ADMINISTRATIVE RULES SUBCOMMITTEE OF THE ARKANSAS LEGISLATIVE COUNCIL

Thursday, October 19, 2023 10:00 a.m. Room A, MAC Little Rock, Arkansas

- A. Call to Order
- B. Reports from the Executive Subcommittee Concerning Emergency Rules
- C. Reports from ALC Subcommittees Concerning the Review of Rules
- D. Rules Filed Pursuant to Ark. Code Ann. § 10-3-309

1. <u>ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM</u> (Amy Fecher, Laura Gilson)

a. <u>SUBJECT</u>: Rule 24 CAR § 1-213. DROP Provisions

DESCRIPTION: The Arkansas Public Employees' Retirement System ("APERS") seeks to amend 24 CAR § 1-213, the Deferred Retirement Option Plan (DROP) Rule, to comply with Act 247 of 2023, which amended the Arkansas Public Employees' Retirement System Plan regarding supervisor benefits, simplified the postretirement marriage period for election of spousal benefits, streamlined the administration of survivor benefits for members' and former members' children, clarified the effective date of survivors' benefits, and removed obsolete law regarding the Arkansas Public Employees' Retirement System.

Section (i) of the current DROP rule addresses the administration of benefits when a DROP participant dies while serving on active duty. In that section of the current rule, there is a reference to a one-year marriage period requirement for a spouse to be eligible for survivor benefits. The proposed amendment to section (i) of 24 CAR § 1-213 removes the reference to a one-year marriage period, which will now align with Act 247 of 2023. No other change in the DROP rule has been made.

<u>PUBLIC COMMENT</u>: No public hearing was held. The public comment period expired on September 6, 2023. APERS indicated that it received no comments.

Jason Kearney, an attorney with the Bureau of Legislative Research, asked the following questions and received the following responses:

(1) Is the removal of the one (1) year marriage period, concerning benefits to the surviving spouse of a DROP participant who dies while on active duty, effected to comply with the change that was made by Act 625 of 2019, as codified at Ark. Code Ann. §§ 24-6-606(a)(3)(A)(ii), (a)(4)(A)(ii), and § 24-4-608(c)(1)? **RESPONSE:** Yes, and to comply with Act 247 of 2023, which changed the marriage period requirement from one year to six months for a retirant (DROP participant) to elect a survivor annuity option. *See* Ark. Code Ann. 24-4-606(b)(2)(A).

(2) Is there a reason why APERS did not replace the one (1) year marriage period with the six (6) month marriage period, as it appears in Ark. Code Ann. § 24-6-606? **RESPONSE:** Yes, since the corresponding survivor benefits law is cited in the rule, we decided to strike the language to avoid any unnecessary rulemaking in the future if that section of the law is amended.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: APERS states that the amended rule has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 24-4-105(b)(1), the Board of Trustees of the Arkansas Public Employees' Retirement System shall make all rules as it shall deem necessary from time to time in the transaction of its business and in administering the System.

The proposed changes include those made in light of Act 247 of 2023, sponsored by Senator Jimmy Hickey, Jr., which amended the Arkansas Public Employees' Retirement System Plan regarding supervisor benefits, simplified the postretirement marriage period for election of spousal benefits, streamlined the administration of survivor benefits for members' and former members' children, clarified the effective date of survivors' benefits, and removed obsolete law regarding the Arkansas Public Employees' Retirement System.

b. <u>SUBJECT</u>: APERS Rule 312-2011(5) – Contributions Required of New County and Elected Officials Who Are Elected for the First Time after July1, 2001

DESCRIPTION: The Arkansas Public Employees' Retirement System ("APERS") seeks to amend APERS Rule 312-2011(5), which pertains to the crediting of service and additional contributions required of local

elected officials. The proposed amendment to the rule: 1) clarifies which contributory and noncontributory members employed as local elected officials are subject to the required additional employee contributions for enhanced service credit; 2) clarifies that a contributory member who is employed as a local elected official is subject to the ten (10) year enhanced service credit limitation under Arkansas Code Annotated § 24-4-101(15)(B); 3) references the corresponding section of the Arkansas Code, rather than the creating Act; and 4) drafts the rule in Code of Rules format.

Per the agency, APERS made the following changes to the proposed amendment to APERS Board Rule 312 - 2011(5) following the public comment period:

• The rule has been re-numbered to clarify that the forfeiture provision applies to noncontributory local elected officials who are required to make additional contributions under subsection (b) of the rule.

• Language has been added to subsection (b)(1) of the rule for clarity.

• Former sections (b)(1)-(2) of the proposed amendment have been replaced with a chart to clearly identify which members are required to make additional contributions for enhanced service credit.

• Subsection (c)(2) has been added pursuant to the public comment received by APERS.

• "Arkansas Public Employees' Retirement System" has been replaced with "the system" in subsections (b)(1) and (c)(1).

<u>PUBLIC COMMENT</u>: No public hearing was held. The public comment period expired on September 6, 2023. APERS provided the following public comment and its response thereto:

<u>Commenter Name</u>: Chris Villines, Executive Director, Association of Arkansas Counties.

<u>Comment</u>: Director Villines submitted a comment on the proposed amendments to APERS Board Rule 312 - 2011(5). Director Villines suggested additional language be added to further clarify how this rule applies to contributory and noncontributory members of APERS who are employed as local elected officials. Specifically, Director Villines requested that APERS add language to the rule to state that the enhanced service credit accrual limitation under Ark. Code Ann. § 24-4-101(15)(B) does not apply to noncontributory members. Director Villines also requested that APERS add language to clarify to which members of APERS the additional contribution required under Ark. Code Ann. § 24-4-521(b)(5) for enhanced service credit applies.

<u>Response</u>: APERS has added additional language to the proposed amendment to APERS Board Rule 312 - 2011(5) to address Director Villines' comments and concerns. APERS has added subsection (c)(2) to state that the enhanced service credit accrual limitation under Ark. Code Ann. § 24-4-101(15)(B) does not apply to noncontributory members. APERS has also inserted a chart showing the members required to make additional contributions for the enhanced service credit.

Jason Kearney, an attorney with the Bureau of Legislative Research, asked the following questions and received the following responses:

(1) The rule appears to track Ark. Code Ann. § 24-4-521(b)(5)(A), which specifies that the additional contribution percentage contemplated in the statute is "two and one-half percent (2.5%) of the gross payroll." *See* Ark. Code Ann. §§ 24-4-521(b)(5)(A)(ii) and (iii). Is there a reason why the language specifying this percentage is being removed from the rule? **RESPONSE:** Since the contribution percentage is set by law in Ark. Code Ann. § 24-4-521(b)(5)(A), we decided to remove the reference to a specific percentage to avoid unnecessary rulemaking in the future if the law is amended.

(2) Subsection (b) – Should the qualifying language "covered by the system" be included after the language, "a person employed as a local elected official," as it appears in Ark. Code Ann. §§ 24-4-521(b)(5)(A)(ii) and (iii)? **RESPONSE:** That is a good suggestion. I have added that language to subsection (b) and substituted "Arkansas Public Employees' Retirement system" with "the system" throughout the proposed amendment.

(3) Subsection (c) of the amended rule provides that "any noncontributory local elected official who requests a refund of these contributions shall forfeit all service credit for the period represented by the refund." The current rule does not appear to limit this forfeiture to only noncontributory members. Is there a reason why the amended rule applies this limitation? **RESPONSE:** Yes, at the time this rule was originally adopted in 2011 it only applied to local elected officials who were noncontributory. However, following Act 288 of 2013, Ark. Code Ann. § 24-4-521(b)(5) applies to both noncontributory and certain contributory members. All contributory members who request a refund of their contributory members who are required to contribute 2.5% to be credited for the enhanced service credit will forfeit that enhanced service credit if they request a refund of those contributions.

(4) Is the forfeiture contemplated in question 3, above, applied pursuant to any provision of the Arkansas Code? **RESPONSE:** Yes, Ark. Code Ann. § 24-4-304 states that upon termination of membership in APERS, a member's credited service is forfeited. Administratively, APERS does not remove service credit unless a member requests a refund of their contributions.

(5) Subsection (d) of the amended rule applies a ten (10) year limitation to enhanced service credit accrual for "a member who is employed as a local elected official covered by Arkansas Employees' Retirement System." Is there a reason why this ten (10) year cap isn't limited to "any member first hired on or after July 1, 2005," as is contemplated in Ark. Code Ann. § 24-4-101(B)(15), which defines "credited service"? **RESPONSE:** A member of the system first hired on or after July 1, 2005 is a "contributory member." *See* Ark. Code Ann. § 24-4-101(12)(B). The purpose of this proposed rule amendment is to clarify how the provisions of Ark. Code Ann. § 24-4-521(b)(5) apply to local elected officials who are either contributory or noncontributory, so it is clearer for the purposes of this rule to refer to the different members as either contributory or noncontributory.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: APERS states that the amended rule has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 24-4-105(b)(1), the Board of Trustees of the Arkansas Public Employees' Retirement System shall make all rules as it shall deem necessary from time to time in the transaction of its business and in administering the System. Further rulemaking authority can be found at Ark. Code Ann. § 24-4-507(a)(1), which provides that the Board of Trustees of the Arkansas Public Employees' Retirement System shall determine, by appropriate rules consistent with the provisions of Title 24, Chapter 4 of the Arkansas Code, which concerns the Arkansas Public Employees' Retirement System, the amount of service to be credited any member for any fiscal year.

c. <u>SUBJECT</u>: APERS Rule 410 – 2005(5) – Purchase of AR National Guard or Armed Forces Reserve Service Credit

DESCRIPTION: The Arkansas Public Employees' Retirement System ("APERS") seeks to amend APERS Rule 410-2005(5), which pertains to the purchase of AR National Guard or armed forces reserve service credit. The proposed amendment to the rule: 1) reflects the changes to Arkansas Code Annotated § 24-2-503 under Act 295 of 2009 and Act 38 of 2011; 2) removes any restatement of Ark. Code Ann. § 24-2-503; and 3) makes technical corrections for clarity.

<u>PUBLIC COMMENT</u>: No public hearing was held. The public comment period expired on September 6, 2023. APERS indicated that it received no comments.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: APERS states that the amended rule has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 24-4-105(b)(1), the Board of Trustees of the Arkansas Public Employees' Retirement System shall make all rules as it shall deem necessary from time to time in the transaction of its business and in administering the System.

d. <u>SUBJECT</u>: REPEAL: APERS Rule 411 – 2009(5) – Purchase of Service Authorized by Section 2 of Act 295 of 2009

DESCRIPTION: The Arkansas Public Employees' Retirement System ("APERS") seeks to repeal APERS Rule 411-2009(5) as repetitive and unnecessary since Arkansas Code Annotated § 24-2-503(d)(1)(B) and (f)(2) allow APERS members to purchase service credit for service in the Arkansas National Guard or armed forces reserve in monthly increments.

Act 1027 of 2005 created Ark. Code Ann. § 24-2-503 to allow APERS members to purchase service credit for time served in the AR National Guard or armed forces reserve. Rule 411 allows APERS members to purchase said service credit in monthly increments. Act 38 of 2011 added Ark. Code Ann. § 24-2-503(d)(1)(B), which specifically allows for the purchase of the service credit in monthly increments. Therefore, APERS Rule 411 is no longer necessary and should be repealed.

<u>PUBLIC COMMENT</u>: No public hearing was held. The public comment period expired on September 6, 2023. APERS indicated that it received no comments.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: APERS states that the repeal has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 24-4-105(b)(1), the Board of Trustees of the Arkansas Public Employees' Retirement System shall make all rules as it shall deem necessary from time to time in the transaction of its business and in administering the System.

2. <u>ARKANSAS STATE POLICE RETIREMENT SYSTEM</u> (Amy Fecher, Laura Gilson)

a. <u>SUBJECT</u>: ASPRS Board Rule 14 – Nov. 2003 – Deferred Retirement Option Plan (DROP) Provisions for Members Called to Active Duty

DESCRIPTION: The Arkansas State Police Retirement System ("ASPRS") seeks to amend its Board Rule 14, which pertains to Deferred Retirement Option Plan (DROP) provisions for members called to active duty. The current rule addresses the administration of DROP participants who are called to active duty. Under the "Death While on Active Duty" section, there is a reference to a one-year marriage period requirement for a spouse to be eligible for survivor benefits. The proposed amendment removes that reference in compliance with Act 250 of 2023, which amended the State Police Retirement System Plan regarding survivor benefits. That same section of the current rule is amended to remove the references to the Arkansas Code. Under the "Maximum Participation Period" section, there are multiple references to a five (5) year limitation for DROP participation. Act 1969 of 2005 increased the duration for DROP participation from five (5) years to seven (7) years. The proposed amendment removes those references and instead references the corresponding statutes.

<u>PUBLIC COMMENT</u>: No public hearing was held. The public comment period expired on September 6, 2023. ASPRS received no comments.

Jason Kearney, an attorney with the Bureau of Legislative Research, asked the following question and received the following response:

(1) Subsection (b), under the "Death While on Active Duty" section of the rule, was amended to remove the language "who has been married to a participate for at least one year", in order to comply with Act 250 of 223. That Act amended Ark. Code Ann. § 24-6-408(a)(3)(A)(2)(a) to read, "[t]he member may elect . . . [h]is or her spouse, to whom the member has been married for not less than six (6) months immediately preceding the first payment due date." The Act replaced "one (1) year" with "six (6) months." Is there a reason why the amended rule does not reference the six (6) month time period, and instead removed reference to any time period altogether? **RESPONSE:** Yes, since the corresponding survivor benefit sections of the law are cited in the rule, we decided to strike the language to avoid any unnecessary rulemaking in the future if that section of the law is amended.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: ASPRS states that the amended rule has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 24-6-204(f)(1), the Board of Trustees of the State Police Retirement System shall make all rules from time to time as it shall deem necessary in the transaction of its business and in administering the State Police Retirement System, in addition to other duties that are imposed upon the Board by Title 24, Chapter 6, Subchapter 2 of the Arkansas Code, concerning the State Police Retirement System.

The proposed changes include those made in light of Act 250 of 2023, sponsored by Senator Jimmy Hickey, Jr., which amended the State Police Retirement System Plan regarding survivor benefits and provided for the proper administration of survivor benefits under the State Police Retirement System.

3. <u>DEPARTMENT OF AGRICULTURE, STATE PLANT BOARD</u> (Scott Bray)

a. <u>SUBJECT</u>: Arkansas Industrial Hemp Production Rule and REPEAL: Arkansas Industrial Hemp Research Program Rules

DESCRIPTION: The Department of Agriculture's State Plant Board proposes the repeal of its Arkansas Industrial Hemp Research Program Rules and the promulgation of its Arkansas Industrial Hemp Production Rule. The Board provided the following summary of the rule:

Act 565 of 2021, also known as the Arkansas Industrial Hemp Production Act ("Act"), was passed in response to the 2018 Farm Bill, which transitioned state hemp programs from research-only to a closely regulated industry. The Act requires the Department to obtain an approved state plan from the USDA under the 2018 Farm Bill for primary regulatory authority over hemp. The Department obtained an approved state plan from the USDA on December 10, 2021. The proposed Rule was reviewed by the Plant Board Industrial Hemp Committee on January 28, 2022, followed by approval of the proposed Rule at the full Plant Board's meeting March 3, 2022. Since the Act repealed previous industrial hemp law, existing Board rules regarding industrial hemp will need to be repealed. The proposed Rule will implement the provisions of the new Act.

The Act provides that the Plant Board shall promulgate rules regarding sampling, testing, inspections, specific requirements for applications, and licensing fees. The Act also provides that the Board may adopt other rules necessary for the implementation of the Act. The Rule covers the areas necessary for oversight of industrial hemp production in Arkansas, including but not limited to the growing, processing, handling, storage, sale, transfer, importation, and distribution of industrial hemp. Other specific matters covered by the Rule include acquisition of hemp seeds and seedlings, the importation of hemp into Arkansas, and the submission of planting reports to the Farm Service Agency as required by the Act. The Rule also continues to prohibit the retail sale of hemp floral material or the manufacture and distribution of controlled substances.

Additional changes were made after the expiration of the public comment period. Act 629 of 2023 contains a definition of hemp that does not exactly track the definition of hemp in federal law. Ark. Code Ann. § 2-15-506 (The Arkansas Hemp Production Act) states that in any place where there is a conflict between Arkansas and federal law, federal law controls. While the 2018 federal Farm Bill does say we can regulate more restrictively, we cannot change federal law. The Federal definition is also recognized in Section 7 of Act 629, further evidencing that the intent is to be consistent with federal law. While the Department does not view the definition of hemp found in Act 629 to conflict in any way with federal law, we believe that it is appropriate to clarify the definition of hemp in the proposed rule. Accordingly, an amended definition of hemp has been incorporated into the proposed rule. Since it is only a clarification, it is not a substantial change and does not require approval of the Plant Board or additional public comment.

Section 8 of the proposed rule has been clarified to make it more consistent with statutory language. Ark. Code Ann. § 2-15-509(b) provides that growers shall pay the costs of inspections, and 2-15-505 provides that the board *shall* establish fees, therefore the fees are mandatory. Section 507 provides that any fees assessed are to administer the program. Therefore, we believe the proposed language in Section 8 of the proposed rule referencing cost recovery instead of fees will more clearly indicate that amount charged applicants and licensees are to recover the costs of administering the program. No new fees have been added so this is not a change that would require any additional public comment or Plant Board approval.

<u>PUBLIC COMMENT</u>: A public hearing was held on April 14, 2022. The public comment period expired that same day. The Board provided the following summary of the comments that it received and its responses thereto:

<u>FOR</u>

William Morgan, BioGen, LLC

The rules appear to be in line with current guidelines but would like to see more assistance offered to growers/researchers and less fees. Hemp industry in Arkansas faces two main obstacles: 1) "Lack of education of the market," and 2) burdensome fees. Commenter states he had to shut down a genetics research program because a \$100 compliance fee "is ridiculous," and locally produced genetics need to be supported. Would like to see the Department of Agriculture offer more assistance and less rules.

RESPONSE:

The Board appreciates your comments and also believes the rules reflect current USDA and Arkansas legislative requirements. The Department of Agriculture receives no funding for the program or for assistance to hemp growers or researchers.

UNDECIDED

Brian Madan, Tree of Life Seeds

The Department is doing a great job administering the program but there should be additional funding to the Department so the program would not have to be supported by fees. Commenter states that he will not apply for a license this year due to the "cost of entry and poor commodity prices."

RESPONSE:

The Board appreciates your comments. The Department receives no funding for the program other than that authorized by Ark. Code Ann. §§ 2-25-505(d) and 507(h), which specifically state that the Plant Board may establish and collect fees to administer the program.

Ray Benton

"I'm out of the hemp business. Not growing this year or any other. I'm done with having to deal with all of it."

RESPONSE:

The Board appreciates your comments.

Rebecca Miller-Rice, an attorney with the Bureau of Legislative Research, asked the following questions:

(1) Section 4(k): This section appears to be premised on Ark. Code Ann. § 2-15-513(a), as amended by Act 565 of 2021, § 2, which appears to render an individual convicted of a felony offense related to a controlled substance under federal or state law ineligible to participate in the program for the ten-year period *following* the date of the conviction. *See also* 7 USC § 1639p(e)(3)(B)(i). The rule as written, however, seems to suggest it is a ten-year period previous from the date of conviction. Is there a reason the language appears to differ? **AGENCY RESPONSE:** We do not read the rule as somehow allowing us to prohibit someone from holding a license prior to a conviction. That would in fact, be an impossibility, because *we would not know* prior to a conviction that the individual was going to be convicted. Accordingly, it would be impossible to implement the rule as you suggest.

(2) <u>Section 5(7)</u>: Is there a reason the terminology of "with or without cause" was used in this section, when Section 15(a) uses "for any lawful purpose"? **AGENCY RESPONSE:** The two are interchangeable.

(3) <u>Section 6(f)</u>: This section appears to be premised on Ark. Code Ann. § 2-15-513(c)(2), as amended by Act 565, § 2. Should the reference to "department" be to the Department of Public Safety in accord with the statute? **AGENCY RESPONSE:** The department in this context is the Department of Agriculture. The actual criminal background checks and their contents are not disclosed to the Plant Board unless it is used as evidence in an administrative hearing. This is to make sure the licensees understand this information will become public record should such a hearing occur.

(4) The rules appear to contemplate the licensing of processors of hemp. Ark. Code Ann. § 2-15-507(a) provides that the board may establish a procedure for the annual licensure of persons to grow industrial hemp, and "grower" is defined in Ark. Code Ann. § 2-15-503(3) as "a person licensed to grow and produce industrial hemp" by the board. Ark. Code Ann. § 2-15-508(a) requires that a person shall obtain a grower license under the Arkansas Industrial Hemp Act before planting or growing industrial hemp in the state. Additionally, while Ark. Code Ann. § 2-15-502(a)(2) provides that one of the purposes of the Act is to recognize the cultivation, processing, and transportation of industrial hemp as an agricultural activity in the state, the statute also provides that the Act shall not be construed to grant the Department of Agriculture the authority to regulate hemp processing practices or methodologies. See Ark. Code Ann. § 2-15-502(b). Under what authority will the board be licensing processors? AGENCY RESPONSE: Ark. Code Ann. 2-15-516(a)(1) & (2) provides in pertinent part that it shall be unlawful for a grower to: "... process . . . living industrial hemp plants, viable hemp seed, leaf, or floral material . . . in a manner inconsistent with this subchapter or Plant Board rule." (and) "... provide false, misleading, or incorrect information to the department pertaining to the licensee's cultivation, processing, or transportation of industrial hemp, including without limitation information provided in any application, report, record, or inspection required or maintained in accordance with this subchapter and board rule;" (emphasis supplied).

As noted, the Act declares that it is prohibited to *process* hemp in a manner inconsistent with the law *or Plant Board rules*, and further indicates that it is prohibited to provide false information regarding

processing, including information submitted with an application or inspection. This indicates that there is legislative intent for the Department and Plant Board to have jurisdiction over processing, and since the law specifically states that it is prohibited to provide false information regarding a *licensee's processing* or in an *application or inspection*, it also appears to indicate authority to license processors. The Plant Board just does not have authority to regulate the techniques that make up a licensee's hemp processing methods and practices, which would be the practices or methodologies referenced in 2-15-502(b).

(5) <u>Section 3(14)</u> – I see that you have redefined "'hemp' or 'industrial hemp'" in a manner that differs from the definition set forth in Ark. Code Ann. § 2-15-503(5), as amended by Act 629 of 2023, § 2. Can you explain the reasoning for this? **AGENCY RESPONSE:** Act 629 of 2023 contains a definition of hemp that does not exactly track the definition of hemp in federal law. Ark. Code Ann. § 2-15-506 (The Arkansas Hemp Production Act) states that in any place where there is a conflict between Arkansas and federal law, federal law controls. While the 2018 federal Farm Bill does say we can regulate more restrictively, we cannot change federal law. The Federal definition is recognized in Section 7 of Act 629, further evidencing that the intent is to be consistent with federal law. We believe that it is appropriate to clarify that the Department does not view the definition of hemp found in Act 629 to conflict in any way with federal law. Accordingly, an amended definition of hemp has been incorporated into the proposed rule to provide that clarification.

(6) <u>Section 8</u> – It appears that the term "fee" has been changed to "cost." Arkansas Code Annotated §§ 2-15-505(d) and 2-15-507(h-i) authorize the establishment and collection of fees by the board to administer the provisions of the Arkansas Industrial Hemp Production Act. What is the reasoning behind the change in terms? **AGENCY RESPONSE:** Section 8 of the proposed rule has been clarified to make it more consistent with statutory language. Ark. Code Ann. § 2-15-509(b) provides that growers shall pay the *costs* of inspections, and 2-15-505 provides that the board *shall* establish fees, therefore the fees are mandatory. Section 507 provides that any fees assessed are to administer the program. Therefore, we believe the proposed language in Section 8 of the proposed rule referencing cost recovery instead of fees will more clearly indicate that amount charged applicants and licensees are not only mandatory but are to recover the costs of administering the program.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The Board states that the repeal of its former rule and the promulgation of its new rule do not have a financial impact.

LEGAL AUTHORIZATION: The proposed rules implement Act 565 of 2021, which was sponsored by Representative David Hillman, amended the law regarding industrial hemp production, repealed the Arkansas Industrial Hemp Act, and established the Arkansas Industrial Hemp Production Act.

Pursuant to Arkansas Code Annotated § 2-15-505(a), as amended by Act 565, § 2, the State Plant Board shall adopt rules to implement and administer the Arkansas Industrial Hemp Production Act ("Act"), Ark. Code Ann. §§ 2-15-501 to -516. Rules adopted by the Board shall prescribe the sampling, inspection, and testing procedures to ensure that the tetrahydrocannabinol concentration of industrial hemp planted, grown, or harvested in this state is not more than the acceptable hemp tetrahydrocannabinol level as defined by federal law; and provide due process for growers, including an appeals process. See Ark. Code Ann. § 2-15-505(b), as amended by Act 565, § 2. The Board is further permitted to establish and collect fees to administer the program. See Ark. Code Ann. § 2-15-505(d), as amended by Act 565, § 2; Ark. Code Ann. § 2-15-507(h), as amended by Act 565, § 2. See also Ark. Code Ann. § 2-15-507(e), as amended by Act 565, § 2 (providing that the Board shall establish a fee for an initial license and annual renewal license). Fees collected by the Board under the Act are not refundable and may be used by the Department of Agriculture to administer the Act. See Ark. Code Ann. § 2-15-507(i), as amended by Act 565, § 2.

4. <u>DEPARTMENT OF COMMERCE, STATE INSURANCE DEPARTMENT,</u> <u>STATE BOARD OF EMBALMERS, FUNERAL DIRECTORS,</u> <u>CEMETERIES, AND BURIAL SERVICES</u> (Amanda Gibson)

a. <u>SUBJECT</u>: Rule Pertaining to Perpetually Maintained Cemeteries

DESCRIPTION: The State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services ("Board") seeks review of proposed amendments of an existing rule pertaining to perpetually maintained cemeteries. The proposed amendments add a requirement that cemetery companies maintain the cemeteries they are permitted to operate, and they simplify, clarify, and modernize much of the language in the existing rule. The proposed rule:

- Adds a provision that requires cemetery companies to maintain the cemeteries.
- Broadens the meaning of the term "cemetery deed" or "deed" to also include the term "instrument of conveyance." Decades ago, the interest conveyed for a burial plot was an interest in real property, and the deed was required to be recorded in the real estate records showing ownership of that very small plot of land.

In modern times, it is not an interest in real property that is conveyed to the purchaser of a burial plot, but rather an interest that consists of the right to inter human remains in the burial plot. Because some cemeteries use an instrument titled "certificate," and because some cemeteries may use an instrument that is titled something other than deed or certificate, "instrument of conveyance" is the broad term that captures the description of the instrument, regardless of its title.

- Deletes references throughout the rule that require a cemetery company to make ten copies of the application (for a new cemetery, for a transfer of ownership and to amend the permit), so that the company merely has to provide an original and one copy. Removing this photocopying requirement makes the application process less burdensome for the company.
- Adds a definition of "properly maintained" such that specific examples of tasks are listed. These are tasks that should be performed in order for the cemetery to be properly maintained. (Ark. Code Ann. § 20-17-1002(14)).
- Adds a requirement for any new cemetery wishing to obtain a permit, to designate an individual to be responsible for the application, who must also undergo a criminal background check. (Ark. Code Ann. § 20-17-1008(d)).
- Waives the fee for intra-family transfers of ownership of a cemetery, therefore removing the burden of the heir paying the \$1,500 transfer of ownership fee. (Ark. Code Ann. § 20-17-1012(b)(2)(A)(ii)).
- Clarifies burial plot conveyance procedures.

<u>PUBLIC COMMENT</u>: A public hearing was not held in this matter. The public comment period expired on August 22, 2023. The Board did not receive any comments.

Suba Desikan, an attorney with the Bureau of Legislative Research, asked the following questions and received the following responses thereto:

1. <u>Pg. 10, Markup</u> – There is a comment that Subsections (H) and (J) are not new additions and should be in black font. If this is the case, could you please provide a revised markup with these changes? **RESPONSE:** I fixed page 10 – changed to black font. [Agency submitted a revised markup.]

2. <u>Pg. 14, Markup</u> – There is a comment that a particular section should not be stricken through, as it was carried over from the old rule. If this is the case, could you please provide a revised markup with these changes? **RESPONSE:** I deleted the comment because that language should be stricken through, because it was moved to page 13. [Agency submitted a revised markup.]

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The agency indicated that the amended rules do not have a financial impact.

LEGAL AUTHORIZATION: Pursuant to Ark. Code Ann. § 20-17-1304(2), the Board shall establish by rule: criteria for grant applications and awards, oversight of all grant expenditures, criteria for reporting and maintaining all grant moneys and expenditures, and criteria for the review of grant awards and expenditures to prevent misuse or abuse of grant money. In addition, the board may:

- promulgate rules and publish forms to enforce and administer laws governing cemetery companies under the Cemetery Act for Perpetually Maintained Cemeteries, § 20-17-1001 *et seq.* and the Insolvent Cemetery Grant Fund Act, § 20-17-1301 *et seq.* (Ark. Code Ann. § 23-61-1103(a)(5)(C)); and
- make rules and forms to enforce Title 23, Chapter 61, subchapter 11 of the Arkansas Code concerning the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services (Ark. Code Ann. § 23-61-1109(a)(4)).

Fee authority for the rule may be found in Ark. Code Ann. §§ 20-17-1007(a)(1)(A), 20-17-1008(b)(3)(B), 20-17-1008(d), 20-17-1011(b)(1), 20-17-1012(b)(2)(A)(i), 20-17-1016(c), 20-17-1023(b)(1), and 20-17-1023(b)(2)(A).

5. <u>DEPARTMENT OF CORRECTIONS</u> (Lindsay Wallace)

a. <u>SUBJECT</u>: Payment of a Death Benefit

DESCRIPTION: Section 47 of Act 203 of 2022, Fiscal Session, now codified as Ark. Code Ann. § 12-27-150, requires the Board of Corrections to promulgate rules to establish criteria for the payment of a death benefit from special revenues held by the Department of Corrections or its various divisions for any Department employee killed in the line of duty. The Act establishes guidelines for the directors to follow in requesting payment of a death benefit for a Department employee who is killed in the line of duty. That payment shall not exceed five thousand dollars (\$5,000).

<u>PUBLIC COMMENT</u>: A public hearing was not held in this matter. The public comment period expired on December 7, 2022. The agency received no comments. The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The agency indicated that the proposed rules have a financial impact and that the rule authorizes expenditure of up to \$5,000 per eligible case; however, the agency did not provide an estimated amount because it did not have an identified number of deceased employees for whom this payment might be requested. In response to a staff question, the agency stated that it would be dependent upon the number of employees passing away in the line of duty, then requests being received, contingent upon the board approval amount, etc. as set out in the rule. Payment of funds will be contingent upon availability of money as well.

LEGAL AUTHORIZATION: Subject to the approval of the Board of Corrections, the Secretary of the Department of Corrections may authorize the payment of a death benefit not exceeding \$5,000, from special revenues held by the Department of Corrections or its various divisions to any department employee killed in the line of duty. The Secretary of the Department shall promulgate any rules necessary to implement the death benefit. *See* Ark. Code Ann. § 12-27-150, *as amended by* Act 203 of 2022.

6. <u>DEPARTMENT OF FINANCE AND ADMINISTRATION, ARKANSAS</u> <u>RACING COMMISSION</u> (Byron Freeland, John Campbell)

a. <u>SUBJECT</u>: CGR Rule 3.25 Employee Licenses

DESCRIPTION: This proposed amendment sets forth that non-gaming-related employees will not be subject to the same requirements as employees involved in casino gaming operations.

<u>PUBLIC COMMENT</u>: A public hearing was held on this rule on June 22, 2023. The public comment period expired on June 22, 2023. The agency provided the following public comment summary for this rule:

Commenter's Name: Carlton Saffa, Saracen Chief Market Officer

COMMENT: The issue about licensure, I would like to speak about that. What I learned from one of our senior officials at Saracen who came to us from New Jersey, was that we had more stringent regulation on back of house employees, let's call them for the sake of conversation dish washers, people working in a food and beverage type of environment, not folks touching slot machines, handling money, dealing cards, people in a non-gaming function. We believe the rules account for that by referring to the Casino Gamin sections of the casinos, as opposed to the licensing; but, in real terms what was happening was we would... by the way the starting salary at Saracen (salary) pays \$15.00. No one makes any less than that. We offer tuition reimbursement, we raised our minimum pay, but as it is in all parts of the world it is hard to find folks to work for you. What we learned is we might find (a potential employee) to come in and work for the kitchen. We liked (the potential employee) and we would hire pending licensure and approval. Well, that might take a couple of weeks. The DFA does and incredible job moving these expeditiously, but by the time we get back to (the potential employee) and be ready to have them start on Monday, they would have started a job elsewhere, as they could not wait to start working. What this (rule) allows us to do is provide some flexibility to put people in non-casino / non-casino-gaming-sensitive positions with some level of expediency. The people who are seeking entry level positions are not in a place where they can often wait three or four weeks to get started. And I just appreciate your consideration here on this, as it is going to mean a lot to us (the Casinos) as the industry tries to hire at entry level.

RESPONSE: Clarification that the rule does not affect gaming-sensitive positions. No changes made. Motion passed on all Three Rules with no opposition.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: "The Arkansas Racing Commission shall adopt rules necessary to carry out the purposes of [the Arkansas Casino Gaming Amendment of 2018] and perform its duties under [the] Amendment[,]" including rules governing "personnel requirements for casinos and casino gaming[.]" Ark. Const. amend. 100, § 4(c), (e)(7). The Commission "shall require a person employed by a franchise holder or casino licensee in the conduct of wagering on casino gaming games or devices to obtain a license from the commission." Ark. Code Ann. § 23-117-102(a).

b. <u>SUBJECT</u>: CGR Rule 3.45 Carrying of Licenses and Credentials

DESCRIPTION: This proposed amendment allows employees to carry casino-issued identification badges that do not contain their full names, rather than their employee licenses, for their own security on- and off-premises. In the past, employees who displayed badges with their last names have been harassed and contacted at home. This rule change will help ensure that employees are not contacted while away from the casino.

<u>PUBLIC COMMENT</u>: A public hearing was held on this rule on June 22, 2023. The public comment period expired on June 22, 2023. The agency provided the following public comment summary for this rule:

Commenter's Name: Carlton Saffa, Saracen Chief Market Officer

COMMENT: I just want to thank you all for considering the Badging Rules for the privacy and protection of our employees. **RESPONSE:** No changes made.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: "The Arkansas Racing Commission shall adopt rules necessary to carry out the purposes of [the Arkansas Casino Gaming Amendment of 2018] and perform its duties under [the] Amendment[,]" including rules governing "personnel requirements for casinos and casino gaming[.]" Ark. Const. amend. 100, § 4(c), (e)(7). The Commission "shall require a person employed by a franchise holder or casino licensee in the conduct of wagering on casino gaming games or devices to obtain a license from the commission." Ark. Code Ann. § 23-117-102(a).

c. <u>SUBJECT</u>: CGR Rule 4.225 Wagering Accounts

DESCRIPTION: This proposed amendment is an effort to prevent persons under the age of 21 from wagering bets at Arkansas casino franchises. The rule change provides that individuals must be 21 years of age or above to register for a wagering account.

<u>PUBLIC COMMENT</u>: A public hearing was held on this rule on June 22, 2023. The public comment period expired on June 22, 2023. The agency provided the following public comment summary for this rule:

Commenter's Name: Carlton Saffa, Saracen Chief Market Officer

COMMENT: The Legislature had a desire to actually place this in statute, much like adult material and social media. We met with them and said, hey guys look what we are already doing. Their response essentially was that this is more robust than what ... (The Legislature) are proposing by law. Out of respect for the for the Legislature we said let's ... put it in the rules. And so, they look to us as casinos for advice for other arenas where they are doing age verification. **RESPONSE:** No changes made.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: The Arkansas Racing Commission "shall adopt rules necessary to carry out the purposes of" the Arkansas Casino Gaming Amendment of 2018 (Amendment 100), including rules governing oversight requirements for casino gaming and responsibilities of casino licensees related to casino gaming. Ark. Const. amend. 100, \S 4(c), (e)(5), (e)(11).

7. <u>DEPARTMENT OF HEALTH, STATE BOARD OF HEALTH</u> (Craig Smith)

a. <u>SUBJECT</u>: Rules for Declaratory Orders

DESCRIPTION:

Background

The Department of Health is tasked with adopting rules for declaratory orders under Ark. Code Ann. § 25-15-206. A petition for declaratory order may be used only to resolve questions or doubts as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances. A declaratory order is not the appropriate means for determining the conduct of another person or for obtaining a policy statement of general applicability from an agency. A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interests.

Proposed Rules

The proposed rules implement the required rules regarding declaratory orders, pursuant to Ark. Code Ann. § 25-15-206, and implement the model rules outlined in Ark. Code Ann. § 25-15-215.

<u>PUBLIC COMMENT</u>: No public hearing was held on this rule. The public comment period expired on July 29, 2023. The agency indicated that it received no public comments.

The proposed effective date is January 1, 2024.

<u>FINANCIAL IMPACT</u>: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: "Each agency shall provide by rule for the filing and prompt disposition of petitions for declaratory orders as to the applicability of any rule, statute, or order enforced by it." Ark. Code Ann. § 25-15-206. The proposed rules implement model rules published by the Arkansas Attorney General. *See* Ark. Code Ann. § 25-15-215(b)(1) ("Each agency created after August 13, 2001, shall adopt, in accordance with the provisions of this subchapter, those model rules that are practicable.").

8. <u>DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL</u> <u>SERVICES</u> (Elizabeth Pitman, Mitch Rouse)

a. <u>SUBJECT</u>: Clinical Trials Attestation SPA and Provider Manual Updates & REPEALS: Crippled Children's State Plan; PUB 407 – Notice of Privacy Practices

DESCRIPTION:

Statement of Necessity

The Center for Medicaid and CHIP Services (CMCS) issued a State Medicaid Director Letter outlining new Medicaid state plan requirements for assuring coverage of routine patient costs associated with participation in qualifying clinical trials. This guidance applies to states and territories and with respect to items and services furnished to Medicaid beneficiaries, including beneficiaries enrolled in Alternative Benefit Plans (ABPs), who are participating in a qualifying clinical trial on or after January 1, 2022.

Rule Summary

Added new State Plan pages to comply with new requirements.

Revised Sections 210.100, 212.200, and 215.300 by deleting the word, "experimental" from non-covered services.

Added Section 215.301 to the Hospital Manual to clarify the Indications and Limitations of Coverage for Medicaid. Effective July 1, 2023, for items and services furnished on or after January 1, 2022, Medicaid shall cover the routine costs of qualifying clinical trials, as such costs are defined below, as well as reasonable and necessary items and services used to diagnose and treat complications arising from participation in all clinical trials. Providers must submit a Medicaid attestation form to Medicaid for each beneficiary participating in a clinical trial. Instructions for submitting the form and a link to it is provided. All other Medicaid rules apply.

- Routine costs of a clinical trial include all items and services that are otherwise generally available to Medicaid beneficiaries (for example, there exists a benefit category, it is not statutorily excluded, and there is not a national non-coverage decision) that are provided in either the experimental or the control arms of a clinical trial except:
 - The investigational item or service itself, unless otherwise covered outside of the clinical trial;
 - Items and services provided solely to satisfy data collection and analysis needs and that are not used in the direct clinical management of the patient (for example, monthly CT scans for a condition usually requiring only a single scan); and
 - Items and services customarily provided by the research sponsors free-of-charge for any enrollee in the trial.
- Routine costs in clinical trials include:
 - Items or services that are typically provided absent a clinical trial (for example, conventional care);
 - Items or services required solely for the provision of the investigational item or service (for example, administration of a noncovered chemotherapeutic agent), the clinically appropriate monitoring of the effects of the item or service, or the prevention of complications; and
 - Items or services needed for reasonable and necessary care arising from the provision of an investigational item or service, for the diagnosis or treatment of complications.

Updated Section IV of the Arkansas Medicaid Provider Manuals to add the definition of Routine Standard of Care Associated with qualifying Clinical Trials, and to revise the definition of "Investigational Product" acknowledging coverage of routine standard of care associated with qualifying clinical trials. The definition of "Medical Necessity" is revised to delete the word "experimental" and correct a typo.

Repeals pursuant to the Governor's Executive Order 23-02:

- (1) Crippled Children's State Plan; and
- (2) PUB 407 Notice of Privacy Practices.

<u>PUBLIC COMMENT</u>: A public hearing was held on this rule on July 12, 2023. The public comment period expired on July 17, 2023. The agency indicated that it received no public comments.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

With respect to items and services furnished on or after January 1, 2022, the Social Security Act requires states to provide coverage for "routine patient costs" associated with a "qualifying clinical trial." 42 U.S.C. § 1396d(gg); *see also* P.L. 116-260, div. CC, tit. II, § 210(e) (Dec. 27, 2020) (establishing effective date of January 1, 2022). The Centers for Medicare and Medicaid Services (CMS) issued a State Medicaid Director Letter on April 13, 2022 outlining new Medicaid state plan requirements for assuring coverage of routine patient costs associated with participation in qualifying clinical trials. *See* Ctrs. for Medicare & Medicaid Servs., State Medicaid Director Letter (Apr. 13, 2022), https://www.medicaid.gov/sites/default/files/2022-04/smd21005.pdf.

9. <u>DEPARTMENT OF LABOR AND LICENSING, DIVISION OF LABOR</u> (Dan Parker, Ralph Hudson, Miles Morgan)

a. <u>SUBJECT</u>: Administrative Rules Regarding Child Labor

DESCRIPTION: The purpose and necessity of the proposed amendments are to: 1) comply with changes from the 2023 legislative session; and 2) make grammatical and stylistic changes. The proposed amendments would accomplish the following:

- 1. Amend the rules to comply with Act 195 of 2023 to repeal the child labor employment certificate rules;
- Amend the rules to comply with Act 687 of 2023 to provide for criminal referrals and investigations and enhance civil penalties and increase the time to pursue civil penalties from two (2) to three (3) years for child labor violations;
- 3. Update certain obsolete procedures for claiming exemptions to the hazardous employment prohibition; and
- 4. Make grammatical and stylistic changes to conform with the BLR drafting manual and the format for the Code of Arkansas Rules.

<u>PUBLIC COMMENT</u>: A hearing was held in this matter on September 13, 2023. The public comment period expired on September 13, 2023. The agency received no comments.

Suba Desikan, an attorney with the Bureau of Legislative Research, asked the following question and received the following response thereto:

QUESTION: You indicated that you were repealing the work permit requirements of the Administrative Rules Regarding Child Labor, Rules 010.14-302 through 010.14-305. For clarity, are these the blue strikethrough portion on pages 6-8 of the markup? **RESPONSE:** Yes.

The proposed effective date is October 31, 2023.

<u>FINANCIAL IMPACT</u>: The agency indicated the proposed amended rule does not have a financial impact.

LEGAL AUTHORIZATION: The Director of the Division of Labor has the power to make, modify, and repeal such rules, or changes in rules, as he or she may deem necessary to carry out the provisions of Title 11, Chapter 2, Subchapter 1, concerning general provisions. *See* Ark. Code Ann. 11-2-110(b). In addition, the Director of the Division of Labor is authorized to adopt rules for the enforcement and administration of the subchapter concerning child labor. *See* Ark. Code Ann. § 11-6-111(b)(2).

The proposed amendments implement the following Acts of the 2023 Regular Session:

Act 195 of 2023, sponsored by Representative Rebecca Burkes, revised child labor laws and created the Youth Hiring Act of 2023.

Act 687 of 2023, sponsored by Senator Clint Penzo, amended the law regarding child labor; increased the amount of civil penalties for violations; extended the time for assessments of civil penalties by the Director of the Division of Labor; established criminal penalties; established penalties for hindering investigations; and clarified the law regarding workers' compensation related to child labor resulting from Initiated Act 4 of 1948.

E. Agency Updates on the Status of Outstanding Rulemaking Pursuant to Act 595 of 2021¹

- 1. Department of Agriculture* (Scott Bray)
- 2. Department of Corrections* (Lindsay Wallace)
- 3. Department of Education (Andrés Rhodes)

¹ For those items designated by an asterisk ("*"), no update may be required depending on the action taken by the Subcommittee with respect to that agency's rules under Item D.

- 4. Office of Arkansas Lottery (Brent Standridge)
- F. Agency Requests to Be Excluded from Reporting Requirements of Act 595 of 2021
 - 1. Arkansas Teacher Retirement System (Acts 63, 183, and 504 of 2023)
 - 2. Department of Commerce, Division of Workforce Services (Act 237 of 2023) (David McCoy; Dr. Charisse Childers)
 - 3. Department of Energy and Environment (Acts 390 and 834 of 2023) (Lauren Ballard)
 - 4. Department of Transformation and Shared Services (Act 634 of 2023) (Jennifer Elkins)
- G. Agency Monthly Written Updates Pursuant to Act 595 of 2021 Concerning Rulemaking from the 2023 General Session
- H. Rules Filed Pursuant to Ark. Code Ann. § 10-3-309 to be Considered Pending Suspension of the Rules
 - 1. <u>DEPARTMENT OF COMMERCE, STATE INSURANCE DEPARTMENT</u> (Dan Honey)
 - a. <u>SUBJECT</u>: Rule 127: Coverage for Off-Label Drugs for Treatment of PANS and PANDAS

DESCRIPTION: The purpose of this rule is to implement Act 1054 of 2021, codified at Ark. Code Ann. § 23-79-1903, pertaining to insurance coverage for off-label use of drug treatments for pediatric acute-onset neuropsychiatric syndrome ("PANS"), and pediatric autoimmune neuropsychiatric syndrome ("PANDAS") infection. Act 876 of 2023 amended Ark. Code Ann. § 23-79-1905 to broaden and clarify coverage for PANS/PANDAS and requires the State Insurance Department ("SID") to promulgate rules to outline protocols for coverage in consultation with the Childhood Post-infectious Autoimmune Encephalopathy Center of Excellence. The rule sets forth further guidelines for coverage, provides that upon FDA approval that patient specific treatment plan will no longer be required, and sets forth appeals and reporting criteria.

The proposed rule amends Rule 127, as required by Act 876 of 2023:

1. Requires SID, in consultation with the Center for Excellence, to establish treatment protocols for PANS/PANDAS;

- 2. Effective 1/1/2024, requires consultation with a certain specialist in order for intravenous immunoglobulin ("IVIG") treatment to be covered;
- 3. Provides that such protocols and consultation will no longer be required upon approval of IVIG treatment for PANS/PANDAS by the FDA; and
- 4. Sets forth appeals and reporting criteria and requirements.

<u>PUBLIC COMMENT</u>: A public hearing was held on October 11, 2023. The public comment period expired on October 11, 2023. The agency indicated that it received no comments.

The proposed effective date is pending legislative review and approval.

<u>FINANCIAL IMPACT</u>: SID indicated that the amended rule does not have a financial impact.

LEGAL AUTHORIZATION: Act 876 of 2023, sponsored by Senator Kim Hammer, mandated coverage for the use of intravenous immunoglobulin to treat pediatric acute-onset neuropsychiatric syndrome or pediatric autoimmune neuropsychiatric disorders associated with streptococcal infection and declared an emergency. The State Insurance Department shall develop and promulgate rules for the implementation and administration of Title 23, Chapter 79, Section 1905, concerning offlabel use and coverage of drug treatment to treat pediatric acute-onset neuropsychiatric syndrome and pediatric autoimmune neuropsychiatric disorders associated with streptococcal infection. *See* Ark. Code Ann. § 23-79-1905(e). In addition, rules to implement Ark. Code Ann. § 23-79-1905(c)(1) have to be promulgated by August 31, 2023. *See* Ark. Code Ann. § 23-79-1905(c)(2), *as amended by* Act 876 of 2023.

I. Adjournment