

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 ENGROSSED SENATE
5 BILL NO. 202

6 By: Daniels of the Senate

7 and

8 Hill of the House

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

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

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

21 last amended by Section 2, Chapter 133, O.S.L. 2024 (56 O.S. Supp.
22 2024, Section 1010.1), is amended to read as follows:

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

25 B. Recognizing that many Oklahomans do not have health care
26 benefits or health care coverage, that many small businesses cannot

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

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

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

18 a. increase access to health care for Oklahomans,
19 b. reform the ~~Oklahoma state Medicaid Program~~ program to
20 promote personal responsibility for health care
21 services and appropriate utilization of health care
22 benefits through the use of public-private cost
23 sharing,

1 c. enable small employers, and/or employed, uninsured
2 adults with or without children to purchase employer-
3 sponsored, state-approved private, or state-sponsored
4 health care coverage through a state premium
5 assistance payment plan. If by January 1, 2012, the
6 Oklahoma Employer/Employee Partnership for Insurance
7 Coverage premium assistance program is not consuming
8 more than seventy-five percent (75%) of its dedicated
9 source of funding, then the program will be expanded
10 to include parents of children eligible for Medicaid,
11 and

12 d. develop flexible health care benefit packages based
13 upon patient need and cost.

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

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

20 4. a. The Authority is authorized to seek from the Centers
21 for Medicare and Medicaid Services any waivers or
22 amendments to existing waivers necessary to accomplish
23 an expansion of the premium assistance program to:

- (1) include for-profit employers with two hundred fifty employees or less up to any level supported 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.

13 E. For purposes of this paragraph, "for-profit employer" shall
14 mean an entity which is not exempt from taxation pursuant to the
15 provisions of Section 501(c)(3) of the Internal Revenue Code of
16 1986, as amended, and "not-for-profit employer" shall mean an entity
17 which is exempt from taxation pursuant to the provisions of Section
18 501(c)(3) of the Internal Revenue Code of 1986, as amended.

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

1 federal poverty level, subject to the limit of federal financial
2 participation.

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

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

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

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

18 3. All monies accruing to the credit of the fund are hereby
19 appropriated and shall be budgeted and expended by the Authority to
20 implement a premium assistance plan and to fund the state share for
21 the Oklahoma state Medicaid Program program on or after July 1,
22 2020, unless otherwise provided by law.

23 I. 1. The Authority shall establish a procedure for verifying
24 an applicant's individual income by utilizing available Oklahoma Tax

1 Commission records, new hire report data collected by the Oklahoma
2 Employment Security Commission, and child support payment data
3 collected by the Department of Human Services in accordance with
4 federal and state law.

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

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

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

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

21 a. the plan is utilized by an employer that was
22 participating in the premium assistance program as of
23 May 1, 2024, or

b. the plan is owned and operated by an interlocal self-funded public trust formed under the Oklahoma Statutes and comprised of local government employers;

2. The self-funded or self-insured health care plan is:

a. recognized by the Insurance Department under Section 6012 of Title 36 of the Oklahoma Statutes, if the plan meets the conditions of subparagraph a of paragraph 1 of this subsection, or

b. under the oversight of the Office of the Attorney General, if the plan meets the conditions of subparagraph b of paragraph 1 of this subsection;

2. 3. The self-funded or self-insured health care plan covers essential health benefits as required by the Authority and all other health benefits required under applicable federal laws;

3. 4. The self-funded or self-insured health care plan
otherwise complies with all applicable federal laws including, but
limited to, the Employee Retirement Income Security Act of 1974
(ERISA);

4. 5. The self-funded or self-insured health care plan assesses monthly premium on members and maintains a rate schedule for provider employer reimbursement;

5. 6. The self-funded or self-insured health care plan meets actuarial standards for the premium assistance program as determined by the Authority and the employer submits an attestation to the

1 Insurance Department or the Office of the Attorney General, as
2 applicable, that the self-funded or self-insured health care plan
3 meets such actuarial standards; and

4 **6. 7.** The Authority receives the necessary federal approval for
5 self-funded or self-insured health care plans to participate in the
6 premium assistance program.

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

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12 COMMITTEE REPORT BY: OVERSIGHT COMMITTEE ON COMMERCE AND ECONOMIC
13 DEVELOPMENT, dated - 04/17/2025 - DO PASS.
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