

ARKANSAS SENATE

91st General Assembly - Fiscal Session, 2018

Amendment Form

DRAFT

Subtitle of Senate Bill No. 82

AN ACT FOR THE STATE INSURANCE DEPARTMENT APPROPRIATION FOR THE 2018-2019 FISCAL YEAR.

Amendment No. ___ to Senate Bill No. 82

Amend Senate Bill No. 82 as originally introduced:

Page 16, insert an additional SECTION immediately following SECTION 28 to read as follows:

" SECTION 29. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. STATE INSURANCE DEPARTMENT AUTHORITY OVER PHARMACY BENEFITS MANAGERS.

(a) As used in this section:

(1) "Pharmacy benefits manager" means an entity that administers or manages pharmacy benefits or services in a health benefit plan; and

(2) "Pharmacy benefits or services" means products, goods, or services provided as part of the practice of pharmacy as defined in § 17-92-101 to individuals who reside or are employed in this state.

(b) Notwithstanding other state law, the State Insurance Department shall investigate a claim alleging a violation of the Trade Practices Act, § 23-66-201 et seq., involving a pharmacy benefits manager.

(c)(1) Notwithstanding other state law, the Insurance Commissioner shall impose penalties, fines, or fees for a violation of the Trade Practices Act, § 23-66-201 et seq., involving a pharmacy benefits manager.

(2) A penalty described in subdivision (c)(1) of this section may include without limitation revocation or suspension of a certificate, registration, or license.

(3) A monetary penalty, fine, or fee described in subdivision (c)(1) of this section shall be no more than ten thousand dollars (\$10,000)

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per violation.

(4) All moneys collected under subdivision (c)(1) of this section relating to the enforcement of the Trade Practices Act, § 23-66-201 et seq., involving pharmacy benefits managers, shall be deposited into the State Insurance Department Trust Fund for the operation and administration of the department.

(d) The department shall adopt rules regarding the regulation of pharmacy benefits managers under the Trade Practices Act, § 23-66-201 et seq.

(e) The commissioner shall report the statistical information regarding the investigations required under subsection (b) of this section and the outcomes of the investigations to the Legislative Council on or before December 1, 2018.

(f) This section expires on June 30, 2019."

and

Appropriately renumber the SECTION numbers of the bill

and

Insert an additional SECTION immediately following SECTION 32 to read as follows:

" SECTION 33. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that reimbursements from pharmacy benefits managers have caused a financial crisis among pharmacies across the state due to possible violations of state law; that state law regarding the practices of pharmacy benefits managers is governed by several different state authorities; that, due to the various state authorities governing the regulation of pharmacy benefits managers, additional authority should be granted to the State Insurance Department; and that Section 29 of this act is immediately necessary because pharmacies and pharmacists statewide need certainty about the enforcement of law to ensure that the State of Arkansas maintains the present number of pharmacies and pharmacists. Therefore, an emergency is declared to exist, and Section 29 of 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."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Joint Budget Committee

By: Representative Wardlaw

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Secretary

1 State of Arkansas
2 91st General Assembly
3 Fiscal Session, 2018
4

A Bill

SENATE BILL 82

5 By: Joint Budget Committee
6

For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
9 AND OPERATING EXPENSES FOR THE STATE INSURANCE
10 DEPARTMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2019;
11 AND FOR OTHER PURPOSES.
12
13

Subtitle

14 AN ACT FOR THE STATE INSURANCE DEPARTMENT
15 APPROPRIATION FOR THE 2018-2019 FISCAL
16 YEAR.
17
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established
23 for the State Insurance Department for the 2018-2019 fiscal year, the
24 following maximum number of regular employees.
25

| Item | Class | | Maximum | Maximum Annual |
|------|-----------|--------------------------------------|-----------|----------------|
| No. | Code | Title | No. of | Salary Rate |
| | | | Employees | Fiscal Year |
| | | | | 2018-2019 |
| 30 | (1) U047U | STATE INSURANCE COMMISSIONER | 1 | GRADE SE03 |
| 31 | (2) U042U | INSURANCE CHIEF DEPUTY COMMISSIONER | 1 | GRADE SE02 |
| 32 | (3) N025N | INSURANCE DEP. COMMISSIONER INFO SYS | 1 | GRADE SE01 |
| 33 | (4) D028N | REGULATORY HEALTH LINK TECH OFFICER | 1 | GRADE IT10 |
| 34 | (5) D007C | INFORMATION SYSTEMS MANAGER | 2 | GRADE IT08 |
| 35 | (6) D010N | INSURANCE CHIEF TECHNOLOGY OFFICER | 1 | GRADE IT08 |
| 36 | (7) D034C | DATABASE ADMINISTRATOR | 1 | GRADE IT07 |



1 Code § 23-61-803 et seq. until after the decision of the United States
2 Supreme Court in King v. Burwell, 759 F.3d 358 (4th Cir.), cert. granted,
3 U.S., 135 S. Ct. 475(2014).

4 The provisions of this section shall be in effect only from July 1, ~~2017~~
5 2018 through June 30, ~~2018~~ 2019.

6
7 SECTION 28. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
8 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
9 INSURANCE BUILDING CONSTRUCTION FUNDING PROVISION. Upon request of the
10 Commissioner, approval of the Chief Fiscal Officer of the State, and prior
11 review by the Arkansas Legislative Council or Joint Budget Committee, the
12 State Insurance Department may retain an amount above that which is set out
13 in A.C.A. 23-61-710(c) for the purposes of providing funding for the
14 construction and renovation of Department facilities, not to exceed eight
15 million dollars (\$8,000,000) in a single biennium. The amount being
16 requested must be submitted to the Chief Fiscal Officer of the State by April
17 1st of each fiscal year.

18 The provisions of this section shall expire on June 30, 2019.

19
20 SECTION 29. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
21 authorized by this act shall be limited to the appropriation for such agency
22 and funds made available by law for the support of such appropriations; and
23 the restrictions of the State Procurement Law, the General Accounting and
24 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
25 Procedures and Restrictions Act, or their successors, and other fiscal
26 control laws of this State, where applicable, and regulations promulgated by
27 the Department of Finance and Administration, as authorized by law, shall be
28 strictly complied with in disbursement of said funds.

29
30 SECTION 30. LEGISLATIVE INTENT. It is the intent of the General
31 Assembly that any funds disbursed under the authority of the appropriations
32 contained in this act shall be in compliance with the stated reasons for
33 which this act was adopted, as evidenced by the Agency Requests, Executive
34 Recommendations and Legislative Recommendations contained in the budget
35 manuals prepared by the Department of Finance and Administration, letters, or
36 summarized oral testimony in the official minutes of the Arkansas Legislative

1 Council or Joint Budget Committee which relate to its passage and adoption.

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3 SECTION 31. EFFECTIVE DATE. This act is effective on and after July 1,

4 2018.

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