

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1504 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Chris Sneed _____

Adopted: _____

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1504

By: Sneed

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to health insurance; amending 36 O.S.
9 2021, Section 3624, which relates to assignability of
10 policies; updating statutory reference; amending 36
11 O.S. 2021, Section 6055, which relates to insurance
12 policies; modifying entities subject to certain
13 policies; requiring compensation of certain entities
14 in certain situations; creating liability for damages
15 in certain cases; providing for certain
16 administrative fines; providing for an opportunity
17 for hearing; directing administrative fees to certain
18 funds; creating certain policyholder rights; updating
19 statutory references; and providing an effective
20 date.

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

22 SECTION 1. AMENDATORY 36 O.S. 2021, Section 3624, is
23 amended to read as follows:

24 Section 3624. Except as provided in ~~subsection D~~ of Section
6055 of this title, a policy may be assignable or not assignable, as
provided by its terms. Subject to its terms relating to
assignability, any life or accident and health policy, whether
heretofore or hereafter issued, under the terms of which the

1 beneficiary may be changed upon the sole request of the insured, may
2 be assigned either by pledge or transfer of title, by an assignment
3 executed by the insured alone and delivered to the insurer, whether
4 or not the pledgee or assignee is the insurer. Any such assignment
5 shall entitle the insurer to deal with the assignee as the owner or
6 pledgee of the policy in accordance with the terms of the
7 assignment, until the insurer has received at its home office
8 written notice of termination of the assignment or pledge, or
9 written notice by or on behalf of some other person claiming some
10 interest in the policy in conflict with the assignment.

11 SECTION 2. AMENDATORY 36 O.S. 2021, Section 6055, is
12 amended to read as follows:

13 Section 6055. A. Under any accident and health insurance
14 policy, hereafter renewed or issued for delivery from out of
15 Oklahoma or in Oklahoma by any insurer and covering an Oklahoma
16 risk, the services and procedures may be performed by any
17 practitioner selected by the insured, or the parent or guardian of
18 the insured if the insured is a minor, if the services and
19 procedures fall within the licensed scope of practice of the
20 practitioner providing the same.

21 B. An accident and health insurance policy may:

22 1. Exclude or limit coverage for a particular illness, disease,
23 injury or condition; but, except for such exclusions or limits,
24 shall not exclude or limit particular services or procedures that

1 can be provided for the diagnosis and treatment of a covered
2 illness, disease, injury or condition, if such exclusion or
3 limitation has the effect of discriminating against a particular
4 class of practitioner. However, such services and procedures, in
5 order to be a covered medical expense, must:

- 6 a. be medically necessary,
- 7 b. be of proven efficacy, and
- 8 c. fall within the licensed scope of practice of the
9 practitioner providing same; and

10 2. Provide for the application of deductibles and copayment
11 provisions, when equally applied to all covered charges for services
12 and procedures that can be provided by any practitioner for the
13 diagnosis and treatment of a covered illness, disease, injury or
14 condition.

15 C. 1. Paragraph 2 of subsection B of this section shall not be
16 construed to prohibit differences in cost-sharing provisions such as
17 deductibles and copayment provisions between practitioners,
18 hospitals ~~and~~, ambulatory surgical centers, home care agencies, or
19 other health care providers or facilities that are licensed or
20 certified by the state who are participating preferred provider
21 organization providers and practitioners, hospitals ~~and~~, ambulatory
22 surgical centers, home care agencies, or other health care providers
23 or facilities that are licensed or certified by the state who are
24

1 not participating in the preferred provider organization, subject to
2 the following limitations:

3 a. the amount of any annual deductible per covered person
4 or per family for treatment in a hospital or
5 ambulatory surgical center that is not a preferred
6 provider shall not exceed three times the amount of a
7 corresponding annual deductible for treatment in a
8 hospital or ambulatory surgical center that is a
9 preferred provider,

10 b. if the policy has no deductible for treatment in a
11 preferred provider hospital or ambulatory surgical
12 center, the deductible for treatment in a hospital or
13 ambulatory surgical center that is not a preferred
14 provider shall not exceed One Thousand Dollars
15 (\$1,000.00) per covered-person visit,

16 c. the amount of any annual deductible per covered person
17 or per family treatment, other than inpatient
18 treatment, by a practitioner that is not a preferred
19 practitioner shall not exceed three times the amount
20 of a corresponding annual deductible for treatment,
21 other than inpatient treatment, by a preferred
22 practitioner,

23 d. if the policy has no deductible for treatment by a
24 preferred practitioner, the annual deductible for

1 treatment received from a practitioner that is not a
2 preferred practitioner shall not exceed Five Hundred
3 Dollars (\$500.00) per covered person, and

4 e. the percentage amount of any coinsurance to be paid by
5 an insured to a practitioner, hospital or ambulatory
6 surgical center that is not a preferred provider shall
7 not exceed by more than thirty (30) percentage points
8 the percentage amount of any coinsurance payment to be
9 paid to a preferred provider.

10 2. The Commissioner has discretion to approve a cost-sharing
11 arrangement which does not satisfy the limitations imposed by this
12 subsection if the Commissioner finds that such cost-sharing
13 arrangement will provide a reduction in premium costs.

14 D. 1. A practitioner, hospital ~~or~~, ambulatory surgical center,
15 home care agency, or other health care provider or facility that is
16 licensed or certified by the state that is not a preferred provider
17 shall disclose to the insured, in writing, that the insured may be
18 responsible for:

- 19 a. higher coinsurance and deductibles, and
20 b. practitioner, hospital or ambulatory surgical center
21 charges which exceed the allowable charges of a
22 preferred provider, and
23 c. a good-faith estimate of the total cost to the
24 insured.

1 2. When a referral is made to a nonparticipating hospital or
2 ambulatory surgical center, the referring practitioner must disclose
3 in writing to the insured, any ownership interest in the
4 nonparticipating hospital or ambulatory surgical center.

5 E. Upon submission of a claim by a practitioner, hospital, home
6 care agency, ~~or~~ ambulatory surgical center, or other health care
7 provider or facility that is licensed or certified by the state to
8 an insurer on a uniform health care claim form adopted by the
9 Insurance Commissioner pursuant to Section 6581 of this title, the
10 insurer shall provide a timely explanation of benefits to the
11 practitioner, hospital, home care agency, ~~or~~ ambulatory surgical
12 center, or other health care provider or facility that is licensed
13 or certified by the state regardless of the network participation
14 status of such person or entity.

15 F. Benefits available under an accident and health insurance
16 policy, at the option of the insured, shall be assignable to a
17 practitioner, hospital, home care agency ~~or~~, ambulatory surgical
18 center, or other health care provider or facility that is licensed
19 or certified by the state who has provided services and procedures
20 which are covered under the policy. A practitioner, hospital, home
21 care agency ~~or~~, ambulatory surgical center, or other health care
22 provider or facility that is licensed or certified by the state
23 shall be compensated directly by an insurer for services and
24

1 procedures which have been provided when the following conditions
2 are met:

3 1. Benefits available under a policy have been assigned in
4 writing by an insured to the practitioner, hospital, home care
5 agency ~~or~~, ambulatory surgical center, or other health care provider
6 or facility that is licensed or certified by the state;

7 2. A copy of the assignment has been provided by the
8 practitioner, hospital, home care agency ~~or~~, ambulatory surgical
9 center, or other health care provider or facility that is licensed
10 or certified by the state to the insurer;

11 3. A claim has been submitted by the practitioner, hospital,
12 home care agency, ~~or~~ ambulatory surgical center, or other health
13 care provider or facility that is licensed or certified by the state
14 to the insurer on a uniform health insurance claim form adopted by
15 the Insurance Commissioner pursuant to Section 6581 of this title;
16 and

17 4. A copy of the claim ~~has~~ and the estimate required in
18 subparagraph c of paragraph 1 of subsection D of this section have
19 been provided by the practitioner, hospital, home care agency ~~or~~,
20 ambulatory surgical center, or other health care provider or
21 facility that is licensed or certified by the state to the insured.

22 G. The provisions of subsection F of this section shall not
23 apply to:

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1 1. Any preferred provider organization (PPO), as defined by
2 generally accepted industry standards, that contracts with
3 practitioners that agree to accept the reimbursement available under
4 the PPO agreement as payment in full and agree not to balance bill
5 the insured; or

6 2. Any statewide provider network which:

7 a. provides that a practitioner, hospital, home care
8 agency ~~or~~, ambulatory surgical center, or other health
9 care provider or facility that is licensed or
10 certified by the state who joins the provider network
11 shall be compensated directly by the insurer,

12 b. does not have any terms or conditions which have the
13 effect of discriminating against a particular class of
14 practitioner,

15 c. allows any practitioner, hospital, home care agency,
16 ~~or~~ ambulatory surgical center, or other health care
17 provider or facility that is licensed or certified by
18 the state, except a practitioner who has a prior
19 felony conviction, to become a network provider if
20 ~~said~~ the hospital or practitioner is willing to comply
21 with the terms and conditions of a standard network
22 provider contract, and

23 d. contracts with practitioners that agree to accept the
24 reimbursement available under the network agreement as

1 payment in full and agree not to balance bill the
2 insured.

3 The provisions of this section shall not be deemed to prohibit a
4 policyholder from assigning benefits available pursuant to an
5 accident and health insurance policy, provided that the benefits of
6 such policy include out-of-network provisions and are being assigned
7 to an out-of-network practitioner, hospital, home care agency,
8 ambulatory surgical center, or other health care provider or
9 facility that is licensed or certified by the state. The
10 assignability of an accident and health insurance policy related to
11 out-of-network care shall only be subject to the terms and
12 conditions specified in subsection F of this section.

13 H. A nonparticipating practitioner, hospital or ambulatory
14 surgical center may request from an insurer and the insurer shall
15 supply a good-faith estimate of the allowable fee for a procedure to
16 be performed upon an insured based upon information regarding the
17 anticipated medical needs of the insured provided to the insurer by
18 the nonparticipating practitioner.

19 I. A practitioner shall be equally compensated for covered
20 services and procedures provided to an insured on the basis of
21 charges prevailing in the same geographical area or in similar sized
22 communities for similar services and procedures provided to
23 similarly ill or injured persons regardless of the branch of the
24 healing arts to which the practitioner may belong, if:

1 1. The practitioner does not authorize or permit false and
2 fraudulent advertising regarding the services and procedures
3 provided by the practitioner; and

4 2. The practitioner does not aid or abet the insured to violate
5 the terms of the policy.

6 J. Nothing in the Health Care Freedom of Choice Act shall
7 prohibit an insurer from establishing a preferred provider
8 organization and a standard participating provider contract
9 therefor, specifying the terms and conditions, including, but not
10 limited to, provider qualifications, and alternative levels or
11 methods of payment that must be met by a practitioner selected by
12 the insurer as a participating preferred provider organization
13 provider.

14 K. A preferred provider organization, in executing a contract,
15 shall not, by the terms and conditions of the contract or internal
16 protocol, discriminate within its network of practitioners with
17 respect to participation and reimbursement as it relates to any
18 practitioner who is acting within the scope of the practitioner's
19 license under the law solely on the basis of such license.

20 L. Decisions by an insurer or a preferred provider organization
21 (PPO) to authorize or deny coverage for an emergency service shall
22 be based on the patient presenting symptoms arising from any injury,
23 illness, or condition manifesting itself by acute symptoms of
24 sufficient severity, including severe pain, such that a reasonable

1 and prudent layperson could expect the absence of medical attention
2 to result in serious:

- 3 1. Jeopardy to the health of the patient;
- 4 2. Impairment of bodily function; or
- 5 3. Dysfunction of any bodily organ or part.

6 M. An insurer or preferred provider organization (PPO) shall
7 not deny an otherwise covered emergency service based solely upon
8 lack of notification to the insurer or PPO.

9 N. An insurer or a preferred provider organization (PPO) shall
10 compensate a provider for patient screening, evaluation, and
11 examination services that are reasonably calculated to assist the
12 provider in determining whether the condition of the patient
13 requires emergency service. If the provider determines that the
14 patient does not require emergency service, coverage for services
15 rendered subsequent to that determination shall be governed by the
16 policy or PPO contract.

17 O. Nothing in ~~this act~~ the Health Care Freedom of Choice Act
18 shall be construed as prohibiting an insurer, preferred provider
19 organization or other network from determining the adequacy of the
20 size of its network.

21 P. An insurer or a preferred provider organization shall not
22 unilaterally remove a provider from the network solely because the
23 provider informs an enrollee of the full range of physicians and
24 providers available to the enrollee, including out-of-network

1 providers. Nothing in ~~this act~~ the Health Care Freedom of Choice
2 Act prohibits any insurer from allowing a contract to expire by its
3 own terms or negotiating a new contract with the provider at the end
4 of the contract term. A provider agreement shall not, as a
5 condition of the agreement, prohibit, penalize, terminate, or
6 otherwise restrict a preferred provider from referring to an out-of-
7 network provider; provided, the insured signs an acknowledgment of
8 referral that the insured may be responsible for:

- 9 1. Higher coinsurance and deductibles; and
- 10 2. Charges which exceed the allowable charges of a preferred
11 provider.

12 SECTION 3. This act shall become effective November 1, 2023.

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14 59-1-7455 MJ 02/15/23

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