

State of Arkansas
93rd General Assembly
Fiscal Session, 2022

A Bill

HOUSE BILL 1098

By: Representatives Dotson, Shepherd, Wardlaw, Beaty Jr., Beck, M. Berry, S. Berry, Bragg, Brown, C. Cooper, Crawford, Dalby, M. Davis, Ennett, Eubanks, K. Ferguson, C. Fite, D. Garner, Godfrey, Hawks, M. Hodges, Hollowell, Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks, Perry, Scott, S. Smith, Speaks, Vaught, Warren, D. Whitaker, Wing, Wooten

By: Senators Rice, Hickey, Irvin, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo, Gilmore, Hill, K. Ingram, B. Johnson, G. Leding, B. Sample, D. Sullivan

For An Act To Be Entitled

AN ACT TO REQUIRE A FISCAL IMPACT STATEMENT FOR ANY PROPOSED LEGISLATION IMPOSING A NEW OR INCREASED COST OBLIGATION FOR HEALTH BENEFIT PLANS, INCLUDING PHARMACY BENEFITS, ON AN ENTITY OF THE STATE; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE A FISCAL IMPACT STATEMENT FOR ANY PROPOSED LEGISLATION IMPOSING A NEW OR INCREASED COST OBLIGATION FOR HEALTH BENEFIT PLANS, INCLUDING PHARMACY BENEFITS, ON AN ENTITY OF THE STATE; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 10, Chapter 2, Subchapter 1, is amended to add an additional section to read as follows:

10-2-133. Increased cost obligations for health benefit plans – Fiscal impact statement required – Definitions.

(a) As used in this section:

(1) "Entity of the state" means any agency, board, bureau,



commission, committee, council, department, division, institution of higher education, office, public school, quasi-public organization, or other political subdivision of the state;

(2) "Fiscal impact statement" means a realistic written statement of the purpose of a proposed law and the estimated financial cost to an entity of the state of implementing or complying with the proposed law; and

(3) "Health benefit plan" means a policy, contract, certificate, or agreement offered or issued by an entity to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, including pharmacy benefits, to an entity of the state.

(b)(1) A bill filed in the House of Representatives or the Senate that will impose a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state shall:

(A) Have a fiscal impact statement attached to the bill prepared and filed with the chair of the committee to which the bill is referred; and

(B) Not be taken up by the committee to which the bill is referred until a fiscal impact statement is provided to the chair of the committee.

(2) The services of actuaries may be obtained in evaluating the respective bills and preparing the fiscal impact statement.

(c)(1)(A) If a House bill or Senate bill is called up for final passage in the House of Representatives or the Senate and a fiscal impact statement has not been provided by the author of the bill or by the committee to which the bill was referred, a member of the House of Representatives or the Senate may object to the bill's being called up for final passage until a fiscal impact statement is prepared and made available on the desk of each member of the House of Representatives or the Senate at least one (1) day before the bill's being called up for final passage.

(B) An affirmative vote of two-thirds (2/3) of a quorum present and voting shall override the objection.

(2) If an objection is made without override, the presiding officer of the House of Representatives or the Senate shall cause the bill to be referred to an actuary for the preparation of a fiscal impact statement, which shall be filed with the presiding officer not later than five (5) days

from the date of the request.

(d) A fiscal impact statement required by this section shall be developed by an actuary within the guidelines adopted by the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce, as applicable.

SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended to add an additional section to read as follows:

21-5-419. Introduction of bills affecting State and Public School Life and Health Insurance Program – Definitions.

(a) As used in this section:

(1) "Entity of the state" means any agency, board, bureau, commission, committee, council, department, division, institution of higher education, office, public school, quasi-public organization, or other political subdivision of the state; and

(2) "Health benefit plan" means a policy, contract, certificate, or agreement offered or issued by an entity to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, including pharmacy benefits, to an entity of the state.

(b) A bill affecting the State and Public School Life and Health Insurance Program or that imposes a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state to be considered by the General Assembly at a regular session shall be introduced in the General Assembly during the first fifteen (15) calendar days of a regular session.

(c)(1) A bill as described in subsection (b) of this section shall not be introduced after the fifteenth day of a regular session unless the introduction of the bill is first approved by a three-fourths (3/4) vote of the full membership of each house of the General Assembly.

(2) If the General Assembly recesses for longer than three (3) consecutive days during the first fifteen (15) days of a regular session, the fifteen-day introduction deadline shall be extended for a time period equal to the recess.

(d) A bill affecting the State and Public School Life and Health Insurance Program or that imposes a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state

shall not be introduced or considered at a fiscal session or an extraordinary session of the General Assembly unless the introduction and consideration of the bill is first approved by a two-thirds (2/3) vote of the full membership of each house of the General Assembly.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the State and Public School Life and Health Insurance Program is inadequate to provide sustainable affordable health benefits for public school employees and state employees; that an urgent need exists to address the state's funding and administration of benefits for public school employees and state employees in order for the program to remain viable and to avoid severe financial hardship to plan participants; and that this act is immediately necessary to provide affordable health benefit options in a timely manner to the state's public school employees participating in the program and state employees participating in the program. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

- (1) The date of its approval by the Governor;
- (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or
- (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

APPROVED: 3/1/22