

State of Arkansas  
93rd General Assembly  
Fiscal Session, 2022

# A Bill

HOUSE BILL 1099

By: Representatives Wardlaw, Shepherd, Beaty Jr., Beck, M. Berry, S. Berry, Bragg, Brown, C. Cooper, Crawford, Dalby, M. Davis, Dotson, 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 REGULATE THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; REQUIRING THE LEGISLATIVE COUNCIL TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION OVERSIGHT SUBCOMMITTEE TO PERFORM OVERSIGHT FUNCTIONS RELATED TO THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION OVERSIGHT SUBCOMMITTEE; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 10, Chapter 3, Subchapter 3, is amended to add an additional section to read as follows:



10-3-320. Employee Benefits Division Oversight Subcommittee.

(a) The Legislative Council shall establish by rule the Employee Benefits Division Oversight Subcommittee, which shall have oversight of all decisions of the State Board of Finance related to the State and Public School Life and Health Insurance Program.

(b) The following decisions of the board pertaining to the program shall be referred to the Employee Benefits Division Oversight Subcommittee:

(1)(A) A new or significantly modified cost-containment measure.

(B) As used in this subdivision (b)(1), "cost-containment measure" means a process or practice of controlling and managing expenses of the program by reducing or limiting the amount of spending required to administer the program and remain within specific, preplanned budgetary constraints;

(2) Any change in plan options offered under the program for state employees or public school employees;

(3) Potential funding changes to the program;

(4) Any premium increases or decreases over the previous plan year;

(5) Any concern involving the reserve balance for state employees or public school employees;

(6) Changes to the four-year projections for the program;

(7) Changes that would limit, eliminate, or increase benefits of plan options offered under the program and the effect these changes would have on the fiscal viability of the program, including the reserve balance for state employees or public school employees;

(8) Changes that would limit, eliminate, or increase eligibility requirements for the program;

(9) Vendor issues or changes in vendors from the previous plan year;

(10) Proposed contracts or changes in contracts from the previous plan year;

(11) Any change in consultants from the previous plan year;

(12) Rules promulgated by the board or by the Employee Benefits Division regarding the implementation, administration, or enforcement of the program; and

(13) Such other matters related to the program as the Employee

Benefits Division Oversight Subcommittee considers necessary to perform its oversight of all matters related to the program.

(c)(1) Except as provided in subdivision (c)(2) of this section, if a matter referred to the Employee Benefits Division Oversight Subcommittee under subsection (b) of this section would otherwise require review or approval, or both, by a subcommittee of the Legislative Council, the Employee Benefits Division Oversight Subcommittee shall serve as the subcommittee of the Legislative Council that performs the required review or approval, or both, of the matter.

(2) Proposed rules submitted to the Employee Benefits Division Oversight Subcommittee under this section are not subject to approval by the Employee Benefits Division Oversight Subcommittee but are submitted for review purposes only.

(d)(1) During a regular, fiscal, or extraordinary session of the General Assembly, the Joint Budget Committee shall perform the functions assigned to the Employee Benefits Division Oversight Subcommittee.

(2) The Joint Budget Committee may establish a subcommittee to perform the functions of the Employee Benefits Division Oversight Subcommittee that are assigned to the Joint Budget Committee under subdivision (d)(1) of this section.

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

21-5-419. Accountability – Legislative oversight – Transparency – Quarterly reports.

(a) The General Assembly finds that:

(1) The continual evaluation of the State and Public School Life and Health Insurance Program by the General Assembly is critical for:

(A) Maximizing the benefits to the state employees and public school employees who are participants in the program; and

(B) Maintaining continued viability of the program;

(2) Accountability and transparency in the operation of the program are vital to a proper evaluation of the program; and

(3) Extraordinary provisions for legislative oversight of the program are necessary and required.

(b)(1) The State Board of Finance and the Director of the Employee

Benefits Division shall report to the Legislative Council on a quarterly basis.

(2) The quarterly report required under subdivision (b)(1) of this section shall:

(A) Be known as the "Employee Benefits Division Quarterly Report";

(B) Be submitted to the Legislative Council no later than thirty (30) calendar days after the end of each calendar quarter; and

(C) Include without limitation the following information regarding the program:

(i)(a) A new or significantly modified cost-containment measure.

(b) As used in this subdivision (b)(2)(C)(i), "cost-containment measure" means a process or practice of controlling and managing expenses of the program by reducing or limiting the amount of spending required to administer the program and remain within specific, preplanned budgetary constraints;

(ii) Any change in plan options offered under the program for state employees or public school employees;

(iii) Potential funding changes to the program;

(iv) Any premium increases or decreases over the previous plan year;

(v) Any concern involving the reserve balance for state employees or public school employees;

(vi) Changes to the four-year projections for the program;

(vii) Changes that would limit, eliminate, or increase benefits of plan options offered under the program and the impact these changes would have on the fiscal viability of the program, including the reserve balance for state employees or public school employees;

(viii) Changes that would limit, eliminate, or increase eligibility requirements for the program;

(ix) Vendor issues or changes in vendors from the previous year;

(x) Proposed contracts or changes in contracts from the previous year;

(xi) Any change in consultants from the previous year;

(xii) Rules promulgated by the board or the Employee Benefits Division regarding the implementation, administration, or enforcement of the program; and

(xiii) Such other matters related to the program as the Legislative Council considers necessary to perform its oversight of all matters related to the program.

SECTION 3. TEMPORARY LANGUAGE. DO NOT CODIFY. Study of general diabetes management program – Legislative findings – Reporting requirements.

(a) The General Assembly finds that:

(1) Optimal health results and realizing the maximum potential of a well-being program can be achieved through sustained behavior changes and healthy habits;

(2) Well-being programs are most successful when the well-being programs focus on results-based outcomes;

(3) Well-being programs have a higher return on investment if well-being programs that are results-based are focused on the highest risk population;

(4) In 2019, there were over three hundred sixty thousand (360,000) Arkansans with diabetes, and almost eight hundred thousand (800,000) Arkansans had prediabetes;

(5) The annual medical cost related to diabetes and prediabetes in Arkansas has recently been estimated at three billion one hundred million dollars (\$3,100,000,000), including the cost of prescription drugs used to treat diabetes;

(6) The diabetes epidemic has an associated fiscal and societal impact on the viability and sustainability of the State and Public School Life and Health Insurance Program;

(7) If the State and Public School Life and Health Insurance Program fails to address and properly manage diabetes as a chronic illness, there may be an increase in diabetes-related complications, including without limitation heart disease, stroke, and kidney damage; and

(8) In order to demonstrate the effectiveness of a well-being program that is focused on results-based outcomes and sustained behavior

changes, additional data is needed.

(b) The Employee Benefits Division Oversight Subcommittee with the cooperation of the Director of the Employee Benefits Division shall study general diabetes management programs to evaluate the viability and sustainability of a general diabetes management program for the State and Public School Life and Health Insurance Program.

(c) The study under subsection (b) of this section shall include:

(1) Evaluating possible general diabetes management programs for managing diabetes of members of the State and Public School Life and Health Insurance Program; and

(2) Developing recommendations for potential legislation for the 2025 Regular Session of the General Assembly that are necessary to implement a general diabetes management program for the State and Public School Life and Health Insurance Program.

(d) A report summarizing the results of the study under this section shall be filed with the Legislative Council no later than July 1, 2024.

SECTION 4. 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**