

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative McGinnis**

# A Bill

**HOUSE BILL**

## For An Act To Be Entitled

8 "AN ACT TO AMEND THE ARKANSAS CODE OF 1987, ANNOTATED, TO  
9 ADD SUBCHAPTER 12 TO TITLE 24, CHAPTER 7 TO CREATE THE  
10 ARKANSAS RETIRED TEACHER GROUP INSURANCE PROGRAM FOR  
11 RETIRED MEMBERS OF THE ARKANSAS TEACHER RETIREMENT SYSTEM;  
12 AND FOR OTHER PURPOSES."

## Subtitle

14 "AN ACT TO CREATE THE ARKANSAS RETIRED TEACHER GROUP  
15 INSURANCE PROGRAM FOR RETIRED MEMBERS OF THE ARKANSAS  
16 TEACHER RETIREMENT SYSTEM."

18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20  
21 SECTION 1. Title 24, Chapter 7 of the Arkansas Code of 1987, Annotated  
22 is hereby amended to add a new Subchapter 12 to read as follows:

23 "Chapter 12. Arkansas Retired Teacher Group Insurance Program.

24 24-7-1201. Short Title. This subchapter may be known and cited as the  
25 Arkansas Retired Teacher Group Insurance Program Act.

26 24-7-1202. Definitions.

27 As used in this subchapter, unless the context otherwise requires:

28 (1) Active employee means any member of the Arkansas Teacher Retire-  
29 ment System, who is actively employed by a school district or other public  
30 agency participating in the Arkansas Teacher Retirement System.

31 (2) Administrator means the entity retained by the Board to  
32 administer any of the coverages, benefits, or services provided by this  
33 subchapter under the laws of this state.

34 (3) Board means the Board of Trustees of the Arkansas Teacher  
35 Retirement System.

1 (4) Committee means the Retired Teacher Group Insurance Advisory  
2 Committee created under this subchapter.

3 (5) Dependent means:

4 (A) a spouse of a retiree;

5 (B) a retiree's or a deceased active member's unmarried child who  
6 is younger than twenty-three (23) years of age including:

7 (i) an adopted child;

8 (ii) a foster child, a stepchild, or other child who is in  
9 a regular parent-child relationship; and

10 (iii) a recognized natural child; and

11 (C) a retiree's recognized natural child, adopted child, foster  
12 child, stepchild, or other child who is in a regular parent-child relationship  
13 and who lives with or whose care is provided by the retiree or surviving  
14 spouse on a regular basis, regardless of the child's age, if the child is  
15 mentally retarded or physically incapacitated to such an extent as to be  
16 dependent on the retiree or surviving spouse for care or support, as  
17 determined by the Board, or in the case of a deceased active member, a  
18 recognized natural child, adopted child, foster child, stepchild, or other  
19 child who was in a regular parent-child relationship and who lived with or  
20 whose care was provided by the deceased active member on a regular basis,  
21 regardless of the child's age, if the child is mentally retarded or physically  
22 incapacitated to such an extent as to have been dependent on the deceased  
23 active member or surviving spouse for care or support, as determined by the  
24 Board.

25 (6) Fund means the Arkansas Retired Teacher Group Insurance Fund.

26 (7) Health benefit plan or plan means a group plan, contract,  
27 medical or hospital service agreement, membership or subscription contract, or  
28 similar group arrangement to provide, pay for, or reimburse expenses for  
29 health care services.

30 (8) Medicare means the Health Insurance for the Aged Act Title  
31 XVIII of the Social Security Amendments of 1965, as then constituted or later  
32 amended.

33 (9) Plan year or year means the period beginning on July 1 of one  
34 year and ending on June 30 of the following year.

35 (10) Program means the group health benefit program authorized by

1 this subchapter.

2 (11) Retiree means a person who, on July 1, 1994 and thereafter,  
3 draws retirement benefits under the Arkansas Teacher Retirement System.

4 (12) Surviving spouse means:

5 (A) the surviving spouse of a deceased retiree; or

6 (B) the surviving spouse of a deceased active member of the  
7 Arkansas Teacher Retirement System if the spouse is eligible for any  
8 survivor's annuity from the deceased active member's retirement system and if  
9 the deceased active member:

10 (i) had made contributions to the Retired Teacher Group  
11 Insurance Program at the last place of employment of the deceased active  
12 member; and

13 (ii) dies on or after July 1, 1994.

14 (13) Surviving dependent child means the dependent child of a  
15 deceased active member of the Arkansas Teacher Retirement System who has  
16 survived the deceased active member and the deceased member's spouse if the  
17 dependent child is eligible for any survivor's annuity from the deceased  
18 active member's retirement system and if the deceased active member:

19 (A) had contributions to the Retired Teacher Group Insurance  
20 Program at the last place of employment of the deceased active member in this  
21 state; and

22 (B) dies on or after July 1, 1994.

23 24-7-1203. Program creation and general authority.

24 (a) The Retired Teacher Group Insurance Program is created and  
25 established to provide for a self-funded welfare benefit plan for the  
26 exclusive benefit of the retirees and their eligible dependents. The purpose  
27 of the plan being to provide for the payment of sickness, accident or other  
28 benefits to the participants and their eligible dependents.

29 (b) The Board shall take the actions it considers necessary to devise,  
30 implement, and administer the program in order to accomplish the program's  
31 purposes as outlined in this subchapter.

32 24-7-1204. Creation of Retired Teacher Group Insurance Advisory  
33 Committee.

34 (a) There is created and established an advisory committee to the Board  
35 to be known as the Retired Teacher Group Insurance Advisory Committee. The

1 Committee shall consist of nine (9) members appointed by the chairman of the  
2 Board as follows:

- 3 (1) one (1) member shall be an active school administrator;
- 4 (2) two (2) members shall be retired school administrators;
- 5 (3) two (2) members shall be active teachers;
- 6 (4) two (2) members shall be retired teachers;
- 7 (5) one (1) member shall be an active member of the auxiliary  
8 personnel of a school district; and
- 9 (6) one (1) member shall be a retired member of the auxiliary  
10 personnel of a school district.

11 (b) Members of the committee shall serve staggered terms of three (3)  
12 years. Three members shall serve initial terms of one (1) year, three members  
13 shall serve initial terms of two (2) years, and three members shall serve  
14 initial terms of three (3) years. At the first meeting of the Committee,  
15 members shall draw lots to determine which members shall serve the initial one  
16 (1) year, two (2) year, and three (3) year terms. All terms thereafter shall  
17 be for three (3) years. The chairman shall fill any vacancy on the Committee  
18 with a person who meets the qualifications of the vacated position.

19 (c) The Committee shall:

- 20 (1) hold public hearings on group insurance benefits;
- 21 (2) recommend to the Board desirable changes in rules and  
22 legislation affecting the plans and programs under this subchapter; and
- 23 (3) recommend to the Board minimum standards and features of the  
24 plan or plans that it considers appropriate.

25 (d) The Committee shall hold meetings at least semi-annually and may  
26 hold special meetings whenever necessary at the call of the Board. In the  
27 event of an emergency, the Committee may meet at the call of a majority of its  
28 members. The Committee shall keep a record of its proceedings and may adopt  
29 its own rules of procedure.

30 (e) The Board shall not adopt rules, plans, procedures, and orders  
31 concerning the implementation of this subchapter, until the rules, plans,  
32 procedures, and orders have been reviewed by the Committee in a regular or a  
33 specially called meeting. If the Committee has not reviewed the rules, plans,  
34 procedures, or orders within ninety (90) days the review shall be deemed to be  
35 waived.

1 (f) The Committee members are entitled to reimbursement for actual and  
2 reasonable expenses incurred in performing functions as a member of the  
3 Committee.

4 24-7-1205. Board's powers and duties.

5 (a) After the review of the Committee, the Board shall adopt rules,  
6 plans, procedures, and orders to implement this subchapter, including:

7 (1) establishment of minimum benefit and financing standards for  
8 group health coverage to be provided to all retirees, dependents, surviving  
9 spouses, and surviving dependent children;

10 (2) establishment of basic and optional group health coverage to  
11 be provided to retirees, dependents, surviving spouses, and surviving  
12 dependent children;

13 (3) establishment of the procedures for contributions and  
14 deductions;

15 (4) establishment of periods for enrollment and selection of  
16 optional coverage and procedures for enrolling and exercising options under  
17 the plan;

18 (5) determination of methods and procedures for claims  
19 administration;

20 (6) study of the operation of all coverage provided under this  
21 subchapter;

22 (7) administration of the fund;

23 (8) adoption of a timetable for the development of minimum  
24 benefit and financial standards for group coverage, establishment of group  
25 benefit plans, and the taking of bids for and awarding of contracts for  
26 administration of the plans; and

27 (9) contracting with an independent and experienced group benefit  
28 consultant or group actuary, who does not receive commissions from any  
29 insurance company or third party administrator, for advice and counsel in  
30 implementing and administering this program.

31 (b) After the review by the Committee, the Board may adopt other rules  
32 relating to the program as considered necessary by the Board.

33 24-7-1206. Eligibility.

34 (a) All retirees shall be eligible to enroll in a basic plan offered in  
35 the program. The enrollment shall be made in writing and shall be on a form

1 provided by the Board.

2 (b) Any person who has been found to have defrauded or attempted to  
3 defraud the program under § 24-7-1218 of this subchapter shall be ineligible  
4 to participate in the program for a period, to be determined by the Board, of  
5 up to five (5) years from the date the expulsion from the program takes  
6 effect.

7 (c) For each retiree who participates in the program, the Board shall  
8 contribute from money in the fund the total cost for the basic plan covering  
9 the retiree.

10 24-7-1207. Plan design and administration.

11 (a) The Board shall be designated as the group planholder for any plan  
12 or plans established in this subchapter.

13 (b) The group benefits provided under the plan or plans may include,  
14 but are not limited to, hospital care and benefits, surgical care and  
15 treatment, medical care and treatment, dental care, eye care, obstetrical  
16 benefits, prescribed drugs, medicines, and prosthetic devices, and other  
17 supplemental benefits, supplies, and services as provided by this subchapter,  
18 and other coverages considered advisable.

19 (c) The Board may provide different plans for retirees and surviving  
20 spouses covered by Medicare than the plans provided for retirees and surviving  
21 spouses who are not covered by Medicare.

22 (d) Each basic plan shall cover preexisting conditions.

23 (e) The Board may contract for and make available to all retirees,  
24 dependents, surviving spouses, and surviving dependent children optional group  
25 health benefit plans in addition to the basic plans. The optional coverage  
26 may include a smaller deductible, lower copayment, or additional categories of  
27 benefits permitted under subsection (b) of this section to provide additional  
28 levels of coverages and benefits. Any additional contributions for these  
29 optional plans shall be paid for by the retiree, surviving spouse, or  
30 surviving dependent children.

31 (f) The Board shall enter into a contract or contracts with an  
32 administrator for the plan or plans that will provide the method of paying  
33 expenses and claims. Each contract shall be based on the terms and conditions  
34 agreed on between the Board and the administrator.

35 (g) Contracts for administration of this program shall be submitted for

1 competitive bidding. Contracts for administration of the program may be  
2 entered into for periods of not more than five (5) years if funds for the  
3 first plan year of the contemplated contract are available at the time of  
4 contracting. Payment and performance obligations for succeeding plan years  
5 shall be subject to the availability and appropriation of program funds  
6 therefor. When funds are not appropriated or otherwise not available to  
7 support continuation of performance in subsequent years, the contract for  
8 subsequent years shall be terminated. The contract may provide that, in case  
9 of termination for nonavailability of appropriation or funding, the  
10 administrator may be reimbursed for the reasonable value of any nonrecurring  
11 costs incurred but not amortized in the price of the services delivered under  
12 the contract. Contracts between the Board and administrators may provide for  
13 renegotiation.

14 (h) The coverage provided by the plan or plans may be secondary to all  
15 other benefit coverage to which the retiree, surviving spouse, dependent, or  
16 surviving dependent child is entitled. In the event the retiree, surviving  
17 spouse, dependent, or surviving dependent child is entitled to receive  
18 Medicare hospital insurance benefits at no charge, then the coverage provided  
19 by the plan or plans shall be secondary to Medicare hospital and medical  
20 insurance to the extent permitted by federal law.

21 (i) In contracting for services of an administrator under this  
22 subchapter, competitive bidding shall be required under rules adopted by the  
23 Board. The Board is not required to select the lowest bid but may consider  
24 also ability to service contracts, past experiences, financial stability, and  
25 other relevant criteria. If the Board awards a contract to an administrator  
26 whose bid deviates from that advertised, the deviation shall be recorded and  
27 the reasons for the deviation shall be fully justified in the minutes of the  
28 next meeting of the Board.

29 (j) Notwithstanding any other provisions of this subchapter, the Board  
30 is authorized to self-insure any and all programs available under this  
31 subchapter.

32

33 24-7-1208. Benefit certificates.

34 At such times, or upon such events, as designated by the Board, each  
35 administrator shall issue to each retiree, surviving spouse, or surviving

1 dependent child covered under this subchapter a benefit certificate that:

2 (1) states the benefits to which the retiree, surviving spouse, or  
3 surviving dependent child is entitled;

4 (2) states to whom the benefits are payable;

5 (3) states to whom the claims must be submitted; and

6 (4) summarizes the provisions of the plan principally affecting the  
7 retiree, surviving spouse, or surviving dependent child.

8 24-7-1209. Annual reports and accounting.

9 (a) Not later than the ninety (90) days after the end of each plan  
10 year, the Board shall make a written report to the Joint Committee on Public  
11 Retirement and Social Security Programs of the Arkansas General Assembly  
12 concerning the plan benefits provided and the benefits and services being  
13 received by retirees, surviving spouses, dependents, and surviving dependent  
14 children insured under this subchapter.

15 (b) Each administrator providing services purchased under this  
16 subchapter shall provide for an accounting to the Board not later than ninety  
17 (90) days after the end of each plan year. The accounting shall be in a form  
18 approved by the Board. If considered necessary by the Board, other reports  
19 shall be prepared by each administrator. An extra charge may not be assessed  
20 by the administrator for the accounting reports.

21 (c) All reports required by this subchapter shall be made available for  
22 public inspection in a form that protects the identity of individual  
23 claimants.

24 24-7-1210. Exemption from execution and taxation.

25 (a) All benefit payments, active employee and employer contributions,  
26 retiree, surviving spouse, and surviving dependent child contributions, and  
27 optional benefit payments and any rights, benefits, or payments accruing to  
28 any person under this subchapter, as well as all money in the fund created by  
29 this subchapter, are exempt from execution, attachment, garnishment, or any  
30 other process and may not be assigned except for direct payment to benefit  
31 providers as authorized by the Board under contract or by rule or regulation.

32 (b) A premium or contribution on a policy, insurance contract, or  
33 agreement authorized as provided by this subchapter is not subject to any  
34 state tax.

35 24-7-1211. Automatic coverage.

1 A retiree who applies during an enrollment period may not be denied any  
2 of the basic group coverage provided under this subchapter unless the retiree  
3 has been found to have defrauded or attempted to defraud the Arkansas Retired  
4 Teacher Group Insurance Program under § 24-7-1218 of this subchapter.

5 24-7-1212. Payment of contributions on optional plans.

6 Retirees, surviving spouses, and surviving dependent children shall pay  
7 monthly contributions to cover the cost of optional plans that they elect to  
8 receive, and the Board shall adopt rules for the collection of additional  
9 contributions from retirees, surviving spouses, and surviving dependent  
10 children participating in the optional plans. As a condition of electing this  
11 coverage, a retiree or surviving spouse shall authorize in writing the Board  
12 to deduct the amount of these contributions from the monthly annuity payments.

13 24-7-1213. Arkansas Retired Teacher Group Insurance Fund.

14 (a) There is hereby created the Arkansas Retired Teacher Group  
15 Insurance Fund to be maintained and administered by the Board as special trust  
16 fund from which it shall make prompt payment of claims duly allowed under this  
17 subchapter. All contributions from active employees, retirees, and the  
18 employers, contributions for optional coverages, investment income,  
19 appropriations for implementations of this program, and other money required  
20 or authorized to be paid into the fund shall be deposited in accounts in one  
21 (1) or more financial institutions authorized to do business in this state.

22 (b) From the fund shall be paid, without state fiscal year limitation,  
23 the appropriate administrative fees to the administrator, claims for benefits  
24 under the group coverage, and the amounts expended by the Board for  
25 administration of the program. An appropriate portion of the contributions to  
26 the fund for incurred but unreported claim reserves and contingency reserves  
27 shall be retained in the fund as determined by the Board.

28 (c) The Board shall deposit the amounts deducted from annuities for  
29 contributions into the fund.

30 (d) Expenses for the development and administration of the program  
31 shall be spent as provided by a budget adopted by the Board. Expenses in any  
32 plan year may not exceed one percent (1%) of the contributions to the program  
33 for that year by the employers, the active employees, and the covered  
34 participants in the program.

35 (e) The Board may invest and reinvest the money in the fund as provided

1 by the laws of the state pertaining to the administration and expenditure of  
2 cash funds.

3 24-7-1214. Contributions.

4 (a) Each active employee shall, as a condition of employment,  
5 contribute as the employee's contribution to the fund the following amounts:

6 (1) beginning July 1, 1993, to June 30, 1995, an amount equal to  
7 one-half of one percent (1/2 of 1%) of the employee's salary;

8 (2) beginning July 1, 1995, to June 30, 1997, an amount equal to  
9 six-tenths of one percent (6/10ths of 1%) of the employee's salary;

10 (3) beginning July 1, 1997, to June 30, 1999, an amount equal to  
11 seven-tenths of one percent (7/10ths of 1%) of the employee's salary;

12 (4) beginning July 1, 1999, to June 30, 2001, an amount equal to  
13 eight-tenths of one percent (8/10ths of 1%) of the employee's salary;

14 (5) beginning July 1, 2001, to June 30, 2003, an amount equal to  
15 nine-tenths of one percent (9/10ths of 1%) of the employee's salary;

16 (6) beginning July 1, 2003, and thereafter, an amount equal to one  
17 percent (1%) of the employee's salary.

18 Each month the employer of an active employee shall deduct the  
19 contributions from the employee's salary and shall remit the contributions to  
20 the Board as provided by any procedures that the Board may promulgate as rules  
21 and regulations. In lieu of deducting the contributions from salaries, an  
22 employer may assume and pay the total contributions due from its active  
23 employees for any month.

24 (b) The active employee's employer shall contribute as its contribution  
25 to the fund the following amounts:

26 (1) beginning July 1, 1993, to June 30, 1995, an amount equal to  
27 one percent (1%) of the salary of each active employee;

28 (2) beginning July 1, 1995, to June 30, 1997, an amount equal to  
29 one and two-tenths percent (1.2%) of the salary of each active employee;

30 (3) beginning July 1, 1997, to June 30, 1999, an amount equal to  
31 one and four-tenths percent (1.4%) of the salary of each active employee;

32 (4) beginning July 1, 1999, to June 30, 2001, an amount equal to  
33 one and six-tenths percent (1.6%) of the salary of each active employee;

34 (5) beginning July 1, 2001, to June 30, 2003, an amount equal to  
35 one and eight-tenths percent (1.8%) of the salary of each active employee;

1           (6) beginning July 1, 2003, and thereafter, an amount equal to  
2 two (2) percent (2%) of the salary of each active employee.

3           (c) If after July 1, 2004, the amount of employer and active employee  
4 contributions to the fund is raised by the Arkansas General Assembly above the  
5 percentages provided by subsections (a) and (b) of this section to provide  
6 adequate funding for the program, the ratio between the employers contribu-  
7 tions and the active employees contributions shall be maintained at two to one  
8 (2:1).

9           (d) Contributions from active employees become the property of the fund  
10 on receipt by the Board and may not be refunded to the active employee under  
11 any circumstances, including termination of employment.

12           (e) Contributions to the fund deducted from the salary of an active  
13 employee are included in annual compensation for purposes of the Arkansas  
14 Teacher Retirement System.

15           (f) Before the first day of September preceding each Regular Session of  
16 the Arkansas General Assembly, the Board shall certify to the Joint Committee  
17 on Public Retirement and Social Security Programs, to the Legislative Council,  
18 to the Office of Budget of the Department of Finance and Administration, and  
19 the Governor's office the amounts necessary to pay the contributions of each  
20 employer to the fund under this subchapter for information and review. Not  
21 later than June 30 of each year, the Board shall certify to each employer the  
22 estimated amount of employer contributions to be received by the fund for the  
23 next plan year as authorized by this subchapter.

24           (g) Contributions under this section shall be paid in equal monthly  
25 installments, based on the annual estimate certified by the Board to each  
26 employer for that plan year. Variations between the certified amount and the  
27 actual amount due for the year shall be reconciled at the close of the plan  
28 year and proper adjustments in the annual contributions to the fund shall be  
29 made.

30           (h) An employer that fails to remit, before the eleventh (11th) day  
31 after the last day of the month, all active employee contributions required by  
32 this section to be remitted for the month shall pay to the Arkansas Retired  
33 Teacher Group Insurance Fund, in addition to the contributions, interest on  
34 the unpaid amounts at the annual rate of six (6%) percent.

35           (i) The employers and the Board shall hold amounts due and deposited to

1 the Arkansas Retired Teacher Group Insurance Fund under this subchapter in  
2 trust of the fund and its participants and may not divert the amounts for any  
3 other purpose.

4 24-7-1215. Collection of contributions.

5 (a) If any part or all of an active employee's salary shall be paid from  
6 federal or private sources of funds, the employer shall use those funds, if  
7 legally available, to pay all contributions required by § 24-7-1214.

8 (b) Any employer receiving money from federal and private sources shall  
9 report monthly to the Board in a form prescribed by the Board:

10 (1) the name of each active employee paid in whole or part from a  
11 federal or private grant;

12 (2) the source of the grant;

13 (3) the amount of the active employee's salary paid from the  
14 grant;

15 (4) the amount of the money provided by the grant for  
16 contributions for the active employee and the employer; and

17 (5) any other information the Board determines is necessary to  
18 enforce this section.

19 (c) The Board may:

20 (1) require from employers reports of applications for federal or  
21 private money;

22 (2) require evidence that the applications include requests for  
23 funds available to pay contributions to the program for active employees paid  
24 from the grant; and

25 (3) examine the records of any employer to determine compliance  
26 with this section and any rules or regulations promulgated under it.

27 (d) An employer who fails to comply with this section may not, after  
28 the failure, apply for or spend any money from a federal or private grant.  
29 The Board shall report alleged noncompliance to the Attorney General, who  
30 shall bring a writ of mandamus action against the employer to compel  
31 compliance with this section.

32 24-7-1216. Studies, reports, and audits.

33 (a) The Board shall study the operation and administration of this  
34 subchapter, including surveys and reports on financing group health benefit  
35 plans available to retirees, and the experience and projected cost of coverage

1 and benefits. The Board shall make a report to the Joint Committee on Public  
2 Retirement and Social Security Programs of the Arkansas General Assembly at  
3 each Regular Session relating to the operation and administration of this  
4 subchapter.

5 (b) Each contract entered into under this subchapter shall include  
6 provisions requiring administrators to:

7 (1) furnish to the Board on a timely basis reasonable reports  
8 that the Board determines are necessary to carry out its functions under this  
9 subchapter; and

10 (2) permit the Board and the Legislative Joint Auditing Committee  
11 and the Division of Legislative Audit to examine records of the administrators  
12 as may be necessary to carry out this subchapter.

13 24-7-1217. Coverages for dependents, surviving spouses, and surviving  
14 dependent children.

15 (a) As shall be determined by the Board, a retiree participating in the  
16 program is entitled to secure for his dependents group coverages provided for  
17 the retiree under this subchapter. The additional contribution payments for  
18 the coverages for dependents shall be deducted from the annuities of the  
19 retiree in the manner and form determined by the Board.

20 (b) A surviving spouse who is entitled to benefits under this  
21 subchapter may elect to retain or obtain the coverage for himself or his  
22 dependents, at the applicable rates for retirees, provided the surviving  
23 spouse provides payment of applicable contributions in the manner established  
24 by § 24-7-1212 of this subchapter and by the Board.

25 (c) A surviving dependent child, the guardian of the child's estate, or  
26 the person having custody of the child may elect to retain or obtain coverage  
27 for the surviving dependent child at rates applicable for dependents if  
28 applicable contributions are made in the manner established by § 24-7-1212 of  
29 this subchapter and by the Board.

30 24-7-1218. Expulsion from program for fraud.

31 (a) After notice and hearing as provided by this section, the Board may  
32 expel from participation in the Arkansas Retired Teacher Group Insurance  
33 Program any retiree, surviving spouse, dependent, or surviving dependent child  
34 who submits a fraudulent claim under, or has defrauded or attempted to  
35 defraud, any health benefits plan offered under the program.

1 (b) On its own motion or on the receipt of a complaint, the Board may  
2 call and hold a hearing to determine whether a retiree, surviving spouse,  
3 dependent, or surviving dependent child has submitted a fraudulent claim  
4 under, or has defrauded or attempted to defraud any health benefits plan  
5 offered under the Arkansas Retired Teacher Group Insurance Program.

6 (c) If the Board, at the conclusion of the hearing, issues a decision  
7 that finds that the accused retiree, surviving spouse, dependent, or surviving  
8 dependent child submitted a fraudulent claim or has defrauded or attempted to  
9 defraud any health benefits plan offered under the Arkansas Retired Teacher  
10 Group Insurance Program, the Board shall expel the retiree, surviving spouse,  
11 dependent, or surviving dependent child from participation in the program.

12 (d) The substantial evidence rule shall be used on any appeal of a  
13 decision of the Board under this section.

14 (e) A retiree, surviving spouse, dependent, or surviving dependent  
15 child expelled from the Arkansas Retired Teacher Group Insurance Program may  
16 not be covered by any health insurance plan offered by the program for a  
17 period, to be determined by the Board, of up to five (5) years from the date  
18 the expulsion takes effect.

19 24-7-1219. Confidentiality of records.

20 (a) All records in the custody of the Arkansas Teacher Retirement  
21 System regarding retirees, annuitants, or beneficiaries under the Arkansas  
22 Retired Teacher Group Insurance Program shall be confidential and shall not be  
23 available as public records under the application of the Freedom of  
24 Information Act, Arkansas Code §§ 25-19-101, et seq.

25 (b) The retirement system may disclose to health and benefit  
26 administrators information in the records of an individual that the Board  
27 determines to be necessary to administer the program.

28 24-7-1220. Assistance.

29 In implementing and administering this subchapter, the Insurance  
30 Commissioner, as requested by the Board, shall assist the Board in carrying  
31 out this subchapter.

32 24-7-1221. Effective date of coverage.

33 Coverage under the plan or plans authorized by this subchapter shall  
34 begin July 1, 1994."

35

1           SECTION 2. All provisions of this act of general and permanent nature  
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
3 Revision Commission shall incorporate the same in the Code.

4

5           SECTION 3. If any provisions of this act or the application thereof to  
6 any person or circumstance is held invalid, the invalidity shall not affect  
7 other provisions or applications of the act which can be given effect without  
8 the invalid provisions or application, and to this end the provisions of this  
9 act are declared to be severable.

10

11           SECTION 4. All laws and parts of laws in conflict with this act are  
12 hereby repealed.

13