

1 **SENATE FLOOR VERSION**

2 February 8, 2024

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1588

6 By: Hall

7 An Act relating to state and education employee  
8 benefits; amending 63 O.S. 2021, Section 5003, which  
9 relates to powers and duties of the Oklahoma Health  
10 Care Authority; directing the Authority to administer  
11 state-sponsored benefits; amending 74 O.S. 2021,  
12 Sections 1306.2, 1306.5, 1318, and 1321, which relate  
13 to the administration of state-sponsored plans;  
14 conforming language; providing an effective date; and  
15 declaring an emergency.

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

17 SECTION 1. AMENDATORY 63 O.S. 2021, Section 5003, is  
18 amended to read as follows:

19 Section 5003. A. The Legislature recognizes that the state is  
20 a major purchaser of health care services, and the increasing costs  
21 of such health care services are posing and will continue to pose a  
22 great financial burden on the state. It is the policy of the state  
23 to provide comprehensive health care as an employer to state  
24 employees and officials and their dependents and to those who are  
dependent on the state for necessary medical care. It is imperative  
that the state develop effective and efficient health care delivery

1 systems and strategies for procuring health care services in order  
2 for the state to continue to purchase the most comprehensive health  
3 care possible.

4 B. It is therefore incumbent upon the Legislature to establish  
5 the Oklahoma Health Care Authority whose purpose shall be to:

6 1. ~~Purchase state and education employees' health care benefits~~  
7 ~~and~~ Medicaid benefits;

8 2. Study all state-purchased and state-subsidized health care,  
9 alternative health care delivery systems and strategies for the  
10 procurement of health care services in order to maximize cost  
11 containment in these programs while ensuring access to quality  
12 health care; ~~and~~

13 3. Make recommendations aimed at minimizing the financial  
14 burden which health care poses for the state, its employees and its  
15 charges, while at the same time allowing the state to provide the  
16 most comprehensive health care possible; and

17 4. Administer the state-sponsored health and dental benefits  
18 plans known as HealthChoice and life insurance plans in accordance  
19 with the Oklahoma Employees Insurance and Benefits Act and the State  
20 Employees Flexible Benefits Act. The Office of Management and  
21 Enterprise Services shall cause transfer of all necessary assets,  
22 data, records, and personnel necessary for the administration of  
23 HealthChoice not later than the effective date of this act.

24

1 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1306.2, is  
2 amended to read as follows:

3 Section 1306.2. A. The ~~Director of the Office of Management~~  
4 ~~and Enterprise Services~~ Oklahoma Health Care Authority shall submit  
5 to the Insurance Commissioner the following information regarding  
6 utilization review performed by employees of the ~~Office~~ Authority:

7 1. A utilization review plan that includes:

8 a. an adequate summary description of review standards,  
9 protocol and procedures to be used in evaluating  
10 proposed or delivered hospital and medical care,

11 b. assurances that the standards and criteria to be  
12 applied in review determinations are established with  
13 input from health care providers representing major  
14 areas of specialty and certified by the boards of the  
15 various American medical specialties, and

16 c. the provisions by which patients or health care  
17 providers may seek reconsideration or appeal of  
18 adverse decisions concerning requests for medical  
19 evaluation, treatment or procedures;

20 2. The type and qualifications of the personnel either employed  
21 or under contract to perform the utilization review;

22 3. The procedures and policies to ensure that an employee of  
23 the ~~Office~~ Authority is reasonably accessible to patients and health  
24 care providers five (5) days a week during normal business hours,

1 such procedures and policies to include as a requirement a toll-free  
2 telephone number to be available during ~~said~~ such business hours;

3 4. The policies and procedures to ensure that all applicable  
4 state and federal laws to protect the confidentiality of individual  
5 medical records are followed;

6 5. The policies and procedures to verify the identity and  
7 authority of personnel performing utilization review by telephone;

8 6. A copy of the materials designed to inform applicable  
9 patients and health care providers of the requirements of the  
10 utilization review plan;

11 7. The procedures for receiving and handling complaints by  
12 patients, hospitals and health care providers concerning utilization  
13 review; and

14 8. Procedures to ensure that after a request for medical  
15 evaluation, treatment, or procedures has been rejected in whole or  
16 in part and in the event a copy of the report on ~~said~~ such rejection  
17 is requested, a copy of the report of the personnel performing  
18 utilization review concerning the rejection shall be mailed by the  
19 insurer, postage prepaid, to the ill or injured person, the treating  
20 health care provider, hospital or to the person financially  
21 responsible for the patient's bill within fifteen (15) days after  
22 receipt of the request for the report.

23 B. The ~~Office~~ Authority shall pay an annual fee to the  
24 Insurance Commissioner of Five Hundred Dollars (\$500.00).

1 SECTION 3. AMENDATORY 74 O.S. 2021, Section 1306.5, is  
2 amended to read as follows:

3 Section 1306.5. A network provider facility or physician  
4 contract, or any part or section of it, may be amended at any time  
5 during the term of the contract only by mutual written consent of  
6 duly authorized representatives of the ~~Office of Management and~~  
7 ~~Enterprise Services~~ Oklahoma Health Care Authority and the facility  
8 or physician.

9 SECTION 4. AMENDATORY 74 O.S. 2021, Section 1318, is  
10 amended to read as follows:

11 Section 1318. No former employee who is reemployed by a  
12 participating entity within twenty-four (24) months after the date  
13 of termination of previous employment shall be enrolled in the  
14 Oklahoma Employees Insurance and Benefits Plan authorized by  
15 Sections 1301 through 1329.1 of this title, for a greater amount of  
16 life insurance or life benefit than the amount for which the life of  
17 the former employee was insured under the plan at the date of  
18 termination of employment, except upon the former employee  
19 furnishing evidence of insurability, satisfactory to the ~~Office of~~  
20 ~~Management and Enterprise Services~~ Oklahoma Health Care Authority,  
21 and any greater amount of benefit or insurance provided the employee  
22 shall be at the former employee's cost.

23 SECTION 5. AMENDATORY 74 O.S. 2021, Section 1321, is  
24 amended to read as follows:

1 Section 1321. A. ~~The Office of Management and Enterprise~~  
2 ~~Services~~ Oklahoma Health Care Authority shall have the authority to  
3 determine all rates and life, dental and health benefits for state-  
4 sponsored plans. All rates shall be compiled in a comprehensive  
5 Schedule of Benefits. The Schedule of Benefits shall be available  
6 for inspection during regular business hours at the ~~Office of~~  
7 ~~Management and Enterprise Services~~ Authority. The ~~Office~~ Authority  
8 shall have the authority to annually adjust the rates and benefits  
9 based on claim experience.

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

12 1. For active employees and their dependents, the ~~Office's~~  
13 Authority's premium determination shall be made no later than the  
14 bid submission date for health maintenance organizations set by the  
15 ~~Oklahoma State Employees Benefits Council~~ Oklahoma Employees  
16 Insurance and Benefits Board, which shall be set in August no later  
17 than the third Friday of that month; and

18 2. For all other covered members and dependents, the ~~Office's~~  
19 Authority's and the health maintenance organizations' premium  
20 determinations shall be no later than the fourth Friday of  
21 September.

22 C. The Office may approve a mid-year adjustment requested by  
23 the Authority provided the need for an adjustment is substantiated  
24 by an actuarial determination or more current experience rating.

1 The only publication or notice requirements that shall apply to the  
2 Schedule of Benefits shall be those requirements provided in the  
3 Oklahoma Open Meeting Act and within this section. It is the intent  
4 of the Legislature that the benefits provided not include cosmetic  
5 dental procedures except for certain orthodontic procedures as  
6 adopted by the ~~Director~~ Chief Executive Officer of the Authority.

7 SECTION 6. This act shall become effective July 1, 2024.

8 SECTION 7. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

12 COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES  
13 February 8, 2024 - DO PASS AS AMENDED BY CS  
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