

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

SENATE BILL 826

By: Senator J. Hendren

## For An Act To Be Entitled

AN ACT CONCERNING THE REQUIREMENTS UNDER THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM FOR A STATE EMPLOYEE RETIREE AND PUBLIC SCHOOL EMPLOYEE RETIREE; TO CLARIFY THE ELIGIBILITY OF CERTAIN RETIREES TO CONTINUE COVERAGE IN THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; AND FOR OTHER PURPOSES.

## Subtitle

CONCERNING THE ELIGIBILITY OF CERTAIN RETIREES TO CONTINUE COVERAGE IN THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM.

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

SECTION 1. Arkansas Code § 21-5-411(a)(2)(A)(ii), concerning a retiree's election period to participate in the State and Public School Life and Health Insurance Program, is amended to read as follows:

(ii) The election to enroll in the program shall be made within ~~thirty-one (31)~~ thirty (30) days of the state employee retiree's or public school employee retiree's becoming an active retiree and shall be made in writing to the Employee Benefits Division of the Department of Finance and Administration on forms required by the division.

SECTION 2. Arkansas Code § 21-5-411(a)(2)(B), concerning a retiree's eligibility to participate in the State and Public School Life and Health



Insurance Program, is amended to read as follows:

(B)(i) To be eligible to continue coverage or to qualify for coverage after electing to decline participation in the program, the retiree must have been ~~eligible for coverage~~ covered on the last day of the retiree's employment.

(ii) If a retiree declines to participate in the program at the time of retirement ~~due to other health insurance coverage that is not an accident only, specified disease, or other limited benefit policy~~ because the retiree is already covered under another employer-sponsored group health insurance policy, the retiree may make a one-time election to participate in the program with proof of continued insurance coverage ~~if the retiree experiences a qualifying event or at the time of open enrollment~~ at the time of open enrollment or if the retiree experiences a qualifying event.

~~(iii) The State and Public School Life and Health Insurance Board may allocate available subsidies to cover the retirees participating in the program.~~

SECTION 3. Arkansas Code § 21-5-411(a)(2)(C), concerning the requirements for a retiree electing to participate in the State and Public School Life and Health Insurance Program, is amended to read as follows:

(C)(i) Except as provided in subdivision (a)(2)(C)(ii) of this section, an active retiree's failure to make an election to participate in the program during the ~~thirty-one day~~ thirty-day election period or an active retiree's election to decline participation in the program is final.

(ii)(a) If an active retiree ~~declining to participate~~ declines participation in the program ~~specifies in writing and provides a letter of creditable employer group coverage to show that the reason for the declination is that~~ because the active retiree ~~had~~ has health insurance coverage through another employer group health plan and the active retiree's coverage was subsequently terminated because of a loss of eligibility, as defined by Internal Revenue Service regulations, and provides information from the former insurance company of the loss of eligibility, then the active retiree ~~and any dependents~~ shall qualify for participation in the program upon payment of the appropriate premium as established by the ~~board~~ State and Public School Life and Health Insurance Board if the active retiree applies for participation in the program within thirty (30) days of

the loss of eligibility.

~~(b) As used in this subdivision (a)(2)(C)(ii), “loss of coverage” has the meaning provided by Internal Revenue Service and Health Insurance Portability and Accountability Act guidelines for special enrollment periods.~~

SECTION 4. Arkansas Code § 21-5-411(a)(3)(C), concerning the finality of an inactive retiree’s failure to act during the election period, is amended to read as follows:

(C)(i) Except as provided in subdivision ~~(a)(3)(C)(ii)~~ (a)(2)(B)(ii) of this section, an inactive retiree’s failure to elect to continue participation in the program during the ~~thirty-one-day~~ thirty-day election period or an inactive retiree’s election to decline participation in the program is final.

(ii) If an inactive retiree as described in subdivision (a)(3)(B) of this section ~~declining~~ declines participation in the program ~~specifies in writing that the reason for the declination is that~~ because the inactive retiree has health insurance coverage through another employer-sponsored group health plan and the inactive retiree’s coverage is subsequently terminated because of a loss of eligibility, then the inactive retiree and any dependents shall qualify for participation in the program if, within thirty (30) days of the inactive retiree’s involuntary loss of coverage, the inactive retiree submits to the board:

(a) upon payment Payment of the appropriate premium as established by the board, ~~provided the inactive retiree applies for program participation within thirty-one (31) days of the loss of eligibility; and~~

(b) Proof that until the inactive retiree’s involuntary loss of coverage through another employer-sponsored group health plan, the coverage had been continuous.

SECTION 5. Arkansas Code § 21-5-411(d), concerning the eligibility of a retiree’s dependent who has experienced a loss of coverage, is amended to read as follows:

~~(d)(1) Any future change in program participation other than cancellation shall be extended only to newly acquired dependents, except that~~

~~if an active or inactive retiree declined dependent coverage at the time of election to be an active or inactive retiree and specified in writing that the reason for the declination was that the dependent had other coverage, and if subsequently the dependent involuntarily loses such coverage, except for fraud or voluntary cessation of premium payment while the active or inactive retiree is covered by a plan option offered under the program, then the dependent may be added within thirty one (31) days of the involuntary termination to the active or inactive retiree's health insurance coverage for payment of the appropriate premium as established by the board~~ Except as provided in subdivision (d)(2) of this section, any future change in program participation other than cancellation shall be allowed only for newly acquired dependents.

(2) A dependent may be added to an active or inactive retiree's health insurance coverage by payment of the appropriate premium as established by the board if:

(A) The active or inactive retiree declined health insurance coverage for the dependent at the time of election to be an active or inactive retiree because the dependent had other employer-sponsored group health insurance coverage;

(B) Subsequent to the active or inactive retiree's declination of health insurance coverage for the dependent under subdivision (d)(2)(A) of this section, the dependent involuntarily lost his or her employer-sponsored group health insurance coverage and the loss of health insurance coverage was not the result of:

(i) Fraud; or

(ii) Voluntary cessation of premium payment while the active or inactive retiree was covered by a plan option offered under the program; and

(C) Within thirty (30) days of a dependent's involuntary loss of health insurance coverage under subdivision (d)(2)(B) of this section, the active or inactive retiree submits to the board proof that:

(i) The dependent involuntarily lost health insurance coverage; and

(ii) Until the dependent's loss of health insurance coverage, the coverage had been continuous.