

An Act

ENROLLED SENATE
BILL NO. 462

By: Taylor and Bullard of the
Senate

and

Frix of the House

An Act relating to insurance; creating the Oklahoma Right to Shop Act; defining terms; authorizing insurance carriers to create certain program; establishing requirements of program; providing for calculation and method of distribution of incentives; requiring insurer to provide certain notification and filings; requiring insurer to publish certain information on website; providing methodology for calculating minimum required savings incentive; requiring insurer to make certain payments; requiring certain report within specified time period; stating contents of report; specifying participation in program is optional; directing the Insurance Department to promulgate rules; requiring Office of Management and Enterprise Services to conduct analysis; requiring certain program be implemented; requiring Office to provide certain report to Legislature; and providing for codification.

SUBJECT: Insurance carrier programs

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

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

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

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

As used in the Oklahoma Right to Shop Act:

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Publish on the website of the insurance carrier, easily accessible to enrollees and applicants for insurance, a list of comparable health care services and health care providers and the shared savings incentive amount applicable for each service. A shared savings incentive shall not be less than twenty-five percent (25%) of the savings generated by the participation of the enrollee in any shared savings incentive program offered by the insurance carrier. The baseline for the savings calculation shall be the average in-network amount paid for that service in the most recent

twelve-month period or any other methodology established by the insurance carrier and approved by the Insurance Department;

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

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

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

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

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

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

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

The Office of Management and Enterprise Services shall conduct an analysis no later than November 1, 2022, of the cost-effectiveness of implementing a shared savings incentive program, as defined in paragraph 6 of Section 2 of this act, for current

enrollees of the Oklahoma Employees Insurance Plan created pursuant to the Oklahoma State Employees Benefit Act. If a program is found to be cost-effective, it shall be implemented as part of the next open enrollment. The Office shall communicate the rationale for its decision to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the chairs of the relevant legislative committees in writing.

Passed the Senate the 10th day of March, 2021.

Presiding Officer of the Senate

Passed the House of Representatives the 27th day of April, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____