



FOR IMMEDIATE RELEASE:
April 18, 2017

Don't Believe Everything You Hear About Senate Bill 478

By John D. Doak, Oklahoma Insurance Commissioner

The Oklahoma Legislature is currently debating a bill that could help Oklahomans find more affordable health insurance. Senate Bill 478 authorizes the Insurance Commissioner to negotiate compacts with other states to allow insurers from those states to sell individual health insurance policies in Oklahoma. Oklahomans face an individual health insurance market with fewer options and higher premiums than ever before, so I support this effort to give our citizens more plans to choose from.

The bill has passed out of the House Insurance Committee and should be up for a House floor vote sometime in the next couple weeks. While the bill is destined for conference committee, it will inevitably improve from its current version. Many have made exaggerated or misleading arguments against the bill's passage. I want to clear up these myths today.

Myth #1: SB 478 would eliminate the benefit mandates in Oklahoma law that many Oklahomans rely on.

Fact: All benefit mandates will remain in state law, and insurers selling policies in this state should be required to sell policies that meet our standards. I expect the final version of SB 478 to reflect this policy. The most likely candidates to come into Oklahoma to sell policies would be insurers from the states surrounding Oklahoma. Each of these states—Texas, New Mexico, Kansas, Missouri, and Arkansas—has a higher level of mandated benefits than Oklahoma, including more robust coverage for autism spectrum disorders, which many worked hard to get into Oklahoma law just last year.

Further, every plan would still be required by federal law to offer essential health benefits such as ambulance services, emergency services, mental health services and addiction treatment, among others. Nearly two-thirds of states have higher benefit mandate levels than Oklahoma, and those policies could possibly be sold here. Oklahomans will not be getting sub-par insurance.

Myth #2: Oklahomans buying from out-of-state companies would not be protected and the Insurance Commissioner would not be able hold those companies accountable for bad behavior.

Fact: Insurers selling plans in Oklahoma are and will be subject to the authority of the Commissioner. If a policyholder is harmed by a company not paying claims appropriately, the company would be treated just like any other insurer in a similar circumstance. The Commissioner would be able to examine the market conduct of each and every insurer doing business in Oklahoma.

Myth #3: The National Association of Insurance Commissioners is opposed to this bill.

Fact: The NAIC has historically opposed any attempt by Congress to mandate the sale of health insurance across state lines because the organization believes each state should make such a decision for itself, as Oklahoma is doing now. It is the top-down federal meddling that the NAIC opposes more than anything else.

Myth #4: Being able to buy health insurance from out-of-state companies will solve all of our health insurance problems.

Fact: Buying health insurance across state lines is not a magic silver bullet, but it could be an additional tool to provide more choices for Oklahomans at a time when their choices are dwindling and their premiums are skyrocketing. There is no easy fix, and Congress must continue to work to provide long-term stability to our individual health insurance markets. Until they do, we must look for every opportunity for incremental improvements ourselves. I believe that SB 478 is one of those improvements.

As always, if you have any questions about insurance, please call our Consumer Assistance Division at 1-800-522-0071.

About the Oklahoma Insurance Department

The Oklahoma Insurance Department, an agency of the State of Oklahoma, is responsible for the education and protection of the insurance-buying public and for oversight of the insurance industry in the state.

For more information, contact:

Kelly Dexter

405-522-0683

Kelly.Dexter@oid.ok.gov