

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 ENGROSSED SENATE
5 BILL NO. 462

By: Taylor and Bullard of the
Senate

6 and

7 Frix of the House
8
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10 An Act relating to insurance; creating the Oklahoma
11 Right to Shop Act; defining terms; authorizing
12 insurance carriers to create certain program;
13 establishing requirements of program; providing for
14 calculation and method of distribution of incentives;
15 requiring insurer to provide certain notification and
16 filings; requiring insurer to publish certain
17 information on website; providing methodology for
18 calculating minimum required savings incentive;
19 requiring insurer to make certain payments; requiring
20 certain report within specified time period; stating
21 contents of report; specifying participation in
22 program is optional; directing the Insurance
23 Department to promulgate rules; requiring Office of
24 Management and Enterprise Services to conduct
analysis; requiring certain program be implemented;
requiring Office to provide certain report to
Legislature; providing for codification; and
providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6060.40 of Title 36, unless
3 there is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Oklahoma Right
5 to Shop Act".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 6060.41 of Title 36, unless
8 there is created a duplication in numbering, reads as follows:

9 As used in the Oklahoma Right to Shop Act:

10 1. "Allowed amount" means the contractually agreed-upon amount
11 paid by a carrier to a health care entity participating in the
12 network of the carrier;

13 2. "Comparable health care service" means any covered
14 nonemergency health care service or bundle of services. The
15 Insurance Commissioner may limit what is considered a comparable
16 health care service if an insurance carrier can demonstrate allowed
17 amount variation among network providers is less than Fifty Dollars
18 (\$50.00);

19 3. "Health benefit plan" means any plan as defined in
20 subsection C of Section 6060.4 of Title 36 of the Oklahoma Statutes;

21 4. "Insurance carrier" or "carrier" means an insurance company
22 that issues policies of accident and health insurance and is
23 licensed to sell insurance in this state;

24

1 5. "Shared savings incentive" means a voluntary and optional
2 financial incentive that an insurance carrier may provide to an
3 enrollee for choosing certain health care services under a shared
4 savings incentive program; and

5 6. "Shared savings incentive program" means a voluntary and
6 optional incentive program established by an insurance carrier
7 pursuant to this act.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 6060.42 of Title 36, unless
10 there is created a duplication in numbering, reads as follows:

11 A. An insurance carrier may offer a shared savings incentive
12 program to provide incentives to an enrollee when the enrollee
13 obtains a comparable health care service that is covered by the
14 carrier from providers that charge less than the average allowed
15 amount paid by that carrier to network providers for that,
16 comparable health care service.

17 B. Incentives may be calculated as a percentage of the
18 difference in allowed amounts to the average, as a flat dollar
19 amount, or by any other reasonable methodology approved by the
20 Insurance Department. The carrier shall provide the incentive as a
21 cash payment to the enrollee or credit toward the annual in-network
22 deductible and out-of-pocket limit of the enrollee. Carriers may
23 allow enrollees to select which method the enrollee prefers to
24 receive the incentive.

1 C. An insurance carrier that offers a shared savings incentive
2 program shall:

3 1. Establish the program as a component part of the policy or
4 certificate of insurance provided by the carrier and notify the
5 enrollees and the Insurance Department at least thirty (30) days
6 before program termination;

7 2. File a description of the program on a form prescribed by
8 the Insurance Commissioner. The Insurance Department shall review
9 the filing and determine whether the program complies with the
10 provisions of this section;

11 3. Notify an enrollee, annually or at the time of renewal, of
12 the availability of the shared savings incentive program and the
13 procedures to participate in the program;

14 4. Publish on the website of the insurance carrier, easily
15 accessible to enrollees and applicants for insurance, a list of
16 comparable health care services and health care providers and the
17 shared savings incentive amount applicable for each service. A
18 shared savings incentive shall not be less than twenty-five percent
19 (25%) of the savings generated by the participation of the enrollee
20 in any shared savings incentive program offered by the insurance
21 carrier. The baseline for the savings calculation shall be the
22 average in-network amount paid for that service in the most recent
23 twelve-month period or any other methodology established by the
24 insurance carrier and approved by the Insurance Department;

1 5. At least quarterly, credit, deposit or make a cash payment
2 to an enrollee of the shared savings incentive amount pursuant to
3 participation in the shared savings incentive program; and

4 6. Submit an annual report to the Insurance Department within
5 ninety (90) days after the close of each health benefit plan year.
6 At a minimum, the report shall include the following information:

- 7 a. the number of enrollees who participated in the
8 program during the health benefit plan year and the
9 number of instances of participation,
- 10 b. the total cost of services provided as a part of the
11 program, and
- 12 c. the total value of the shared savings incentive
13 payments made to enrollees participating in the
14 program and the values distributed as cash or credit
15 toward the annual in-network deductible and out-of-
16 pocket limit of an enrollee.

17 D. An enrollee shall not be required to participate in a shared
18 savings incentive program.

19 SECTION 4. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 6060.43 of Title 36, unless
21 there is created a duplication in numbering, reads as follows:

22 The Insurance Department shall promulgate necessary rules for
23 the implementation of the Oklahoma Right to Shop Act.

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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6060.44 of Title 36, unless
3 there is created a duplication in numbering, reads as follows:

4 The Office of Management and Enterprise Services shall conduct
5 an analysis no later than November 1, 2022, of the cost-
6 effectiveness of implementing a shared savings incentive program, as
7 defined in paragraph 6 of Section 2 of this act, for current
8 enrollees of the Oklahoma Employees Insurance Plan created pursuant
9 to the Oklahoma State Employees Benefit Act. If a program is found
10 to be cost-effective, it shall be implemented as part of the next
11 open enrollment. The Office shall communicate the rationale for its
12 decision to the President Pro Tempore of the Senate, the Speaker of
13 the House of Representatives, and the chairs of the relevant
14 legislative committees in writing.

15 SECTION 6. This act shall become effective November 1, 2021.

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17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
18 04/08/2021 - DO PASS.

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