

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 HOUSE BILL 2322

 By: Frix

7 AS INTRODUCED

8 An Act relating to health insurance; amending 36 O.S.
9 2011, Section 3624, which relates to assignment of
10 policies; modifying reference; amending 36 O.S. 2011,
11 Section 6055, which relates to compensation of
12 practitioners; requiring insurer failing to pay
13 assigned benefits claim to pay certain costs;
14 authorizing Insurance Commissioner to impose civil
15 fine for certain violation; requiring fine be
16 deposited in the State Insurance Commissioner
17 Revolving Fund; providing for terms of assignability;
18 providing statutory language; and providing an
19 effective date.

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

21 SECTION 1. AMENDATORY 36 O.S. 2011, Section 3624, is
22 amended to read as follows:

23 Section 3624. Except as provided in ~~subsection D~~ of Section
24 6055 of this title, a policy may be assignable or not assignable, as
provided by its terms. Subject to its terms relating to
assignability, any life or accident and health policy, whether
heretofore or hereafter issued, under the terms of which the
beneficiary may be changed upon the sole request of the insured, may

1 be assigned either by pledge or transfer of title, by an assignment
2 executed by the insured alone and delivered to the insurer, whether
3 or not the pledgee or assignee is the insurer. Any such assignment
4 shall entitle the insurer to deal with the assignee as the owner or
5 pledgee of the policy in accordance with the terms of the
6 assignment, until the insurer has received at its home office
7 written notice of termination of the assignment or pledge, or
8 written notice by or on behalf of some other person claiming some
9 interest in the policy in conflict with the assignment.

10 SECTION 2. AMENDATORY 36 O.S. 2011, Section 6055, is
11 amended to read as follows:

12 Section 6055. A. Under any accident and health insurance
13 policy, hereafter renewed or issued for delivery from out of
14 Oklahoma or in Oklahoma by any insurer and covering an Oklahoma
15 risk, the services and procedures may be performed by any
16 practitioner selected by the insured, or the parent or guardian of
17 the insured if the insured is a minor, if the services and
18 procedures fall within the licensed scope of practice of the
19 practitioner providing the same.

20 B. An accident and health insurance policy may:

21 1. Exclude or limit coverage for a particular illness, disease,
22 injury or condition; but, except for such exclusions or limits,
23 shall not exclude or limit particular services or procedures that
24 can be provided for the diagnosis and treatment of a covered

1 illness, disease, injury or condition, if such exclusion or
2 limitation has the effect of discriminating against a particular
3 class of practitioner. However, such services and procedures, in
4 order to be a covered medical expense, must:

- 5 a. be medically necessary,
- 6 b. be of proven efficacy, and
- 7 c. fall within the licensed scope of practice of the
8 practitioner providing same; and

9 2. Provide for the application of deductibles and copayment
10 provisions, when equally applied to all covered charges for services
11 and procedures that can be provided by any practitioner for the
12 diagnosis and treatment of a covered illness, disease, injury or
13 condition.

14 C. 1. Paragraph 2 of subsection B of this section shall not be
15 construed to prohibit differences in cost-sharing provisions such as
16 deductibles and copayment provisions between practitioners,
17 hospitals and ambulatory surgical centers who are participating
18 preferred provider organization providers and practitioners,
19 hospitals and ambulatory surgical centers who are not participating
20 in the preferred provider organization, subject to the following
21 limitations:

- 22 a. the amount of any annual deductible per covered person
23 or per family for treatment in a hospital or
24 ambulatory surgical center that is not a preferred

1 provider shall not exceed three times the amount of a
2 corresponding annual deductible for treatment in a
3 hospital or ambulatory surgical center that is a
4 preferred provider,

5 b. if the policy has no deductible for treatment in a
6 preferred provider hospital or ambulatory surgical
7 center, the deductible for treatment in a hospital or
8 ambulatory surgical center that is not a preferred
9 provider shall not exceed One Thousand Dollars
10 (\$1,000.00) per covered-person visit,

11 c. the amount of any annual deductible per covered person
12 or per family treatment, other than inpatient
13 treatment, by a practitioner that is not a preferred
14 practitioner shall not exceed three times the amount
15 of a corresponding annual deductible for treatment,
16 other than inpatient treatment, by a preferred
17 practitioner,

18 d. if the policy has no deductible for treatment by a
19 preferred practitioner, the annual deductible for
20 treatment received from a practitioner that is not a
21 preferred practitioner shall not exceed Five Hundred
22 Dollars (\$500.00) per covered person,

23 e. the percentage amount of any coinsurance to be paid by
24 an insured to a practitioner, hospital or ambulatory

1 surgical center that is not a preferred provider shall
2 not exceed by more than thirty (30) percentage points
3 the percentage amount of any coinsurance payment to be
4 paid to a preferred provider.

5 2. The Commissioner has discretion to approve a cost-sharing
6 arrangement which does not satisfy the limitations imposed by this
7 subsection if the Commissioner finds that such cost-sharing
8 arrangement will provide a reduction in premium costs.

9 D. 1. A practitioner, hospital or ambulatory surgical center
10 that is not a preferred provider shall disclose to the insured, in
11 writing, that the insured may be responsible for:

- 12 a. higher coinsurance and deductibles, and
- 13 b. practitioner, hospital or ambulatory surgical center
14 charges which exceed the allowable charges of a
15 preferred provider.

16 2. When a referral is made to a nonparticipating hospital or
17 ambulatory surgical center, the referring practitioner must disclose
18 in writing to the insured, any ownership interest in the
19 nonparticipating hospital or ambulatory surgical center.

20 E. Upon submission of a claim by a practitioner, hospital, home
21 care agency, or ambulatory surgical center to an insurer on a
22 uniform health care claim form adopted by the Insurance Commissioner
23 pursuant to Section 6581 of this title, the insurer shall provide a
24 timely explanation of benefits to the practitioner, hospital, home

1 care agency, or ambulatory surgical center regardless of the network
2 participation status of such person or entity.

3 F. Benefits available under an accident and health insurance
4 policy, at the option of the insured, shall be assignable to a
5 practitioner, hospital, home care agency or ambulatory surgical
6 center who has provided services and procedures which are covered
7 under the policy. A practitioner, hospital, home care agency or
8 ambulatory surgical center shall be compensated directly by an
9 insurer for services and procedures which have been provided when
10 the following conditions are met:

11 1. Benefits available under a policy have been assigned in
12 writing by an insured to the practitioner, hospital, home care
13 agency or ambulatory surgical center;

14 2. A copy of the assignment has been provided by the
15 practitioner, hospital, home care agency or ambulatory surgical
16 center to the insurer;

17 3. A claim has been submitted by the practitioner, hospital,
18 home care agency or ambulatory surgical center to the insurer on a
19 uniform health insurance claim form adopted by the Insurance
20 Commissioner pursuant to Section 6581 of this title; and

21 4. A copy of the claim has been provided by the practitioner,
22 hospital, home care agency or ambulatory surgical center to the
23 insured.

24

1 G. When any covered health care benefits are assigned to an
2 out-of-network practitioner, hospital, home care agency or
3 ambulatory surgical center and have met all conditions for
4 compensation required by subsection F of this section, an insurer
5 that fails to compensate the practitioner, hospital, home care
6 agency or ambulatory surgical center shall be liable for actual
7 damages, any interest charges, court costs or other legal fees, if
8 applicable. For any violation of this paragraph, the Insurance
9 Commissioner may, after notice and a hearing, subject an insurer to
10 an additional civil fine in an amount to be determined by the
11 Commissioner within fifteen (15) days of a hearing in which a
12 violation is found. The fine will be placed in the State Insurance
13 Commissioner Revolving Fund.

14 H. The provisions of subsection F of this section shall not
15 apply to:

16 1. Any preferred provider organization (PPO) as defined by
17 generally accepted industry standards, that contracts with
18 practitioners that agree to accept the reimbursement available under
19 the PPO agreement as payment in full and agree not to balance bill
20 the insured; or

21 2. Any statewide provider network which:

22 a. provides that a practitioner, hospital, home care
23 agency or ambulatory surgical center who joins the
24

1 provider network shall be compensated directly by the
2 insurer,

3 b. does not have any terms or conditions which have the
4 effect of discriminating against a particular class of
5 practitioner,

6 c. allows any practitioner, hospital, home care agency or
7 ambulatory surgical center, except a practitioner who
8 has a prior felony conviction, to become a network
9 provider if ~~said~~ the hospital or practitioner is
10 willing to comply with the terms and conditions of a
11 standard network provider contract, and

12 d. contracts with practitioners that agree to accept the
13 reimbursement available under the network agreement as
14 payment in full and agree not to balance bill the
15 insured.

16 The provisions of this section shall not be deemed to prohibit a
17 policyholder from assigning benefits available pursuant to an
18 accident and health insurance policy provided that the benefits of
19 such policy include out-of-network provisions and are being assigned
20 to an out-of-network practitioner, hospital, home care agency or
21 ambulatory surgical center. The assignability of an accident and
22 health insurance policy related to out-of-network care shall only be
23 subject to the terms and conditions specified in subsection F of
24 this section.

1 ~~H.~~ I. A nonparticipating practitioner, hospital or ambulatory
2 surgical center may request from an insurer and the insurer shall
3 supply a good-faith estimate of the allowable fee for a procedure to
4 be performed upon an insured based upon information regarding the
5 anticipated medical needs of the insured provided to the insurer by
6 the nonparticipating practitioner.

7 ~~F.~~ J. A practitioner shall be equally compensated for covered
8 services and procedures provided to an insured on the basis of
9 charges prevailing in the same geographical area or in similar sized
10 communities for similar services and procedures provided to
11 similarly ill or injured persons regardless of the branch of the
12 healing arts to which the practitioner may belong, if:

13 1. The practitioner does not authorize or permit false and
14 fraudulent advertising regarding the services and procedures
15 provided by the practitioner; and

16 2. The practitioner does not aid or abet the insured to violate
17 the terms of the policy.

18 ~~J.~~ K. Nothing in the Health Care Freedom of Choice Act shall
19 prohibit an insurer from establishing a preferred provider
20 organization and a standard participating provider contract
21 therefor, specifying the terms and conditions, including, but not
22 limited to, provider qualifications, and alternative levels or
23 methods of payment that must be met by a practitioner selected by
24

1 the insurer as a participating preferred provider organization
2 provider.

3 ~~K.~~ L. A preferred provider organization, in executing a
4 contract, shall not, by the terms and conditions of the contract or
5 internal protocol, discriminate within its network of practitioners
6 with respect to participation and reimbursement as it relates to any
7 practitioner who is acting within the scope of the practitioner's
8 license under the law solely on the basis of such license.

9 ~~H.~~ M. Decisions by an insurer or a preferred provider
10 organization (PPO) to authorize or deny coverage for an emergency
11 service shall be based on the patient presenting symptoms arising
12 from any injury, illness, or condition manifesting itself by acute
13 symptoms of sufficient severity, including severe pain, such that a
14 reasonable and prudent layperson could expect the absence of medical
15 attention to result in serious:

- 16 1. Jeopardy to the health of the patient;
- 17 2. Impairment of bodily function; or
- 18 3. Dysfunction of any bodily organ or part.

19 ~~M.~~ N. An insurer or preferred provider organization (PPO) shall
20 not deny an otherwise covered emergency service based solely upon
21 lack of notification to the insurer or PPO.

22 ~~N.~~ O. An insurer or a preferred provider organization (PPO)
23 shall compensate a provider for patient screening, evaluation, and
24 examination services that are reasonably calculated to assist the

1 provider in determining whether the condition of the patient
2 requires emergency service. If the provider determines that the
3 patient does not require emergency service, coverage for services
4 rendered subsequent to that determination shall be governed by the
5 policy or PPO contract.

6 ~~0.~~ P. Nothing in ~~this act~~ the Health Care Freedom of Choice Act
7 shall be construed as prohibiting an insurer, preferred provider
8 organization or other network from determining the adequacy of the
9 size of its network.

10 SECTION 3. This act shall become effective November 1, 2021.

11

12 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/23/2021 - DO
13 PASS.

13

14

15

16

17

18

19

20

21

22

23

24