

**SENATE FLOOR VERSION**  
February 17, 2025  
**AS AMENDED**

SENATE BILL NO. 202

By: Daniels of the Senate

and

## Hill of the House

An Act relating to the state Medicaid program; amending 56 O.S. 2021, Section 1010.1, as last amended by Section 2, Chapter 133, O.S.L. 2024 (56 O.S. Supp. 2024, Section 1010.1), which relates to premium assistance program; modifying eligibility requirements for self-funded or self-insured health care plan to participate in premium assistance program; conforming language; updating statutory language; updating statutory references; and **declaring an emergency**.

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

SECTION 1. AMENDATORY 56 O.S. 2021, Section 1010.1, as

17 last amended by Section 2, Chapter 133, O.S.L. 2024 (56 O.S. Supp.  
18 2024, Section 1010.1), is amended to read as follows:

19           Section 1010.1. A. Section 1010.1 et seq. of this title shall  
20 be known and may be cited as the "Oklahoma Medicaid Program Reform  
21 Act of 2003".

22 B. Recognizing that many Oklahomans do not have health care  
23 benefits or health care coverage, that many small businesses cannot  
24 afford to provide health care benefits to their employees, and that,

1 under federal law, barriers exist to providing Medicaid benefits to  
2 the uninsured, the Legislature hereby establishes provisions to  
3 lower the number of uninsured, assist businesses in their ability to  
4 afford health care benefits and coverage for their employees, and  
5 eliminate barriers to providing health coverage to eligible  
6 enrollees under federal law.

7 C. Unless otherwise provided by law, the Oklahoma Health Care  
8 Authority shall provide coverage under the state Medicaid program to  
9 children under the age of eighteen (18) years whose family incomes  
10 do not exceed one hundred eighty-five percent (185%) of the federal  
11 poverty level.

12 D. 1. The Authority is directed to apply for a waiver or  
13 waivers to the Centers for Medicare and Medicaid Services (CMS) that  
14 will accomplish the purposes outlined in subsection B of this  
15 section. The Authority is further directed to negotiate with CMS to  
16 include in the waiver authority provisions to:

- 17 a. increase access to health care for Oklahomans,
- 18 b. reform the ~~Oklahoma state~~ Medicaid Program program to  
19 promote personal responsibility for health care  
20 services and appropriate utilization of health care  
21 benefits through the use of public-private cost  
22 sharing,
- 23 c. enable small employers, and/or employed, uninsured  
24 adults with or without children to purchase employer-

1                   sponsored, state-approved private, or state-sponsored  
2                   health care coverage through a state premium  
3                   assistance payment plan. If by January 1, 2012, the  
4                   Oklahoma Employer/Employee Partnership for Insurance  
5                   Coverage premium assistance program is not consuming  
6                   more than seventy-five percent (75%) of its dedicated  
7                   source of funding, then the program will be expanded  
8                   to include parents of children eligible for Medicaid,  
9                   and

- 10                 d. develop flexible health care benefit packages based  
11                   upon patient need and cost.

12                 2. The Authority may phase in any waiver or waivers it receives  
13                   based upon available funding.

14                 3. The Authority is authorized to develop and implement a  
15                   premium assistance plan to assist small businesses and/or their  
16                   eligible employees to purchase employer-sponsored insurance or "buy-  
17                   in" to a state-sponsored benefit plan.

18                 4. a. The Authority is authorized to seek from the Centers  
19                   for Medicare and Medicaid Services any waivers or  
20                   amendments to existing waivers necessary to accomplish  
21                   an expansion of the premium assistance program to:  
22                   (1) include for-profit employers with two hundred  
23                   fifty employees or less up to any level supported  
24                   by existing funding resources, and

(2) include not-for-profit employers with five hundred employees or less up to any level supported by existing funding resources.

- b. Foster parents employed by employers with greater than two hundred fifty employees shall be exempt from the qualifying employer requirement provided for in this paragraph and shall be eligible to qualify for the premium assistance program provided for in this section if supported by existing funding.

10       E. For purposes of this paragraph, "for-profit employer" shall  
11 mean an entity which is not exempt from taxation pursuant to the  
12 provisions of Section 501(c)(3) of the Internal Revenue Code of  
13 1986, as amended, and "not-for-profit employer" shall mean an entity  
14 which is exempt from taxation pursuant to the provisions of Section  
15 501(c)(3) of the Internal Revenue Code of 1986, as amended.

16 F. The Authority is authorized to seek from the Centers for  
17 Medicare and Medicaid Services any waivers or amendments to existing  
18 waivers necessary to accomplish an extension of the premium  
19 assistance program to include qualified employees whose family  
20 income does not exceed two hundred fifty percent (250%) of the  
21 federal poverty level, subject to the limit of federal financial  
22 participation.

1       G. The Authority is authorized to create as part of the premium  
2 assistance program an option to purchase a high-deductible health  
3 insurance plan that is compatible with a health savings account.

4       H. 1. There is hereby created in the State Treasury a  
5 revolving fund to be designated the "Health Employee and Economy  
6 Improvement Act (HEEIA) Revolving Fund".

7       2. The fund shall be a continuing fund, not subject to fiscal  
8 year limitations, and shall consist of:

- 9           a. all monies received by the Authority pursuant to this  
10              section and otherwise specified or authorized by law,
- 11           b. monies received by the Authority due to federal  
12              financial participation pursuant to Title XIX of the  
13              Social Security Act, and
- 14           c. interest attributable to investment of money in the  
15              fund.

16       3. All monies accruing to the credit of the fund are hereby  
17 appropriated and shall be budgeted and expended by the Authority to  
18 implement a premium assistance plan and to fund the state share for  
19 the Oklahoma state Medicaid Program program on or after July 1,  
20 2020, unless otherwise provided by law.

21       I. 1. The Authority shall establish a procedure for verifying  
22 an applicant's individual income by utilizing available Oklahoma Tax  
23 Commission records, new hire report data collected by the Oklahoma  
24 Employment Security Commission, and child support payment data

1 collected by the Department of Human Services in accordance with  
2 federal and state law.

3       2. The Oklahoma Tax Commission, Oklahoma Employment Security  
4 Commission, and Department of Human Services shall cooperate in  
5 accordance with federal and state law with the Authority to  
6 establish procedures for the secure electronic transmission of an  
7 applicant's individual income data to the Authority.

8       3. The Department of Public Safety shall cooperate in  
9 accordance with federal and state law with the Authority to  
10 establish procedures for the secure electronic transmission of an  
11 applicant's individual identification data to the Authority.

12       J. ~~An employer participating in the premium assistance program~~  
13 ~~created under this section as of May 1, 2024, may utilize a~~ A self-  
14 funded or self-insured health care plan as a participating health  
15 care plan shall be eligible to participate in the premium assistance  
16 program created under this section if:

17       1. The self-funded or self-insured health care plan meets at  
18 least one of the following conditions:

- 19           a. the plan is utilized by an employer that was  
20 participating in the premium assistance program as of  
21 May 1, 2024, or  
22           b. the plan is owned and operated by an interlocal self-  
23 funded public trust formed under the Oklahoma Statutes  
24 and comprised of local government employers;

- 1       2. The self-funded or self-insured health care plan is:
- 2           a. recognized by the Insurance Department under Section
- 3               6012 of Title 36 of the Oklahoma Statutes, if the plan
- 4               meets the conditions of subparagraph a of paragraph 1
- 5               of this subsection, or
- 6           b. under the oversight of the Office of the Attorney
- 7               General, if the plan meets the conditions of
- 8               subparagraph b of paragraph 1 of this subsection;
- 9       2. 3. The self-funded or self-insured health care plan covers
- 10      all essential health benefits as required by the Authority and all
- 11      other health benefits required under applicable federal laws;
- 12       3. 4. The self-funded or self-insured health care plan
- 13      otherwise complies with all applicable federal laws including, but
- 14      not limited to, the Employee Retirement Income Security Act of 1974
- 15      (ERISA);
- 16       4. 5. The self-funded or self-insured health care plan assesses
- 17      a monthly premium on members and maintains a rate schedule for
- 18      provider employer reimbursement;
- 19       5. 6. The self-funded or self-insured health care plan meets
- 20      actuarial standards for the premium assistance program as determined
- 21      by the Authority and the employer submits an attestation to the
- 22      Insurance Department or the Office of the Attorney General, as
- 23      applicable, that the self-funded or self-insured health care plan
- 24      meets such actuarial standards; and

1       6. 7. The Authority receives the necessary federal approval for  
2 self-funded or self-insured health care plans to participate in the  
3 premium assistance program.

4       **SECTION 2. It being immediately necessary for the preservation**  
5 **of the public peace, health or safety, an emergency is hereby**  
6 **declared to exist, by reason whereof this act shall take effect and**  
7 **be in full force from and after its passage and approval.**

8 COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES  
February 17, 2025 - DO PASS AS AMENDED