

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1733

By: Representatives Penzo, Dotson

## For An Act To Be Entitled

AN ACT TO PROVIDE ASSISTANCE TO STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES WHO PARTICIPATE IN A HIGH-DEDUCTIBLE HEALTH PLAN THROUGH A HEALTH SAVINGS ACCOUNT; AND FOR OTHER PURPOSES.

### Subtitle

TO PROVIDE ASSISTANCE TO STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES WHO PARTICIPATE IN A HIGH-DEDUCTIBLE HEALTH PLAN THROUGH A HEALTH SAVINGS ACCOUNT.

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

SECTION 1. Arkansas Code § 21-5-418 is amended to read as follows:  
21-5-418. Health savings account.

(a) A health savings account shall be a component of a qualifying high-deductible consumer-driven health insurance plan option adopted by the State and Public School Life and Health Insurance Board.

(b) A school district and the state may make an employer contribution into a participating public school employee's or state employee's health savings account up to the maximum amount allowed by the Internal Revenue Service.

(c) A school district shall ensure that any vendor the school district contracts with to provide health savings account management for the school district provides annual education to the school district's public school employees concerning the:

(1) Advantages and disadvantages of a qualifying high-deductible



consumer-driven health plan option; and

(2) Effective strategies for using a health savings account.

(d) On or before January 1, 2022, the board shall:

(1)(A) Submit designs for a qualifying high-deductible consumer-driven health insurance plan to the Secretary of the Department of Transformation and Shared Services for review.

(B) The report on designs described in subdivision (d)(1)(A) of this section may include multiple options for final implementation, which may, in turn, include various levels of state participation or types of benefit designs.

(C) The designs shall include:

(i) Benefit designs, including deductible amounts, for qualifying high-deductible consumer-driven health insurance plans;

(ii) Premium amounts for qualifying high-deductible consumer-driven health insurance plans;

(iii) State employee and public school employee and employer contribution strategies for qualifying high-deductible consumer-driven health insurance plan premiums;

(iv) State employee and public school employee and employer contribution strategies and reimbursement schedules for the health savings account deposits;

(v) A determination of whether or not a state employee or public school employee has the ability to make pretax contributions through a salary deferral arrangement for a health savings account;

(vi) Options for custodial arrangements for the health savings accounts;

(vii) Investment options for health savings account holders;

(viii) An assessment of administrative and claim costs;

(ix) Statements of the actuarial assumptions, including demographic, participation, and utilization assumptions; and

(x) An analysis of the impact on existing health plans that are offered by the State and Public School Life and Health Insurance Program for offering the option of health savings accounts paired

with qualifying high-deductible consumer-driven health insurance plans adopted by the board.

(D) Designs shall be based on the creation of coverage options so that the average per-person employer cost of qualifying high-deductible consumer-driven health insurance plans, including the contributions for the health savings accounts, does not exceed the average per-person employer cost of other plans offered under the program for the same fiscal year;

(2) Formulate a plan:

(A) To pay, by the beginning of plan year 2023, at least fifty-five percent (55%) of the deductible for a health savings account maintained for a qualifying high-deductible consumer-driven health insurance plan by a state employee and a public school employee; and

(B) For how a state employee or public school employee shall reimburse the board throughout the remainder of the plan year;

(3) Offer to all state employees and public school employees training regarding all health plans offered to state employees or public school employees under the program; and

(4) Prepare online training as an option for the training required by subdivision (d)(3) of this section.

(e) On or before March 1, 2022, the board shall adopt a plan design for the health savings accounts paired with qualifying high-deductible consumer-driven health insurance plans offered through the program after discussion with the interested stakeholders.

(f)(1) An employer participating in a health benefit plan offered by the program shall require each state employee or public school employee to complete training on the health plan options available through the program.

(2) The training required under subdivision (f)(1) of this section:

(A) May be completed online; and

(B) Shall be completed:

(i) Before the end of the open enrollment period for plan year 2023 for current state employees and current public school employees; or

(ii) For a state employee or public school employee hired on or after January 1, 2023, before the state employee's or public

school employee's selection of a plan in the program.