

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2824

By: Sneed

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to state government; amending 74 O.S.
10 2011, Section 1316.2, as last amended by Section 3,
11 Chapter 419, O.S.L. 2014 (74 O.S. Supp. 2020, Section
12 1316.2), which relates to the Oklahoma Employees
13 Insurance and Benefits Act; allowing for certain
14 payments by a qualified benefits administrator; and
15 providing an effective date.

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

17 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.2, as
18 last amended by Section 3, Chapter 419, O.S.L. 2014 (74 O.S. Supp.
19 2020, Section 1316.2), is amended to read as follows:

20 Section 1316.2 A. Any employee, other than an education
21 employee, who retires pursuant to the provisions of the Oklahoma
22 Public Employees Retirement System or who has a vested benefit
23 pursuant to the provisions of the Oklahoma Public Employees
24 Retirement System may continue in force the health and dental
 insurance benefits authorized by the provisions of the Oklahoma

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

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

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

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

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

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

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

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

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

23 d. a retired employee other than an education employee
24 who is receiving benefits from the Uniform Retirement

1 System for Justices and Judges after September 30,
2 1988, shall have One Hundred Five Dollars (\$105.00),
3 or the premium rate of the health insurance plan,
4 whichever is less, paid by the Uniform Retirement
5 System for Justices and Judges to the Office in the
6 manner specified in subsection G of this section.

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

- 9 a. the health plan shall be authorized by the provisions
10 of the Oklahoma Employees Insurance and Benefits Act,
11 except that if an employer from which an employee
12 retired or with a vested benefit pursuant to the
13 provisions of the Oklahoma Public Employees Retirement
14 System does not participate in the plans authorized by
15 the provisions of the Oklahoma Employees Insurance and
16 Benefits Act, the health plan will be the health
17 insurance benefits of the employer from which the
18 individual retired or vested,
- 19 b. for plans offered by the Oklahoma Employees Insurance
20 and Benefits Act, the amount to be paid shall be
21 determined pursuant to the provisions of this
22 subsection and shall first be applied in whole or in
23 part to the prescription drug coverage premium. Any
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1 remaining amount shall be applied toward the medical
2 coverage premium,

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

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

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

21 E. Effective July 1, 2004, a retired member of the Oklahoma Law
22 Enforcement Retirement System who retired from the System by means
23 of a personal and traumatic injury of a catastrophic nature and in
24 the line of duty and any surviving spouse of such retired member and

1 any surviving spouse of a member who was killed in the line of duty
2 shall have one hundred percent (100%) of the retired member's or
3 surviving spouse's health care premium cost, whether the member or
4 surviving spouse elects coverage under the Medicare supplement or
5 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement
6 Retirement System to the Office in the manner specified in
7 subsection H of this section. For plans offered by the Office, such
8 contributions will first be applied in whole or in part to the
9 prescription drug coverage premium, if any.

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

22 G. The amounts required to be paid by the Oklahoma Public
23 Employees Retirement System, the Uniform Retirement System for
24 Justices and Judges and the Oklahoma Law Enforcement Retirement

1 System pursuant to this section shall be forwarded no later than the
2 tenth day of each month following the month for which payment is due
3 by the Oklahoma Public Employees Retirement System Board of Trustees
4 or the Oklahoma Law Enforcement Retirement Board to the Office for
5 deposit in the Health, Dental and Life Insurance Reserve Fund or to
6 another insurance carrier as provided for in subsection H of Section
7 1315 of this title, or other qualified benefits administrator.

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

1 the premium for elected benefits less any amounts paid by a state
2 retirement system pursuant to this section.

3 SECTION 2. This act shall become effective November 1, 2021.
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5 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/24/2021 - DO
6 PASS, As Amended.
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