10               dependents, and

11               (ii) defraying reasonable expenses of administering the  
12               Oklahoma Employees Insurance and Benefits Act, the  
13               State Employees Flexible Benefits Act and the State  
14               Employees Disability Program Act;

15           (b) with the care, skill, prudence, and diligence under the  
16           circumstances then prevailing that a prudent person acting in a like  
17           capacity and familiar with such matters would use in the conduct of  
18           an enterprise of a like character and with like aims;

19           (c) by diversifying investments so as to minimize the risk of  
20           large losses, unless under the circumstances it is clearly prudent  
21           not to do so; and

22           (d) in accordance with the laws, documents and instruments  
23           governing the Oklahoma Employees Insurance and Benefits Act, the  
24

1 State Employees Flexible Benefits Act and the State Employees  
2 Disability Program Act.

3 (2) The ~~Office~~ Authority may procure insurance indemnifying the  
4 members of the Board and the ~~Director~~ CEO from personal loss or  
5 accountability from liability resulting from action or inaction.

6 (3) The ~~Director~~ CEO may establish an investment committee.

7 The investment committee shall be composed of not more than three

8 (3) members of the Board selected by the ~~Director~~ CEO. The

9 committee shall make recommendations to the full Board on all

10 matters related to the choice of custodians and managers of the

11 assets of the ~~Office of Management and Enterprise Services~~ Oklahoma

12 Health Care Authority relating to the Oklahoma Employees Insurance

13 and Benefits Act, on the establishment of investment and fund

14 management guidelines, and in planning future investment policy.

15 The committee shall have no authority to act on behalf of the Board

16 or ~~Director~~ CEO in any circumstances whatsoever. No recommendation

17 of the committee shall have effect as an action of the Board or

18 ~~Director~~ CEO nor take effect without the approval of the Board or

19 ~~Director~~ CEO.

20 (4) The ~~Office of Management and Enterprise Service~~ Oklahoma

21 Health Care Authority, based on recommendation of the Board shall

22 retain qualified investment managers to provide for the investment

23 of the monies received by the ~~Office~~ Authority. The investment

24 managers shall be chosen by a solicitation of proposals on a

1 competitive bid basis pursuant to standards set by the Board.  
2 Subject to the overall investment guidelines set by the Board, the  
3 investment managers shall have full discretion in the management of  
4 those monies of the ~~Office~~ Authority allocated to the investment  
5 managers. The Board shall oversee the management of those monies  
6 not specifically allocated to the investment managers. The monies  
7 of the ~~Office~~ Authority allocated to the investment managers shall  
8 be actively managed by the investment managers, which may include  
9 selling investments and realizing losses if such action is  
10 considered advantageous to longer term return maximization. Because  
11 of the total return objective, no distinction shall be made for  
12 management and performance evaluation purposes between realized and  
13 unrealized capital gains and losses.

14 (5) Funds and revenues for investment by the investment  
15 managers or the ~~Office of Management and Enterprise Services~~  
16 Oklahoma Health Care Authority shall be placed with a custodian  
17 recommended by the Board. The custodian shall be a bank or trust  
18 company offering pension fund master trustee and master custodial  
19 services. The custodian shall be chosen by a solicitation of  
20 proposals on a competitive bid basis pursuant to standards set by  
21 the Board. In compliance with the investment policy guidelines of  
22 the Board, the custodian bank or trust company shall be  
23 contractually responsible for ensuring that all monies of the ~~Office~~  
24 Authority are invested in income-producing investment vehicles at



1 all times. If a custodian bank or trust company has not received  
2 direction from the investment managers of the ~~Office~~ Authority as to  
3 the investment of the monies of the ~~Office~~ Authority in specific  
4 investment vehicles, the custodian bank or trust company shall be  
5 contractually responsible to the ~~Office~~ Authority for investing the  
6 monies in appropriately collateralized short-term interest-bearing  
7 investment vehicles.

8 (6) Prior to August 1 of each year, the Board shall develop a  
9 written investment plan for the monies received by the ~~Office~~  
10 Authority.

11 (7) The Administrator shall compile annual financial statements  
12 of all the activity of the ~~Office~~ Authority on a calendar year  
13 basis. The financial statements shall be compiled pursuant to  
14 accounting principles generally accepted in the United States. The  
15 report shall include several relevant measures of investment value,  
16 including acquisition cost and current fair market value with  
17 appropriate summaries of total holdings and returns. The report  
18 shall contain combined and individual rate of returns of the  
19 investment managers by category of investment, over periods of time.  
20 The report shall be distributed to the Board and the ~~Director of the~~  
21 ~~Office of Management and Enterprise Services~~ CEO of the Oklahoma  
22 Health Care Authority.

23 SECTION 3. AMENDATORY 74 O.S. 2021, Section 1306.1, is  
24 amended to read as follows:

1 Section 1306.1. A. ~~The Office of Management and Enterprise~~  
2 ~~Services~~ Oklahoma Health Care Authority shall have the right of  
3 subrogation to recover any payments made for injury to an employee  
4 or dependent caused by a third party's wrongful act or negligence.  
5 ~~The Office~~ Authority shall have the authority to waive or reduce  
6 subrogation in individual cases when the exercise of the right of  
7 subrogation would create an extreme financial hardship on the  
8 employee or dependent.

9 B. Subrogation will exist only to the extent of actual claims  
10 paid.

11 C. If an employee or dependent has prejudiced the ~~Office's~~  
12 Authority's right of subrogation by releasing the responsible party  
13 prior to submitting claims to the ~~Office~~ Authority, the claims may  
14 be denied by the ~~Office~~ Authority. If claims are submitted and paid  
15 after the employee or dependent has released the responsible party,  
16 the ~~Office~~ Authority shall be entitled to bring an action against  
17 the employee, dependent, or their assignees, for any such claims  
18 paid and for additional costs incurred by the ~~Office~~ Authority  
19 including, but not limited to: interest, administrative and  
20 adjudicative costs, and attorney fees.

21 SECTION 4. AMENDATORY 74 O.S. 2021, Section 1306.6, is  
22 amended to read as follows:

23 Section 1306.6. ~~The Director of the Office of Management and~~  
24 ~~Enterprise Services~~ Chief Executive Officer of the Oklahoma Health

1 Care Authority, in accordance with administering the Medical Expense  
2 Liability Revolving Fund pursuant to Section 746.1 of Title 19 of  
3 the Oklahoma Statutes, shall employ, appoint, or otherwise designate  
4 the necessary personnel to carry out the duties of the fund.

5 SECTION 5. AMENDATORY 74 O.S. 2021, Section 1307, is  
6 amended to read as follows:

7 Section 1307. A. The specifications drawn by the ~~Office of~~  
8 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
9 for the ~~Health Insurance Plan~~ health insurance plan shall provide  
10 for comprehensive hospital medical and surgical benefits. The  
11 ~~Health Insurance Plan~~ health insurance plan may limit coverage for a  
12 particular illness, disease, injury or condition; but, except for  
13 such limits, shall not exclude or limit particular services or  
14 procedures that can be provided for the diagnosis and treatment of  
15 an illness, disease, injury or condition, so long as the services  
16 and procedures provided are of sound efficacy, are medically  
17 necessary, and fall within the licensed scope of practice of the  
18 practitioner providing same. The ~~Health Insurance Plan~~ health  
19 insurance plan may contract with providers for specific services  
20 based on levels of outcomes defined by the ~~Office~~ Authority and  
21 achieved by the provider. The ~~Health Insurance Plan~~ health  
22 insurance plan may provide for the application of deductibles and  
23 copayment or coinsurance provisions that are based on contracts with  
24 providers for specific services based on levels of outcomes or cost.

1 B. The ~~Life Insurance Plan~~ life insurance plan shall include  
2 Accidental Death and Dismemberment Benefits and additional optional  
3 life insurance coverage.

4 SECTION 6. AMENDATORY 74 O.S. 2021, Section 1307.1, is  
5 amended to read as follows:

6 Section 1307.1. No employee or dependent who participates in ~~an~~  
7 ~~HMO~~ a health maintenance organization (HMO) through the Oklahoma  
8 Employees Insurance and Benefits Act shall be denied the right of  
9 changing the primary care physician to any other primary care  
10 physician within the HMO. The employee or dependent shall notify  
11 the HMO in writing of any change in the choice of primary care  
12 physician forty-five (45) days in advance of the change by certified  
13 mail with return receipt requested. Any such change in a primary  
14 care physician shall not be subject to the approval of the HMO, the  
15 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
16 Authority or state agency.

17 SECTION 7. AMENDATORY 74 O.S. 2021, Section 1307.2, is  
18 amended to read as follows:

19 Section 1307.2. On and after November 1, 1996, the ~~Office of~~  
20 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
21 shall include coverage for equipment, supplies and related services  
22 for the treatment of Type I, Type II, and gestational diabetes as  
23 provided by and pursuant to the provisions of Section 6060.2 of  
24 Title 36 of the Oklahoma Statutes.

1 SECTION 8. AMENDATORY 74 O.S. 2021, Section 1307.3, is  
2 amended to read as follows:

3 Section 1307.3. Unless the ~~Office of Management and Enterprise~~  
4 ~~Services~~ Oklahoma Health Care Authority has otherwise contracted  
5 with an out-of-state provider, the ~~Office~~ Authority shall pay for  
6 medical services and treatment rendered by an out-of-state provider  
7 at the same level paid to an in-state provider if the insured was  
8 referred to the out-of-state provider by a physician or it was an  
9 emergency situation and the out-of-state provider which offers the  
10 type of services needed is the closest provider in proximity to the  
11 place of residence of the employee.

12 SECTION 9. AMENDATORY 74 O.S. 2021, Section 1308, is  
13 amended to read as follows:

14 Section 1308. (1) Any employee eligible for membership in the  
15 ~~Health Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~  
16 dental insurance plan or ~~Life Insurance Plan~~ life insurance plan  
17 upon its effective date shall be enrolled in the plan unless the  
18 employee elects not to be enrolled within thirty (30) days of the  
19 effective dates. The employee shall be advised of ~~Health~~  
20 ~~Maintenance Organization~~ health maintenance organization (HMO)  
21 prepaid plans available as an alternative to the state self-insured  
22 ~~Health Insurance Plan~~ health insurance plan. The ~~Office of~~  
23 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
24 shall establish the procedure by which eligible employees not

1 electing to be enrolled initially in the ~~Health Insurance Plan~~  
2 health insurance plan, ~~Dental Insurance Plan~~ dental insurance plan  
3 or ~~Life Insurance Plan~~ life insurance plan may be subsequently  
4 enrolled.

5 (2) Any eligible employee who is employed after the effective  
6 dates of the ~~Health Insurance Plan~~ health insurance plan, ~~Dental~~  
7 ~~Insurance Plan~~ dental insurance plan and ~~Life Insurance Plan~~ life  
8 insurance plan or HMO plans approved by the ~~Office~~ Authority may  
9 become enrolled on the first day of the second month of employment.

10 SECTION 10. AMENDATORY 74 O.S. 2021, Section 1308.1, is  
11 amended to read as follows:

12 Section 1308.1. (1) An educational entity may extend the  
13 benefits of the health insurance plan, the dental insurance plan,  
14 and the life insurance plan to education employees employed by the  
15 entity. The benefits of the plans for an education employee shall  
16 be the same and shall include the same plan options as would be made  
17 available to a state employee participating in the plan that resided  
18 at the same location. Notwithstanding the provisions of Section  
19 1308.2 of this title, a period shall exist for enrolling education  
20 entities from April 1, 1989 through October 1, 1991, whereby  
21 education employees of a participating education entity may be  
22 enrolled, pursuant to this act, during the entities' initial  
23 enrollment period, regardless of preexisting conditions. The ~~Office~~  
24 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority

1 shall adopt rules and regulations for enrollment by which education  
2 entities may apply to participate in the insurance plans. Once an  
3 education entity becomes a participant in the health and dental  
4 insurance plans offered through the Oklahoma Employees Insurance and  
5 Benefits Act, the education entity may withdraw from participation,  
6 in a manner prescribed by the ~~Office~~ Authority. If a school  
7 district is participating in the health and dental insurance plans  
8 pursuant to the Oklahoma Employees Insurance and Benefits Act,  
9 Sections 1301 through ~~1329.1~~ 1329 of this title, the employees of  
10 the school district who are eligible to participate in the health  
11 and dental plans, at such time as the school district may withdraw  
12 from such participation, may require the board of education of the  
13 school district to call an election to allow the employees to vote  
14 as to whether the school district shall continue participation in  
15 the health and dental insurance plans offered through the Oklahoma  
16 Employees Insurance and Benefits Act. Upon the filing with the  
17 board of education of a petition calling for such an election which  
18 is signed by no less than thirty percent (30%) of the eligible  
19 employees of the school district, the board of education shall call  
20 an election for the purpose of determining whether the school  
21 district shall continue participation in the health and dental  
22 insurance plans offered through the Oklahoma Employees Insurance and  
23 Benefits Act. The election shall be held within thirty (30) days of  
24 the filing of the petition. If a majority of those eligible

1 employees voting at the election vote to continue participation in  
2 the health and dental insurance plans offered through the Oklahoma  
3 Employees Insurance and Benefits Act, the board of education shall  
4 be prohibited from withdrawing the school district from such  
5 participation. If a majority of those eligible employees voting at  
6 the election vote against continued participation in the health and  
7 dental insurance plans offered through the Oklahoma Employees  
8 Insurance and Benefits Act, the board of education of the school  
9 district shall apply to discontinue such participation within thirty  
10 (30) days of the election and within the times the school district  
11 is authorized to withdraw from participation in accordance with  
12 rules established for withdrawal by the ~~Office~~ Authority.

13 (2) Except as otherwise provided in this subsection, when an  
14 education entity participates in the health and dental insurance  
15 plans offered through the Oklahoma Employees Insurance and Benefits  
16 Act, all employees shall be advised of ~~Health Maintenance~~  
17 ~~Organizations~~ health maintenance organizations (HMO) prepaid plans  
18 available as an alternative to the state self-insured health  
19 insurance plan. Eligible part-time education employees, at the  
20 option of the employee, may enroll in the plans either at the time  
21 the education entity begins participation in the plans or, if later,  
22 upon a showing of insurability to the satisfaction of the ~~Office~~  
23 Authority.

24



1 (3) Any employee of an education entity participating in the  
2 health and dental insurance plans offered through the Oklahoma  
3 Employees Insurance and Benefits Act who is employed after the  
4 education entity began said participation may be enrolled in the  
5 health and dental insurance plans or HMO plans approved by the  
6 ~~Office~~ Authority on the first day of the second month of employment.

7 (4) Upon initial enrollment of an institution of higher  
8 education to participate in the health and dental insurance plans  
9 offered through the Oklahoma Employees Insurance and Benefits Act,  
10 all individuals presently insured by said institution's present  
11 group health insurance plan shall become enrolled in said state  
12 plans for the remaining period of said institution's contractual  
13 liabilities.

14 (5) Education employees who shall be absent from the teaching  
15 service because of election or appointment as a local, state, or  
16 national education association officer shall be allowed to retain  
17 coverage pursuant to the Oklahoma Employees Insurance and Benefits  
18 Act upon the payment of the full cost of the coverage at the rate  
19 and under such terms and conditions established by the ~~Office~~  
20 Authority.

21 (6) Except as otherwise provided by law, an educational entity  
22 may cease to participate in the Oklahoma Employees Insurance and  
23 Benefits Act but provide health insurance coverage through another  
24 insurance carrier. The subsequent carrier shall provide coverage to

1 the employees of the educational entity who terminated employment  
2 with a retirement benefit, with a vested benefit, or who have ten  
3 (10) or more years of service with a participating educational  
4 entity but did not have a vested benefit through the retirement  
5 system of the educational entity, if the election to retain health  
6 insurance coverage was made within thirty (30) days of termination  
7 of employment. Coverage shall also be provided to the eligible  
8 dependents of the employees if an election to retain coverage is  
9 made within thirty (30) days of termination of employment.

10 SECTION 11. AMENDATORY 74 O.S. 2021, Section 1309, is  
11 amended to read as follows:

12 Section 1309. A. Any eligible employee may elect to have a  
13 dependent or dependents of the employee covered by the ~~Health~~  
14 ~~Insurance Plan~~ health insurance plan and ~~Dental Insurance Plan~~  
15 dental insurance plan or by any available ~~Health Maintenance~~  
16 ~~Organization~~ health maintenance organization (HMO) approved by the  
17 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
18 Authority. The employee may elect to cover all dependent children  
19 and not elect to cover the spouse of the employee. Such election  
20 shall be made at the time the employee becomes enrolled in the Plan,  
21 under such procedures as the ~~Office~~ Authority may establish. If  
22 dependent coverage is not elected or if the employee elects to cover  
23 all dependent children and not the spouse of the employee at the  
24 time an employee becomes enrolled in the Plan, dependent coverage or

1 coverage for the spouse cannot be elected until the next enrollment  
2 period or until a qualifying event has occurred as established by  
3 the ~~Office~~ Authority. Such subsequent election of dependent  
4 coverage shall be made under such conditions as the ~~Office~~ Authority  
5 may impose. If electing not to cover the spouse, the employee shall  
6 submit a statement signed by both the employee and the spouse  
7 acknowledging their choice not to provide insurance coverage for the  
8 spouse under the ~~Health Insurance Plan~~ health insurance plan and  
9 ~~Dental Insurance Plan~~ dental insurance plan or approved HMO plans.

10 B. Any employee with dependent coverage, as provided in this  
11 section, who has a change in the number of dependents may at the  
12 time of such change increase or decrease the number of dependents  
13 covered by the ~~Health Insurance Plan~~ health insurance plan and  
14 ~~Dental Insurance Plan~~ dental insurance plan or approved HMO plans,  
15 under procedures established by the ~~Office~~ Authority.

16 C. Any employee who has no eligible dependents at the time the  
17 employee becomes enrolled may elect dependent coverage at the time  
18 the dependency status of the employee changes under procedures  
19 established by the ~~Office~~ Authority.

20 SECTION 12. AMENDATORY 74 O.S. 2021, Section 1310.1, is  
21 amended to read as follows:

22 Section 1310.1. A. If a certified employee elects health care  
23 coverage under a plan offered by a school district, including a plan  
24 offered by the ~~Office of Management and Enterprise Services~~ Oklahoma

1 Health Care Authority or a self-insured plan offered by the school  
2 district, then a school district shall pay no less than one hundred  
3 percent (100%) of the premium amount for the HealthChoice (HI)  
4 option plan for an individual offered by the ~~Office~~ Authority.

5 The amount a school district is required to pay pursuant to this  
6 subsection shall be reduced by the flexible benefit allowance  
7 provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

8 B. The premium for education entities that participate in the  
9 health and dental insurance plans offered through the Oklahoma  
10 Employees Insurance and Benefits Act shall be the same as paid by  
11 state agencies for said plans.

12 C. All education entities that participate in the insurance  
13 plans offered through the Oklahoma Employees Insurance and Benefits  
14 Act shall forward the appropriate premiums for each employee to the  
15 ~~Office~~ Authority no later than the tenth day of each month following  
16 the month for which payment is due. Nothing shall prohibit a school  
17 district from forwarding appropriate premiums to the ~~Office~~  
18 Authority prior to the month for which payment is due.

19 SECTION 13. AMENDATORY 74 O.S. 2021, Section 1310.2, is  
20 amended to read as follows:

21 Section 1310.2. A school district shall pay fifty percent (50%)  
22 of the cost of the individual health care premium amount for school  
23 district employees who are not otherwise covered pursuant to Section  
24 1310.1 of this title or Section 26-105 of Title 70 of the Oklahoma

1 Statutes, if such employee elects health care coverage under a plan  
2 offered by a school district, including a plan offered by the ~~Office~~  
3 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority  
4 or a self-insured plan offered by the school district.

5 SECTION 14. AMENDATORY 74 O.S. 2021, Section 1311, is  
6 amended to read as follows:

7 Section 1311. The amount of monthly contribution to be made by  
8 employees enrolled in the ~~Insurance Plans~~ insurance plans shall be  
9 deducted from the monthly salaries of such employees and remitted to  
10 the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
11 Care Authority. The procedure for such deductions and remittances  
12 shall be established by the ~~Director~~ Chief Executive Officer of the  
13 Oklahoma Health Care Authority.

14 SECTION 15. AMENDATORY 74 O.S. 2021, Section 1311.1, is  
15 amended to read as follows:

16 Section 1311.1. The amount of monthly contribution to be made  
17 by persons who are drawing disability benefits under Section 1331 et  
18 seq. of this title and who are enrolled in the ~~Insurance Plans~~  
19 insurance plans shall be deducted from the monthly disability  
20 benefits of such persons and remitted to the ~~Office of Management~~  
21 ~~and Enterprise Services~~ Oklahoma Health Care Authority. The  
22 procedures for such deductions and remittances shall be established  
23 by the ~~Office~~ Authority.

24

1 SECTION 16. AMENDATORY 74 O.S. 2021, Section 1312, is  
2 amended to read as follows:

3 Section 1312. (1) Except as otherwise provided by law, all  
4 employee and employer contributions, appropriations and dividend  
5 payments related to the health and dental plans administered by the  
6 ~~Director of the Office of Management and Enterprise Services~~ Chief  
7 Executive Officer of the Oklahoma Health Care Authority shall be  
8 deposited in a fund in the State Treasury which is hereby created  
9 and which shall be known as the Health and Dental Insurance Reserve  
10 Fund. The money in such fund shall be invested by the Oklahoma  
11 Employees Insurance and Benefits Board in the manner specified in  
12 Section 1305.1 of this title. Investment income of the fund shall  
13 be added to the fund. Money payable to the claims administrator and  
14 all expenses in connection with the plans shall be paid from the  
15 fund. The Board shall have responsibility for management of the  
16 fund.

17 (2) All monies in the Health and Dental Insurance Reserve Fund  
18 that are reserves for the life insurance plan administered by the  
19 ~~Office~~ Authority shall be transferred to the Life Insurance Reserve  
20 Fund on July 1, 1989.

21 SECTION 17. AMENDATORY 74 O.S. 2021, Section 1312.1, is  
22 amended to read as follows:

23 Section 1312.1. There is hereby created in the State Treasury a  
24 Revolving Fund for the Oklahoma Employees Insurance and Benefits

1 Plan. The revolving fund shall consist of funds transferred from  
2 the Health and Dental Insurance Reserve Fund and the Life Insurance  
3 Reserve Fund for operational expenses of the ~~State Health and Life~~  
4 ~~Insurance Plan~~ state health and life insurance plan and monies  
5 assessed from or collected for and due a ~~Health Maintenance~~  
6 ~~Organization~~ health maintenance organization (HMO) as approved by  
7 the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
8 Care Authority. Expenditures from said funds shall be made pursuant  
9 to the laws of the state and statutes relating to the ~~Plan~~ plan.  
10 This revolving fund shall be a continuing fund, not subject to  
11 fiscal year limitations, and shall be under the control and  
12 management of the ~~Office~~ Authority.

13 SECTION 18. AMENDATORY 74 O.S. 2021, Section 1312.2, is  
14 amended to read as follows:

15 Section 1312.2. (1) There is hereby created in the State  
16 Treasury, the Life Insurance Reserve Fund. Except as otherwise  
17 provided by law, all contributions, appropriations, transfers,  
18 dividend payments, and investment income of the fund received from  
19 or for the benefit of the life insurance plan administered by the  
20 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
21 Authority shall be deposited in the reserve fund.

22 The monies in said reserve fund shall be invested by the  
23 Oklahoma Employees Insurance and Benefits Board in the manner  
24

1 specified in Section 1305.1 of this title. The Board shall have  
2 responsibility for management of the fund.

3 Money payable to the claims administrator and all expenses in  
4 connection with the life insurance plan shall be paid from the  
5 reserve fund.

6 (2) All monies in the Life Insurance Reserve Fund that are  
7 reserves for the health and dental plans administered by the ~~Office~~  
8 ~~of Management and Enterprise Services~~ Oklahoma Health Care Authority  
9 shall be transferred to the Health and Dental Insurance Reserve Fund  
10 on July 1, 1989.

11 SECTION 19. AMENDATORY 74 O.S. 2021, Section 1312.3, is  
12 amended to read as follows:

13 Section 1312.3. There is hereby created in the State Treasury,  
14 the Oklahoma Employees Insurance and Benefits Clearing Fund. The  
15 monies paid to the Oklahoma Employees Insurance and Benefits  
16 Clearing Fund pursuant to Section 1310 of this title shall be  
17 distributed as follows:

18 1. The first Thirty-one Million Five Hundred Thousand Dollars  
19 (\$31,500,000.00) received after ~~the effective date of this act~~ July  
20 1, 1991, during the fiscal year beginning July 1, 1996, shall be  
21 distributed to the Oklahoma State Regents for Higher Education; and

22 2. The balance thereof shall be distributed to and deposited in  
23 the appropriate reserve fund as directed by the ~~Office of Management~~  
24 ~~and Enterprise Services~~ Oklahoma Health Care Authority.



1 SECTION 20. AMENDATORY 74 O.S. 2021, Section 1314.3, is  
2 amended to read as follows:

3 Section 1314.3. (1) All otherwise eligible employees hired by  
4 the Oklahoma Employment Security Commission after ~~the effective date~~  
5 ~~of this act~~ May 30, 1990, shall participate in the ~~State Plan~~ state  
6 plan and shall not be entitled to the supplemental health insurance  
7 for which provision is made in ~~this act~~ the Oklahoma Employees  
8 Insurance and Benefits Act nor to any other Commission benefit plan  
9 not generally available to state employees, and no other provisions  
10 of this act shall apply to such future hires.

11 (2) All otherwise eligible Commission employees not  
12 participating in the ~~Agency Plan~~ agency plan as of ~~the effective~~  
13 ~~date of this act~~ May 30, 1990, shall be enrolled in the ~~State Plan~~  
14 state plan on July 1, 1990. Said nonparticipating Commission  
15 employees shall not be entitled to the supplemental health insurance  
16 for which provision is made in this act.

17 (3) All Commission employees, retirees and dependents  
18 participating in the ~~Agency Plan~~ agency plan as of ~~the effective~~  
19 ~~date of this act~~ May 30, 1990, shall be permitted to transfer to the  
20 ~~State Plan~~ state plan and receive the supplemental insurance  
21 benefits for which provision is made in Section 1314.4 of this title  
22 at such time as the supplemental insurance is available. If not  
23 sooner transferred, all ~~Agency Plan~~ agency plan participants shall  
24 be transferred to the ~~State Plan~~ state plan on January 1, 1991.

1 Such mandatory transfer shall occur simultaneously with any  
2 cancellation by the insurance provider of the ~~Agency Plan~~ agency  
3 plan, occurring prior to January 1, 1991.

4 (4) All Commission employees, retirees and dependents enrolling  
5 in or transferring to the ~~State Plan~~ state plan under the provisions  
6 of this section shall be given the opportunity to participate in all  
7 options under the ~~State Plan~~ state plan at the time of their  
8 enrollment or transfer.

9 (5) For active employees of the Commission, the Commission  
10 shall pay the same monthly premium toward employee-only coverage as  
11 that set by the Oklahoma Health Care Authority and approved by the  
12 Office of Management and Enterprise Services and paid by the other  
13 state agencies participating in the state health insurance program.  
14 For retirees of the Commission who retired pursuant to the  
15 provisions of the Oklahoma Public Employees Retirement System, the  
16 Oklahoma Public Employees Retirement System shall pay the same  
17 monthly contribution towards premiums for regular or Medicare  
18 supplement health insurance coverage for those retirees as the  
19 amount paid towards the premiums for the Oklahoma Public Employees  
20 Retirement System retirees from other agencies. For retirees of the  
21 Commission who retired under the provisions of another retirement  
22 plan, the Commission shall pay the same monthly contribution towards  
23 premiums for regular or Medicare supplement health insurance  
24 coverage for those retirees as the amount paid towards premiums by

1 the Oklahoma Public Employees Retirement System for retirees of  
2 other state agencies.

3 (6) Except as provided in this subsection, employees and  
4 retirees of the Commission, and their dependents, shall be covered  
5 under the dental and life insurance plans provided by the ~~Office of~~  
6 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority  
7 pursuant to the same provisions and premiums as apply to the  
8 employees and retirees of other state agencies. Employees and  
9 retirees may elect to keep their present agency offered life  
10 insurance, in addition to the state life insurance. Any employee  
11 who elects to keep their agency offered life insurance shall pay the  
12 premium for the life insurance provided pursuant to the Oklahoma  
13 Employees Insurance and Benefits Act. Any Commission retiree who  
14 elects to participate in the life insurance program provided  
15 pursuant to the Oklahoma Employees Insurance and Benefits Act shall  
16 pay the premium for such coverage.

17 (7) In the event that the agency offered life insurance plan is  
18 canceled by the insurer offering it, the Commission shall contract  
19 with the ~~Office~~ Authority for replacement coverage equal to that  
20 lost by said cancellation. The ~~Office~~ Authority is expressly  
21 authorized and directed to enter into such a contract. The  
22 Commission and the participants shall pay the full actuarial costs  
23 and all reasonable administrative costs for such coverage. Said  
24 actuarial and administrative costs shall be divided between the

1 Commission and the participants in the same ratio as premiums are  
2 now divided for the agency offered life insurance. The ~~Office~~  
3 Authority shall maintain separate reserves for said coverage. On  
4 January 1, 2005, the Commission shall convert the agency offered  
5 life insurance to the life insurance plans provided by the ~~Office~~  
6 Authority pursuant to the same provisions and premiums as apply to  
7 the employees and retirees of other state agencies. The Commission  
8 may offer eligible employees an opportunity to voluntarily  
9 relinquish their agency life insurance upon a payment to the  
10 eligible employee, provided funds exist to do so.

11 SECTION 21. AMENDATORY 74 O.S. 2021, Section 1314.5, is  
12 amended to read as follows:

13 Section 1314.5. A. The Oklahoma Employment Security Commission  
14 shall attempt to obtain the supplemental health insurance described  
15 in Section 1314.4 of this title through competitive procurement  
16 under The Central Purchasing Act. If the Commission does not obtain  
17 such supplemental health insurance in this manner, it shall contract  
18 with the ~~Office of Management and Enterprise Services~~ Oklahoma  
19 Health Care Authority for such coverage or the Commission may  
20 provide the supplemental health insurance through a self-insurance  
21 program.

22 B. If the Commission decides to contract with the ~~Office~~  
23 Authority for the supplemental health insurance coverage, the ~~Office~~  
24 Authority is expressly authorized and directed to enter into such a

1 contract and administer the supplemental benefit in such manner to  
2 cause the least disruption to its systems and daily operations. The  
3 supplemental benefit does not have to be offered as a supplemental  
4 plan but can be combined with the state plan to be administered and  
5 actuarially rated as a single plan. If this option is chosen, all  
6 dependents of employees or former employees currently eligible for  
7 the supplemental health insurance shall be included in the plan,  
8 regardless of whether or not the dependents were previously included  
9 in the plan, and this subsection will prevail over the provisions of  
10 Section 1314.3 of this title. The Commission shall pay the full  
11 actuarial cost to be determined by the ~~Office~~ Authority and all  
12 reasonable administrative costs for such coverage, if provided by or  
13 through the ~~Office~~ Authority. The ~~Office~~ Authority may consider the  
14 utilization experience of the group participating in the benefit  
15 when calculating the rate for providing the benefit. The ~~Office~~  
16 Authority shall maintain separate reserves for said coverage.

17 C. If the Commission decides to provide supplemental health  
18 insurance through a self-insurance program, the Commission shall be  
19 authorized to contract with a private company to provide claims  
20 adjusting services for the supplemental health insurance claims  
21 adjusting and processing.

22 SECTION 22. AMENDATORY 74 O.S. 2021, Section 1315, is  
23 amended to read as follows:

24

1 Section 1315. A. Upon application in writing and subject to  
2 any underwriting criteria that may be established by the ~~Office of~~  
3 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority,  
4 the ~~Office~~ Authority may extend the benefits of the Oklahoma  
5 Employees Insurance and Benefits Plans to employees who are employed  
6 in positions requiring actual performance of duty during not less  
7 than one thousand (1,000) hours per year and to all full-time  
8 employees of:

9 1. Any of the following groups which participate in the  
10 Oklahoma Public Employees Retirement System:

- 11 a. county,
- 12 b. city,
- 13 c. town,
- 14 d. public trust for which the state is the primary  
15 beneficiary, or
- 16 e. conservation districts; and

17 2. Any of the following groups:

- 18 a. county hospital,
- 19 b. rural water district, including employees and board  
20 members,
- 21 c. sewer district,
- 22 d. gas district,
- 23 e. solid waste management district,

24

- 1 f. nonprofit water corporation employees and board
- 2 members,
- 3 g. conservancy district or master conservancy district
- 4 authorized by the provisions of Section 541 of Title
- 5 82 of the Oklahoma Statutes,
- 6 h. voluntary organization of Oklahoma local government
- 7 jurisdictions listed in Section 2003 of Title 62 of
- 8 the Oklahoma Statutes including any council created by
- 9 the voluntary organizations,
- 10 i. voluntary association designated to administer the
- 11 County Government Council as authorized in Section 7
- 12 of Title 19 of the Oklahoma Statutes,
- 13 j. statewide nonprofit entities representing employees of
- 14 the state or employees of local political subdivisions
- 15 who are eligible for insurance benefits authorized by
- 16 the provisions of the Oklahoma Employees Insurance and
- 17 Benefits Act, or
- 18 k. statewide nonprofit entities receiving state funds to
- 19 provide no cost legal services to low income and
- 20 senior citizens.

21 B. Applications to participate in the Oklahoma Employees  
22 Insurance and Benefits Plans shall be approved by majority action of  
23 the governing body of the groups listed in subsection A of this  
24 section.

1 C. Groups listed in subsection A of this section participating  
2 in the Oklahoma Employees Insurance and Benefits Plans shall pay all  
3 costs attributable to their participation. The benefits of said  
4 plans for a participant provided coverage pursuant to this section  
5 shall be the same and shall include the same plan options as would  
6 be made available to a state employee participating in the plan that  
7 resided at the same location. The premium for participating groups  
8 listed in subsection A of this section shall be the same as paid by  
9 state and education employees.

10 D. Participating groups listed in subsection A of this section  
11 shall not be required to offer dental insurance as defined in  
12 paragraph ~~11~~ 12 of Section 1303 of this title, or other insurance as  
13 defined in paragraph ~~12~~ 13 of Section 1303 of this title. However,  
14 if dental insurance or any other insurance is offered, it must be  
15 provided to all eligible employees. If an employee retires and  
16 begins to receive benefits from the Oklahoma Public Employees  
17 Retirement System or terminates service and has a vested benefit  
18 with the Oklahoma Public Employees Retirement System, the employee  
19 may elect, in the manner provided in Section 1316.2 of this title,  
20 to participate in the dental insurance plan offered through the  
21 Oklahoma Employees Insurance and Benefits Act within thirty (30)  
22 days from the date of termination of employment. The employee shall  
23 pay the full cost of the dental insurance.

24



1 E. 1. Any employee of a group listed in subsection A of this  
2 section who retires or who has a vested benefit pursuant to the  
3 Oklahoma Public Employees Retirement System may begin the health  
4 insurance coverage if the employer of the employee is not a  
5 participant of the Oklahoma Employees Insurance and Benefits Act and  
6 does not offer health insurance to its employees. Such election by  
7 the employee to begin coverage shall be made within thirty (30) days  
8 from the date of termination of service.

9 2. Any employee of a group listed in subsection A of this  
10 section who retires or who has a vested benefit pursuant to the  
11 Oklahoma Public Employees Retirement System may begin or continue  
12 the health insurance coverage if the employer of the employee is a  
13 participant of the Oklahoma Employees Insurance and Benefits Act and  
14 the election to begin or continue coverage is made within thirty  
15 (30) days from the date of termination of service.

16 F. Any county, city, town, county hospital, public trust,  
17 conservation district, or rural water, sewer, gas or solid waste  
18 management district, or nonprofit water corporation, any of which of  
19 the aforementioned groups is not a participating employer in the  
20 Oklahoma Public Employees Retirement System, but which has employees  
21 who are participating in the health, dental or life insurance plans  
22 offered by or through the Oklahoma Employees Insurance and Benefits  
23 Act on July 1, 1997, may continue to allow its current and future  
24 employees to participate in such health, dental or life insurance

1 plans. Participation of such employees may also continue following  
2 termination of employment if the employee has completed at least  
3 eight (8) years of service with a participating employer and such an  
4 election to continue in force is made within thirty (30) days  
5 following termination of employment. Any retiree or terminated  
6 employee electing coverage pursuant to this section shall pay the  
7 full cost of the insurance.

8 G. An employee of a group listed in paragraph 2 of subsection A  
9 of this section may continue in force health, dental and life  
10 insurance coverage following termination of employment if the  
11 employee has a minimum of eight (8) years of service with a  
12 participating employer and the election to continue in force is made  
13 within thirty (30) calendar days following termination of  
14 employment.

15 H. Notwithstanding other provisions in this section, an  
16 employer listed in subsection A of this section may cease to  
17 participate in the Oklahoma Employees Insurance and Benefits Act but  
18 provide health insurance coverage for its current and former  
19 employees through another insurance carrier. The subsequent carrier  
20 shall be responsible for providing coverage to the entity's  
21 employees who terminated employment with a retirement benefit, with  
22 a vested benefit, or who have eight (8) or more years of service  
23 with a participating employer but did not have a vested benefit  
24 through the Oklahoma Public Employees Retirement System, if the

1 election to retain health insurance coverage was made within thirty  
2 (30) days of termination of employment. Coverage shall also be  
3 provided to the eligible dependents of the employees if an election  
4 to retain coverage is made within thirty (30) days of termination of  
5 employment. Employees who terminate employment from an employer  
6 covered by this ~~paragraph~~ subsection before December 31, 2001, and  
7 elect coverage under the Oklahoma Employees Insurance and Benefits  
8 Act, shall not be required to change insurance carriers in the event  
9 that the employer changes its insurance carrier to a subsequent  
10 carrier. The provisions of this subsection shall become effective  
11 January 1, 2002.

12 I. Employers pursuant to subsection A of this section who  
13 participate in the Oklahoma Public Employees Retirement System and  
14 who offer health insurance coverage to their active employees, shall  
15 offer health insurance coverage to those employees who retire from  
16 the employer and also to those employees who terminate employment  
17 and are eligible to elect a vested benefit in the System. Such  
18 employers shall begin offering coverage to such employees on or  
19 before January 1, 2004. Such employees who wish to continue  
20 coverage shall make an election to retain health insurance coverage  
21 within thirty (30) days of termination of employment. However,  
22 former employees of such employers who have already retired or who  
23 have terminated and are eligible to elect a vested benefit under the  
24 Oklahoma Public Employees Retirement System, during the period

1 beginning January 1, 2002, and ending December 31, 2003, may make an  
2 election to begin participation in the plans offered by the ~~Office~~  
3 Authority on or before December 31, 2003, in the same manner as  
4 other participating retired or vested members. The employer,  
5 assisted by the Oklahoma Public Employees Retirement System shall  
6 notify by October 1, 2003, all members who have either retired from  
7 the System or who are eligible to elect a vested benefit in the  
8 System between January 1, 2002, through December 31, 2003, and who  
9 were employed by an employer listed in subsection A of this section  
10 of the member's potential eligibility to participate in such plans.  
11 Each employer shall notify the Oklahoma Public Employees Retirement  
12 System when an employee is retiring and makes the election pursuant  
13 to this subsection to continue coverage under a plan offered by such  
14 employer and when an employee terminates employment and is eligible  
15 to elect a vested benefit in the System and such employee elects to  
16 continue coverage under a plan offered by such employer. Such  
17 employer shall also notify the Oklahoma Public Employees Retirement  
18 System if a retired employee or an employee who is eligible to elect  
19 a vested benefit in the System terminates such continued coverage.

20 J. Any group that begins participation in the Oklahoma  
21 Employees Insurance and Benefits Plans after ~~the effective date of~~  
22 ~~this act~~ March 17, 1970, and that is not composed of state or  
23 education employees must have one hundred percent (100%)  
24

1 participation in the health plan offered pursuant to the Oklahoma  
2 Employees Insurance and Benefits Act.

3 SECTION 23. AMENDATORY 74 O.S. 2021, Section 1315.1, is  
4 amended to read as follows:

5 Section 1315.1. Upon election and application by the secretary  
6 of a county election board and subject to any underwriting criteria  
7 that may be established by the ~~Office of Management and Enterprise~~  
8 ~~Services~~ Oklahoma Health Care Authority, the ~~Office~~ Authority shall  
9 extend the benefits of the Oklahoma Employees Insurance and Benefits  
10 Plans to the secretary of each county election board, if the county  
11 in which the secretary serves is not participating in such plans.

12 SECTION 24. AMENDATORY 74 O.S. 2021, Section 1316.1, is  
13 amended to read as follows:

14 Section 1316.1. A. Any person who retires or who has elected  
15 to receive a vested benefit under the provisions of the State of  
16 Oklahoma retirement systems or persons who are currently drawing  
17 disability benefits under Section 1331 et seq. of this title or who  
18 meet each and every requirement of the State Employees Disability  
19 Program or the spouse or dependent of any such employee may continue  
20 in force the life insurance benefits authorized by ~~this act~~ the  
21 Oklahoma Employees Insurance Benefits Act in a face amount of not  
22 less than one-fourth (1/4) of the basic life insurance amount, if  
23 such election to continue in force is made within thirty (30) days  
24 from the time of severance. Persons electing to continue in force

1 life insurance benefits shall pay the full cost of the life  
2 insurance and under such terms and conditions as established by the  
3 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
4 Authority. Further, any such retiree may continue in force any  
5 additional life insurance that was purchased prior to retirement at  
6 an actuarially adjusted rate and under such terms and conditions as  
7 established by the ~~Office~~ Authority.

8       Effective January 1, 2002, nonvested employees may also continue  
9 their life insurance benefits as provided in this section following  
10 termination of employment, if the employee has completed at least  
11 eight (8) years of service with an employer participating in the  
12 Oklahoma Public Employees Retirement System or at least ten (10)  
13 years of service with an employer participating in the Teachers'  
14 Retirement System of Oklahoma. The election to continue the  
15 employee's life insurance in force must be made within thirty (30)  
16 days after the date of termination.

17       B. Any retired employee who is receiving a benefit or  
18 terminates employment with a vested benefit from the Teachers'  
19 Retirement System of Oklahoma and who becomes enrolled in the health  
20 insurance plan offered by the Oklahoma Employees Insurance and  
21 Benefits Act, pursuant to subsection E of Section 5-117.5 of Title  
22 70 of the Oklahoma Statutes, may elect to purchase life insurance  
23 benefits in amounts and at a cost as provided for in this section.

24

1 C. In lieu of subsection A of this section, any person who  
2 retires or who has elected to receive a vested benefit under the  
3 provisions of the State of Oklahoma retirement systems and who is  
4 participating in a health insurance plan, the dental insurance plan,  
5 or the life insurance plan offered by the ~~Office~~ Authority,  
6 including such persons who are currently drawing disability benefits  
7 under Section 1331 et seq. of this title or who meet each and every  
8 requirement of the State Employees Disability Program on or before  
9 July 1, 1999, or the spouse of any such person may elect to purchase  
10 life insurance benefits authorized by this subsection in a face  
11 amount not to exceed Fifty Thousand Dollars (\$50,000.00). Eligible  
12 persons pursuant to this subsection shall make an election by  
13 January 1, 2000, to purchase the life insurance coverage provided in  
14 this subsection. Life insurance coverage pursuant to this  
15 subsection shall depend upon providing satisfactory evidence of  
16 insurability for the person who is to be covered. Life insurance  
17 coverage, pursuant to this subsection, shall be purchased in blocks  
18 of Five Thousand Dollars (\$5,000.00). The premium for such life  
19 insurance coverage shall be at a blended rate and shall be set by  
20 the Authority and approved by the Office of Management and  
21 Enterprise Services. The ~~Office~~ Authority shall promulgate rules  
22 necessary for the implementation of the provisions of this  
23 subsection.

24

1 SECTION 25. AMENDATORY 74 O.S. 2021, Section 1316.2, as  
2 amended by Section 5, Chapter 245, O.S.L. 2024 (74 O.S. Supp. 2024,  
3 Section 1316.2), is amended to read as follows:

4 Section 1316.2. A. Any employee, other than an education  
5 employee, who retires pursuant to the provisions of the Oklahoma  
6 Public Employees Retirement System or who has a vested benefit  
7 pursuant to the provisions of the Oklahoma Public Employees  
8 Retirement System may continue in force the health and dental  
9 insurance benefits authorized by the provisions of the Oklahoma  
10 Employees Insurance and Benefits Act, or other employer insurance  
11 benefits if the employer does not participate in the plans offered  
12 by the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
13 Care Authority, if such election to continue in force is made within  
14 thirty (30) days from the date of termination of service. Except as  
15 otherwise provided for in subsection H of this section, health and  
16 dental insurance coverage may not be reinstated at a later time if  
17 the election to continue in force is declined. Vested employees  
18 other than education employees who have terminated service and are  
19 not receiving benefits and effective July 1, 1996, nonvested persons  
20 who have terminated service with more than eight (8) years of  
21 participating service with a participating employer, who within  
22 thirty (30) days from the date of termination of service elect to  
23 continue such coverage, shall pay the full cost of the insurance  
24 premium at the rate and pursuant to the terms and conditions



1 established by the ~~Office~~ Authority. Provided also, any employee  
2 other than an education employee who commences employment with a  
3 participating employer on or after September 1, 1991, who terminates  
4 service with such employer on or after July 1, 1996, but who  
5 otherwise has insufficient years of service to retire or terminate  
6 service with a vested benefit pursuant to the provisions of the  
7 Oklahoma Public Employees Retirement System or to elect to continue  
8 coverage as a nonvested employee as provided in this section, but  
9 who, immediately prior to employment with the participating  
10 employer, was covered as a dependent on the health and dental  
11 insurance policy of a spouse who was an active employee other than  
12 an education employee, may count as part of his or her credited  
13 service for the purpose of determining eligibility to elect to  
14 continue coverage under this section, the time during which the  
15 terminating employee was covered as such a dependent.

16 B. 1. Health insurance benefit plans offered pursuant to this  
17 section shall include:

- 18 a. indemnity plans offered through the ~~Office~~ Authority,
- 19 b. managed care plans offered as alternatives to the  
20 indemnity plans offered through the ~~Office~~ Authority,
- 21 c. Medicare supplements offered pursuant to the Oklahoma  
22 Employees Insurance and Benefits Act,
- 23 d. Medicare risk-sharing contracts offered as  
24 alternatives to the Medicare supplements offered

1 through the ~~Office~~ Authority. All Medicare risk-  
2 sharing contracts shall be subject to a risk  
3 adjustment factor, based on generally accepted  
4 actuarial principles for adverse selection which may  
5 occur, and

6 e. for the Oklahoma Public Employees Retirement System,  
7 other employer-provided health insurance benefit plans  
8 if the employer does not participate in the plans  
9 offered pursuant to the Oklahoma Employees Insurance  
10 and Benefits Act.

11 2. Health insurance benefit plans offered pursuant to this  
12 section shall provide prescription drug benefits, except for plans  
13 designed pursuant to the Medicare Prescription Drug Improvement and  
14 Modernization Act, pursuant to 42 USCA Section 1395w-101, et seq.,  
15 for which provision of prescription drug benefits is optional, and  
16 except for plans offered pursuant to subparagraph e of paragraph 1  
17 of this subsection.

18 C. 1. Designated public retirement systems shall contribute a  
19 monthly amount towards the health insurance premium of certain  
20 individuals receiving benefits from the public retirement system as  
21 follows:

22 a. a retired employee, other than an education employee  
23 or an employee who participates in the defined  
24 contribution system administered by the Oklahoma

1 Public Employees Retirement System on or after  
2 November 1, 2015, who is receiving benefits from the  
3 Oklahoma Public Employees Retirement System after  
4 September 30, 1988, shall have One Hundred Five  
5 Dollars (\$105.00), or the premium rate of the health  
6 insurance benefit plan, whichever is less, paid by the  
7 Oklahoma Public Employees Retirement System to the  
8 Board or to another insurance carrier or other  
9 qualified benefits administrator of the employer if  
10 the employer does not participate in the plans offered  
11 by the ~~Office~~ Authority in the manner specified in  
12 subsection G of this section,

13 b. a retired employee or surviving spouse other than an  
14 education employee who is receiving benefits from the  
15 Oklahoma Law Enforcement Retirement System after  
16 September 30, 1988, is under sixty-five (65) years of  
17 age and is not otherwise eligible for Medicare shall  
18 have the premium rate for the health insurance benefit  
19 plan or One Hundred Five Dollars (\$105.00), whichever  
20 is less, paid by the Oklahoma Law Enforcement  
21 Retirement System to the ~~Office~~ Authority in the  
22 manner specified in subsection G of this section,

23 c. a retired employee other than an education employee  
24 who is receiving benefits from the Oklahoma Law

1 Enforcement Retirement System after September 30,  
2 1988, is sixty-five (65) years of age or older or who  
3 is under sixty-five (65) years of age and is eligible  
4 for Medicare shall have One Hundred Five Dollars  
5 (\$105.00), or the premium rate of the health insurance  
6 benefit plan, whichever is less, paid by the Oklahoma  
7 Law Enforcement Retirement System to the ~~Office~~  
8 Authority in the manner specified in subsection G of  
9 this section, and

10 d. a retired employee other than an education employee  
11 who is receiving benefits from the Uniform Retirement  
12 System for Justices and Judges after September 30,  
13 1988, shall have One Hundred Five Dollars (\$105.00),  
14 or the premium rate of the health insurance plan,  
15 whichever is less, paid by the Uniform Retirement  
16 System for Justices and Judges to the ~~Office~~ Authority  
17 in the manner specified in subsection G of this  
18 section.

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

21 a. the health plan shall be authorized by the provisions  
22 of the Oklahoma Employees Insurance and Benefits Act,  
23 except that if an employer from which an employee  
24 retired or with a vested benefit pursuant to the

1 provisions of the Oklahoma Public Employees Retirement  
2 System does not participate in the plans authorized by  
3 the provisions of the Oklahoma Employees Insurance and  
4 Benefits Act, the health plan will be the health  
5 insurance benefits of the employer from which the  
6 individual retired or vested,

7 b. for plans offered by the Oklahoma Employees Insurance  
8 and Benefits Act, the amount to be paid shall be  
9 determined pursuant to the provisions of this  
10 subsection and shall first be applied in whole or in  
11 part to the prescription drug coverage premium. Any  
12 remaining amount shall be applied toward the medical  
13 coverage premium,

14 c. for all plans, if the amount paid by the public  
15 retirement system does not cover the full cost of the  
16 elected coverage, the individual shall pay the  
17 remaining premium amount, and

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

20 D. For any member of the Oklahoma Law Enforcement Retirement  
21 System killed in the line of duty, whether the member was killed in  
22 the line of duty prior to May 18, 2005, or on or after May 18, 2005,  
23 or if the member was on a disability leave status at the time of  
24 death, the surviving spouse or dependents of such deceased member of

1 the Oklahoma Law Enforcement Retirement System may elect to continue  
2 or commence health and dental insurance benefits, provided the  
3 dependents pay the full cost of such insurance, and for deaths  
4 occurring on or after July 1, 2002, such election is made within  
5 thirty (30) days of the date of death. The eligibility for the  
6 benefits shall terminate for the surviving children when the  
7 children cease to qualify as dependents.

8 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
9 Enforcement Retirement System who retired from the System by means  
10 of a personal and traumatic injury of a catastrophic nature and in  
11 the line of duty and any surviving spouse of such retired member and  
12 any surviving spouse of a member who was killed in the line of duty  
13 shall have one hundred percent (100%) of the retired member's or  
14 surviving spouse's health care premium cost, whether the member or  
15 surviving spouse elects coverage under the Medicare supplement or  
16 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
17 Retirement System to the ~~Office~~ Authority in the manner specified in  
18 subsection H of this section. For plans offered by the ~~Office~~  
19 Authority, such contributions will first be applied in whole or in  
20 part to the prescription drug coverage premium, if any.

21 F. Dependents of a deceased employee who was on active work  
22 status or on a disability leave at the time of death or of a  
23 participating retardant or of any person who has elected to receive  
24 a vested benefit under the Oklahoma Public Employees Retirement

1 System, the Uniform Retirement System for Justices and Judges or the  
2 Oklahoma Law Enforcement Retirement System may continue the health  
3 and dental insurance benefits in force, provided the dependents pay  
4 the full cost of such insurance and they were covered as eligible  
5 dependents at the time of such death and such election is made  
6 within thirty (30) days of date of death. The eligibility for the  
7 benefits shall terminate for the surviving children when the  
8 children cease to qualify as dependents.

9 G. The amounts required to be paid by the Oklahoma Public  
10 Employees Retirement System, the Uniform Retirement System for  
11 Justices and Judges and the Oklahoma Law Enforcement Retirement  
12 System pursuant to this section shall be forwarded no later than the  
13 tenth day of each month following the month for which payment is due  
14 by the Oklahoma Public Employees Retirement System Board of Trustees  
15 or the Oklahoma Law Enforcement Retirement Board to the ~~Office~~  
16 Authority for deposit in the Health, Dental and Life Insurance  
17 Reserve Fund or to another insurance carrier or other administrator  
18 of qualified benefits of the employer as provided for in subsection  
19 H of Section 1315 of this title.

20 H. Upon retirement from employment of the Board of Regents of  
21 the University of Oklahoma, any person who was or is employed at the  
22 George Nigh Rehabilitation Institute and who transferred employment  
23 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
24 person who was employed at the Medical Technology and Research

1 Authority and who transferred employment pursuant to Section 7068 of  
2 this title and any person who is a member of the Oklahoma Law  
3 Enforcement Retirement System pursuant to the authority of Section  
4 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
5 benefits authorized by the provisions of the Oklahoma Employees  
6 Insurance and Benefits Act for retired participants including  
7 health, dental and life insurance benefits, if such election to  
8 participate is made within thirty (30) days from the date of  
9 termination of service. Life insurance benefits for any such person  
10 who transferred employment shall not exceed the coverage the person  
11 had at the time of such transfer. Retirees who transferred  
12 employment and who participate pursuant to this ~~paragraph~~ subsection  
13 shall pay the premium for elected benefits less any amounts paid by  
14 a state retirement system pursuant to this section.

15 SECTION 26. AMENDATORY 74 O.S. 2021, Section 1316.3, is  
16 amended to read as follows:

17 Section 1316.3. A. Any person who retires pursuant to the  
18 provisions of the Teachers' Retirement System of Oklahoma with at  
19 least ten (10) years of creditable service or who has a vested  
20 benefit with at least ten (10) years of creditable service, pursuant  
21 to the provisions of the Teachers' Retirement System of Oklahoma may  
22 continue in force the health and dental insurance benefits  
23 authorized by the provisions of the Oklahoma Employees Insurance and  
24 Benefits Act if such election to continue in force or begin is made



1 within thirty (30) days from the date of termination of service.  
2 Except as provided in subsection E of Sections 5-117.5 and 14-108.1  
3 of Title 70 of the Oklahoma Statutes ~~and Section 840-2.27I of this~~  
4 ~~title~~ and subsection K of this section, health and dental insurance  
5 coverage may not be reinstated at a later time if the election to  
6 continue in force or begin coverage is declined. Vested persons who  
7 have terminated service and are not receiving benefits and effective  
8 July 1, 1996, nonvested persons who have terminated service with  
9 more than ten (10) years of participating service with a qualifying  
10 employer, who within thirty (30) days from the date of termination  
11 of service, elect to continue such coverage, shall pay the full cost  
12 of said insurance premium at the rate and pursuant to the terms and  
13 conditions established by the ~~Office of Management and Enterprise~~  
14 ~~Services~~ Oklahoma Health Care Authority.

15 B. 1. Health insurance benefit plans offered pursuant to this  
16 section shall include:

- 17 a. indemnity plans offered through the ~~Office~~ Authority,
- 18 b. managed care plans offered as alternatives to the  
19 indemnity plans,
- 20 c. Medicare supplements offered through the ~~Office~~  
21 Authority,
- 22 d. Medicare risk-sharing contracts offered as  
23 alternatives to the Medicare supplements offered  
24 through the ~~Office~~ Authority, and

1           e.    any other employer-provided health insurance benefit  
2                    plans if the employer does not participate in the  
3                    plans offered pursuant to the Oklahoma Employees  
4                    Insurance and Benefits Act.

5           2.    Health insurance benefit plans offered pursuant to this  
6 section shall provide prescription drug benefits, except for plans  
7 designed pursuant to the Medicare Prescription Drug Improvement and  
8 Modernization Act of 2003, which may or may not contain prescription  
9 drug benefits, for which provision of prescription drug benefits is  
10 optional, and except for plans offered pursuant to subparagraph e of  
11 paragraph 1 of this subsection.

12           C.    A retired person who:

13           1.    Is receiving benefits from the Teachers' Retirement System  
14 of Oklahoma after September 30, 1988, is under sixty-five (65) years  
15 of age and is not otherwise eligible for Medicare and pursuant to  
16 subsection A of this section elects to begin or to continue the  
17 health insurance plan;

18           2.    Is receiving benefits from the Teachers' Retirement System  
19 of Oklahoma after June 30, 1993, is under sixty-five (65) years of  
20 age and is not otherwise eligible for Medicare and participates in a  
21 health insurance plan provided by a participating education employer  
22 of the Teachers' Retirement System of Oklahoma other than a health  
23 insurance plan offered pursuant to the Oklahoma Employees Insurance  
24

1 and Benefits Act or an alternative health plan offered pursuant to  
2 the Oklahoma State Employees Benefits Act;

3 3. Is receiving benefits from the Teachers' Retirement System  
4 of Oklahoma after September 30, 1988, made contributions to the  
5 system and is sixty-five (65) years of age or older, or who is under  
6 sixty-five (65) years of age and is eligible for Medicare and is a  
7 participant in the Oklahoma Employees Insurance and Benefits Act and  
8 elects coverage under the Medicare supplement offered by the ~~Office~~  
9 Authority; or

10 4. Is receiving benefits from the Teachers' Retirement System  
11 of Oklahoma after June 30, 1993, made contributions to the system  
12 and is sixty-five (65) years of age or older, or who is under sixty-  
13 five (65) years of age and is eligible for Medicare and participates  
14 in a health insurance plan provided by a participating education  
15 employer of the Teachers' Retirement System of Oklahoma other than a  
16 health insurance plan offered pursuant to the Oklahoma Employees  
17 Insurance and Benefits Act or an alternative health plan offered  
18 pursuant to the Oklahoma State Employees Benefits Act and elects  
19 coverage under the Medicare supplement offered by the ~~Office~~  
20 Authority,

21 shall have the amount determined pursuant to subsection E of this  
22 section, or the premium rate of the health insurance benefit plan,  
23 whichever is less, paid by the Teachers' Retirement System of  
24 Oklahoma. If the amount paid by the Teachers' Retirement System of

1 Oklahoma does not cover the full cost of the health insurance  
2 premium, the retired person shall pay the remaining amount if the  
3 retired person wants to continue the coverage.

4 D. The Teachers' Retirement System shall pay the amount due  
5 pursuant to the provisions of subsection C of this section as  
6 follows:

7 1. For those individuals participating in plans provided  
8 through the Oklahoma Employees Insurance and Benefits Act, payment  
9 shall be made to the ~~Office~~ Authority pursuant to the provisions of  
10 subsection I of this section; or

11 2. For those individuals participating in plans provided  
12 through a participating education employer of the Teachers'  
13 Retirement System of Oklahoma other than a health insurance plan  
14 offered pursuant to the Oklahoma Employees Insurance and Benefits  
15 Act, payment shall be made to the education employer.

16 E. Beginning July 1, 2000, the maximum benefit payable by the  
17 Teachers' Retirement System of Oklahoma on behalf of a retired  
18 person toward said person's monthly premium for health insurance  
19 shall be determined in accordance with the following schedule:

20		LESS THAN		
21			25 YEARS BUT	GREATER
22		LESS THAN	GREATER THAN	THAN 24.99
23	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
24	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE

1	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
2	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
3	Less than \$30,000.00 but			
4	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
5	Less than \$40,000.00 but			
6	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
7	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

8 For plans offered by the ~~Office~~ Authority, the amount paid  
9 pursuant to this subsection shall first be applied to the  
10 prescription drug coverage premium, if any. Any remaining amounts  
11 shall be applied towards the medical coverage premium.

12 F. If a person retires and begins to receive benefits from the  
13 Teachers' Retirement System of Oklahoma or terminates service and  
14 has a vested benefit with the Teachers' Retirement System of  
15 Oklahoma, the person may elect, in the manner provided in subsection  
16 A of this section, to participate in the dental insurance plan  
17 offered through the Oklahoma Employees Insurance and Benefits Act.  
18 The person shall pay the full cost of the dental insurance.

19 G. Those persons who are receiving benefits from the Teachers'  
20 Retirement System of Oklahoma and have health insurance coverage  
21 which on ~~the operative date of this section~~ October 1, 1988, is  
22 being paid by the education entity from which the person retired  
23 shall make the election required in subsection A of this section  
24 within thirty (30) days of the termination of said health insurance

1 coverage. The person making the election shall give the ~~Office~~  
2 Authority certified documentation satisfactory to the ~~Office~~  
3 Authority of the termination date of the other health insurance  
4 coverage.

5 H. Dependents of a deceased education employee who was on  
6 active work status or on a disability leave at the time of death or  
7 of a participating retirant or of any person who has elected to  
8 receive a vested benefit under the Teachers' Retirement System of  
9 Oklahoma may continue the health and dental insurance benefits in  
10 force provided said dependents pay the full cost of such insurance  
11 and they were covered as eligible dependents at the time of such  
12 death and such election is made within thirty (30) days of date of  
13 death. The eligibility for said benefits shall terminate for the  
14 surviving children when said children cease to qualify as  
15 dependents.

16 I. The amounts required to be paid by the Teachers' Retirement  
17 System of Oklahoma pursuant to this section shall be forwarded no  
18 later than the tenth day of each month following the month for which  
19 payment is due by the Board of Trustees of the Teachers' Retirement  
20 System of Oklahoma to the ~~Office~~ Authority for deposit in the  
21 Education Employees Group Insurance Reserve Fund.

22 J. The Teachers' Retirement System of Oklahoma shall provide  
23 the ~~Office~~ Authority information concerning the employers of retired  
24

1 and vested members necessary to allow the ~~Office~~ Authority to track  
2 eligibility for continued coverage.

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

22 SECTION 27. AMENDATORY 74 O.S. 2021, Section 1317, is  
23 amended to read as follows:

24

1 Section 1317. Any legally blind person who is licensed by the  
2 Department of Rehabilitation Services as a vending stand operator or  
3 managing operator shall be eligible for membership in the ~~Health~~  
4 ~~Insurance Plan~~ health insurance plan, ~~Dental Insurance Plan~~ dental  
5 insurance plan and ~~Life Insurance Plan~~ life insurance plan referred  
6 to in the Oklahoma Employees Insurance and Benefits Act. Enrollment  
7 in the Plan shall be optional with each operator pursuant to the  
8 rules prescribed by the ~~Office of Management and Enterprise Services~~  
9 Oklahoma Health Care Authority. Any payments required to be made  
10 for enrollees in the Plan shall be payable by the operator in such  
11 manner as may be determined by the Department of Rehabilitation  
12 Services; provided, that the Department may, in its discretion, make  
13 all or a part of such payments.

14 SECTION 28. AMENDATORY 74 O.S. 2021, Section 1320, is  
15 amended to read as follows:

16 Section 1320. A. For purposes of administering the Oklahoma  
17 Employees Insurance and Benefits Act, the ~~Director~~ Chief Executive  
18 Officer (CEO) of the ~~Office of Management and Enterprise Services~~  
19 Oklahoma Health Care Authority is authorized to hire and appoint an  
20 Administrator who shall be in the unclassified service and shall  
21 serve at the pleasure of the ~~Director~~ CEO of the ~~Office of~~  
22 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority.

23 B. The ~~Director~~ CEO of the ~~Office of Management and Enterprise~~  
24 ~~Services~~ Oklahoma Health Care Authority may hire a director of



1 internal audit and one attorney licensed to practice law in this  
2 state. The attorney hired by the Oklahoma Employees Insurance and  
3 Benefits Board shall have not less than five (5) years of experience  
4 in matters related to the insurance industry. The ~~Director~~ CEO  
5 shall directly supervise the duties of the director of internal  
6 audit, and shall not delegate the supervision to the Administrator  
7 or any other employee. In addition to duties assigned by the  
8 ~~Director~~ CEO, the director of internal audit is authorized to audit  
9 all records of health providers and pharmacists who enter into any  
10 contract with the Board in order to ensure compliance with said  
11 contract provisions.

12 The ~~Director~~ CEO shall employ such persons as are necessary to  
13 administer the provisions of the Oklahoma Employees Insurance and  
14 Benefits Act, the State Employees Flexible Benefits Act and the  
15 State Employees Disability Program Act. The ~~Director~~ CEO may employ  
16 a maximum of two attorneys for purposes of administering the  
17 Oklahoma Employees Insurance and Benefits Act. The Administrator or  
18 one of the deputy administrators shall have not less than seven (7)  
19 years of group health insurance administration experience on a  
20 senior managerial level.

21 C. The ~~Director~~ CEO shall not contract for private legal  
22 counsel except for extraordinary situations other than normal day to  
23 day situations, and when approved by the Attorney General. The  
24 ~~Director~~ CEO may contract with a nonemployee consulting actuary, a

1 nonemployee medical consultant and a nonemployee dental consultant  
2 subject to competitive bid at least every three (3) years. The  
3 ~~Director~~ CEO may contract with health care providers for a level of  
4 reimbursement for the payment of claims incurred by the plan  
5 participants. The ~~Director~~ CEO may at its request use the services  
6 of the ~~office~~ Office of the Attorney General and the actuarial  
7 services of any actuary employed by the Insurance Commissioner and  
8 may also seek the advice and counsel of the Insurance Commissioner  
9 of the State of Oklahoma or any employee of the Office of the  
10 Insurance Commissioner.

11 SECTION 29. AMENDATORY 74 O.S. 2021, Section 1321, as  
12 amended by Section 6, Chapter 245, O.S.L. 2024 (74 O.S. Supp. 2024,  
13 Section 1321), is amended to read as follows:

14 Section 1321. A. ~~The Office of Management and Enterprise~~  
15 ~~Services~~ Oklahoma Health Care Authority shall have the authority to  
16 determine all rates and life, dental and health benefits. All rates  
17 shall be compiled in a comprehensive Schedule of Benefits. The  
18 Schedule of Benefits shall be available for inspection during  
19 regular business hours at the ~~Office of Management and Enterprise~~  
20 ~~Services~~ Oklahoma Health Care Authority. The ~~Office~~ Authority shall  
21 have the authority to annually adjust the rates and benefits based  
22 on claim experience.

23 B. The premiums for such insurance plans offered for the next  
24 plan year shall be established as follows:

1 1. For active employees and their dependents, the ~~Office's~~  
2 Authority's premium determination shall be made no later than the  
3 bid submission date for health maintenance organizations set by the  
4 Oklahoma Employees Insurance and Benefits Board, which shall be set  
5 in August no later than the third Friday of that month; and

6 2. For all other covered members and dependents, the ~~Office's~~  
7 Authority's and the health maintenance organizations' premium  
8 determinations shall be no later than the fourth Friday of  
9 September.

10 C. The ~~Office~~ Authority may approve a mid-year adjustment  
11 requested by the Authority provided the need for an adjustment is  
12 substantiated by an actuarial determination or more current  
13 experience rating. The only publication or notice requirements that  
14 shall apply to the Schedule of Benefits shall be those requirements  
15 provided in the Oklahoma Open Meeting Act and within this section.  
16 It is the intent of the Legislature that the benefits provided not  
17 include cosmetic dental procedures except for certain orthodontic  
18 procedures as adopted by the ~~Director~~ Chief Executive Officer of the  
19 Authority.

20 SECTION 30. AMENDATORY 74 O.S. 2021, Section 1323, is  
21 amended to read as follows:

22 Section 1323. Any person who shall knowingly make any false  
23 statement, or who shall falsify or permit to be falsified any record  
24 necessary for carrying out the intent of the Oklahoma Employees

1 Insurance and Benefits Act, Sections 1301 through ~~1329.1~~ 1329 of  
2 this title, for the purpose of committing fraud, shall be guilty of  
3 a misdemeanor, and upon conviction shall be punished by a fine not  
4 exceeding Five Thousand Dollars (\$5,000.00) or by imprisonment for  
5 not exceeding one (1) year or by both the fine and imprisonment.  
6 ~~The Office of Management and Enterprise Services~~ Oklahoma Health  
7 Care Authority shall have the right to audit participating employer  
8 groups to verify eligibility for any member and/or dependent and may  
9 require proof of eligibility upon demand.

10 SECTION 31. AMENDATORY 74 O.S. 2021, Section 1324, is  
11 amended to read as follows:

12 Section 1324. A. All health benefit plans that are offered by  
13 the ~~Office of Management and Enterprise Services~~ Oklahoma Health  
14 Care Authority shall provide coverage for side effects that are  
15 commonly associated with radical retropubic prostatectomy surgery,  
16 including, but not limited to impotence and incontinence, and for  
17 other prostate-related conditions.

18 B. The ~~Office~~ Authority shall provide notice to each insured or  
19 enrollee under the plan regarding the coverage required by this  
20 section in the plan's evidence of coverage, and shall provide  
21 additional written notice of the coverage to the insured or enrollee  
22 as follows:

23 1. In the next mailing made by the plan to the employee; or  
24

1        2. As part of the enrollment information packet sent to the  
2 enrollee.

3        C. The ~~Office~~ Authority shall promulgate any rules or actions  
4 necessary to implement the provisions of this section.

5        SECTION 32.        AMENDATORY        74 O.S. 2021, Section 1325, is  
6 amended to read as follows:

7        Section 1325. The ~~Office of Management and Enterprise Services~~  
8 Oklahoma Health Care Authority shall schedule a hearing thirty (30)  
9 days prior to adopting any major change in the reimbursement rates  
10 or methodology. The ~~Office~~ Authority shall notify health care  
11 providers who provide services pursuant to a contract with the  
12 ~~Office~~ Authority at least fifteen (15) days prior to the hearing.  
13 The notice shall include proposed changes to the reimbursement rates  
14 or methodology. The ~~Office~~ Authority shall also inform such health  
15 care providers at the hearing of any proposed changes to the  
16 reimbursement rates or methodology. At the hearing the ~~Office~~  
17 Authority shall provide an open forum for such health care providers  
18 to comment on the proposed changes.

19        SECTION 33.        AMENDATORY        74 O.S. 2021, Section 1326, is  
20 amended to read as follows:

21        Section 1326. The ~~Office of Management and Enterprise Services~~  
22 Oklahoma Health Care Authority shall make available, upon request,  
23 copies of relevant fee schedules to participating health care  
24 providers.

1 SECTION 34. AMENDATORY 74 O.S. 2021, Section 1327, is  
2 amended to read as follows:

3 Section 1327. A. All health benefit plans offered by the  
4 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
5 Authority which provide for services for vision care or medical  
6 diagnosis and treatment for the eye shall allow optometrists to be  
7 providers of those services. All such health benefit plans shall  
8 also require equal payment for the same services provided by an  
9 optometrist if the services are within the scope of practice of  
10 optometry.

11 B. With respect to optometric services, any health benefit plan  
12 offered by the ~~Office~~ Authority which uses a gatekeeper or  
13 equivalent for referrals for services for vision care or for medical  
14 diagnosis and treatment of the eye shall require such covered  
15 services be provided on a referral basis within the medical group or  
16 network at the request of an enrollee who has a condition requiring  
17 vision care or medical diagnosis and treatment of the eye if:

18 1. A referral is necessitated in the judgment of the primary  
19 care physician; and

20 2. Treatment for the condition falls within the licensed scope  
21 of practice of an optometrist.

22 C. All health benefit plans offered by the ~~Office~~ Authority  
23 shall have a defined set of standards and procedures for selecting  
24 providers, including specialists, to serve enrollees. The standards

1 and procedures shall be drafted in such a manner that they are  
2 applicable to all categories of providers and shall be utilized by  
3 the health maintenance organization in a manner that is without bias  
4 for or discrimination against a particular category or categories of  
5 providers.

6 D. No health benefit plan specified by this section shall  
7 require a provider to have hospital privileges if hospital  
8 privileges are not usual and customary for the services the provider  
9 provides.

10 E. Nothing in this section shall be construed to:

11 1. Prohibit a health benefit plan offered by the ~~Office~~  
12 Authority which provides for services for vision care or medical  
13 diagnosis and treatment for the eye from determining the adequacy of  
14 the size of its network;

15 2. Prohibit an optometrist from agreeing to a fee schedule;

16 3. Limit, expand, or otherwise affect the scope of practice of  
17 optometry; or

18 4. Alter, repeal, modify or affect the laws of this state  
19 except where such laws are in conflict or are inconsistent with ~~the~~  
20 express provisions of this section.

21 F. Existing health benefit plans offered by the ~~Office~~  
22 Authority shall comply with the requirements of this section upon  
23 issuance or renewal on or after ~~the effective date of this act~~  
24 November 1, 2000.

1 SECTION 35. AMENDATORY 74 O.S. 2021, Section 1328, is  
2 amended to read as follows:

3 Section 1328. A. The contracted claims administrator for the  
4 ~~Office of Management and Enterprise Services~~ Oklahoma Health Care  
5 Authority shall reimburse all clean claims of an enrollee, an  
6 assignee of the enrollee, or a health care provider within forty-  
7 five (45) calendar days after receipt of the claim by the entity.

8 B. As used in this section, "clean claim" means a claim that  
9 has no defect or impropriety, including a lack of any required  
10 substantiating documentation, or particular circumstance requiring  
11 special treatment that impedes prompt payment.

12 C. 1. If a claim or any portion of a claim is determined to  
13 have defects or improprieties, including a lack of any required  
14 substantiating documentation, or a particular circumstance requiring  
15 special treatment, the enrollee, assignee of the enrollee, or health  
16 care provider shall be notified in writing within thirty (30)  
17 calendar days after receipt of the claim by the contracted claims  
18 administrator for the ~~Office~~ Authority. The written notice shall  
19 specify the portion of the claim that is causing a delay in  
20 processing and explain any additional information or corrections  
21 needed. Failure of the ~~Office's~~ Authority's claims administrator to  
22 provide the enrollee, assignee of the enrollee, or health care  
23 provider with such notice shall constitute prima facie evidence that  
24



1 the claim will be paid in accordance with the terms of the health  
2 benefit claims administration contract.

3 2. The portion of the claim that is accurate shall be paid  
4 within forty-five (45) calendar days after receipt of the claim by  
5 the claims administrator for the ~~Office~~ Authority.

6 D. Upon receipt of the additional information or corrections  
7 which led to the claim's being delayed and a determination that the  
8 information is accurate, the claims administrator for the ~~Office~~  
9 Authority shall either pay or deny the claim or a portion of the  
10 claim within forty-five (45) calendar days.

11 E. Payment shall be considered made on:

12 1. The date a draft or other valid instrument which is  
13 equivalent to the amount of the payment is placed in the United  
14 States mail in a properly addressed, postpaid envelope; or

15 2. If not so posted, the date of delivery.

16 F. An overdue payment shall bear simple interest at the rate of  
17 ten percent (10%) per year.

18 G. In the event litigation should ensue based upon such a  
19 claim, the prevailing party shall be entitled to recover a  
20 reasonable attorney fee to be set by the court and taxed as costs  
21 against the party or parties who do not prevail.

22 SECTION 36. AMENDATORY 74 O.S. 2021, Section 1329, is  
23 amended to read as follows:

24

1 Section 1329. ~~The Office of Management and Enterprise Services~~  
2 Oklahoma Health Care Authority shall contract with a vendor to make  
3 available a health savings account to all enrollees in the  
4 HealthChoice qualified high-deductible health plan. Any employer or  
5 employee contributions to the health savings account shall be  
6 allowable as a remittance to the vendor through payroll deduction in  
7 conjunction with the employer's Section 125 Plan and shall not be  
8 subject to any assessment of administrative fees by the ~~Office of~~  
9 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority or  
10 any state agency for remittance to the vendor. The State of  
11 Oklahoma and the ~~Office of Management and Enterprise Services~~  
12 Oklahoma Health Care Authority shall take necessary measures to make  
13 any employer or employee health savings account contributions  
14 permissible under the state's Section 125 Plan.

15 SECTION 37. This act shall become effective November 1, 2025.

16 Passed the House of Representatives the 13th day of March, 2025.

17

18

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

19

20 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2025.

21

22

\_\_\_\_\_  
Presiding Officer of the Senate

23

24