

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

State of Arkansas
93rd General Assembly
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As Engrossed: H3/9/21
A Bill

HOUSE BILL 1337

By: Representatives Lundstrum, Bentley, Brooks, Bryant, Christiansen, Cloud, C. Cooper, Furman,
Hollowell, M. McElroy, Pilkington, Rye, Tollett
By: Senators Rapert, Irvin

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO ENSURE A SUSTAINABLE SYSTEM OF HEALTH BENEFITS FOR STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES; TO CLARIFY THE DUTIES AND RESPONSIBILITIES OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE BOARD; TO INCREASE REPRESENTATION OF MEMBERS OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM ON THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE BOARD; TO INCREASE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO INCREASE THE STATE CONTRIBUTION TO THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO ENSURE A SUSTAINABLE SYSTEM OF HEALTH BENEFITS FOR STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES; AND TO DECLARE AN EMERGENCY.

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



SECTION 1. Arkansas Code § 21-5-402(a)(1), concerning the membership of the State and Public School Life and Health Insurance Board, is amended to read as follows:

(a)(1) The State and Public School Life and Health Insurance Board is created, composed of the following ~~fifteen (15)~~ seventeen (17) voting members:

(A) A Two (2) state ~~employee~~ employees who ~~is~~ are eligible to participate in the State and Public School Life and Health Insurance Program, appointed by the Governor;

(B) Two (2) public school employees, at least one (1) of whom is employed by a rural school district, appointed by the Governor;

(C) The Insurance Commissioner or his or her designee;

(D) The Commissioner of Elementary and Secondary Education or his or her designee;

(E) The Secretary of the Department of Transformation and Shared Services or his or her designee;

(F) Three (3) members who are engaged in employee benefits management or risk management, at least one (1) of whom is a licensed healthcare provider, appointed by the Governor;

(G) Two (2) members, ~~one (1) of whom is a retired public school employee and one (1) of whom is a~~ who are retired state ~~employee~~ employees, appointed by the Governor;

(H) One (1) retired public school employee, appointed by the Governor;

(I) Two (2) members, at least one (1) of whom is a current public school employee who is employed by a school district as an administrator and one (1) of whom may be a current or retired public school employee who was employed by a school district as an administrator, appointed by the Governor;

~~(I)(J)~~ (J) The Director of the Arkansas State Board of Pharmacy or his or her state employee pharmacist designee;

~~(J) The Director of Health Facility Services of the Department of Health or his or her designee; and~~

(K) One (1) member who is a member of the Arkansas Medical, Dental, and Pharmaceutical Association, Inc., appointed by the Governor.

SECTION 2. Arkansas Code § 21-5-403(b), concerning reporting by the Director of the Employee Benefits Division, is amended to read as follows:

(b) The Director of the Employee Benefits Division and the board shall report ~~upon request~~ quarterly to the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce regarding the State and Public School Life and Health Insurance Program.

SECTION 3. Arkansas Code § 21-5-404(1), concerning powers, functions, and duties of the State and Public School Life and Health Insurance Board, is amended to add an additional subdivision to read as follows:

(D) Beginning in the 2022 plan year, any new or significantly modified cost-containment measures, premium increases greater than five percent (5%) over the previous plan year, proposals to limit or eliminate plan benefits or eligibility, or other significant changes to the plan design under the program shall be presented to the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce in a public meeting for review and approval before final adoption of the changes to the plan;

SECTION 4. Arkansas Code § 21-5-404(12)(A)(i), concerning the membership of the Benefits Subcommittee of the State and Public School Life and Health Insurance Board, is amended to add an additional subdivision to read as follows:

(e) Two (2) retired state employees.

SECTION 5. Arkansas Code § 21-5-404(12)(B)(i)(d)(1), concerning the membership of the Drug Utilization and Evaluation Subcommittee of the State and Public School Life and Health Insurance Board, is amended to read as follows:

(d)(1) One (1) state employee, one (1) retired state employee, and two (2) public school employees, appointed by the board.

SECTION 6. Arkansas Code § 21-5-414(b), concerning state contributions to the State and Public School Life and Health Insurance Program and partial state contribution of employee premiums, is amended to read as follows:

(b) Participating entities shall make a monthly contribution equal to the number of budgeted state employee positions multiplied by the monthly contribution authorized by the Chief Fiscal Officer of the State, not to exceed ~~four hundred fifty dollars (\$450)~~ five hundred dollars (\$500) monthly for each state employee budgeted position into a fund designated for state employee health benefits to partially defray the cost of life and health benefits for state employees and retirees participating in the program.

SECTION 7. 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 Board requires an expansion of representation of members of the State and Public School Life and Health Insurance Program, and the State and Public School Life and Health Insurance Program requires additional oversight to ensure affordable health insurance options are available to state and public school employees; that an urgent need exists to expand representation on the State and Public School Life and Health Insurance Board and start implementing the necessary oversight of the State and Public School Life and Health Insurance Program to avoid increased and unnecessary costs; and that this act is immediately necessary to improve the financial stability and viability of the State and Public School Life and Health Insurance Program through increased oversight and membership representation on the State and Public School Life and Health Insurance Board. 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.

/s/Lundstrum