

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

*As Engrossed: H4/3/03*  
**A Bill**

HOUSE BILL 2538

5 By: Representatives Cleveland, Bradford, Biggs, Milligan  
6  
7

8 **For An Act To Be Entitled**

9 AN ACT TO PROVIDE FOR A REVIEW OF COST  
10 CONTAINMENT STRATEGIES FOR HEALTH INSURANCE FOR  
11 ARKANSAS' STATE EMPLOYEES AND TEACHERS; AND FOR  
12 OTHER PURPOSES.  
13

14 **Subtitle**

15 AN ACT TO PROVIDE FOR A REVIEW OF COST  
16 CONTAINMENT STRATEGIES FOR HEALTH  
17 INSURANCE FOR ARKANSAS' STATE EMPLOYEES  
18 AND TEACHERS.  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 21-5-405(b), concerning additional duties  
24 of the State and Public School Life and Health Insurance Board, is amended to  
25 read as follows:

26 (b) In addition to the objectives stated in ~~§ 21-5-104~~ § 21-5-404, the  
27 board shall:

28 (1) Develop uniform standards of vendor plan funding so as to  
29 avoid windfall profits resulting from fully insured nondividend-paying  
30 funding arrangements;

31 (2)(A) Promote increased access to various plan options and  
32 health care models.

33 (B) Promote access to managed care by giving preferential  
34 treatment, if required, to those vendors who will enhance plan options  
35 availability in rural Arkansas;

36 (3)(A) Utilize the combined purchasing power of the state



1 employee and public school personnel programs to foster competition among  
2 vendors and providers for the programs.

3 (B) Any state agency or school district that accepts state  
4 funds intended to partially defray the cost of health insurance for the  
5 employees of the state and public schools shall use those funds only for the  
6 state employee and public school personnel health benefit plans sponsored by  
7 the board and agrees to rules of participation, including, but not limited  
8 to, timely eligibility reporting, timely payment of premiums, or  
9 contributions, actuarial adjustment for new entrants, and any other  
10 information deemed necessary by the board;

11 (4) Assure guaranteed issue of all plans; ~~and~~

12 (5) Ensure an annual enrollment period under all plans;

13 (6) Ensure adequate data collection methods and analytic  
14 expertise to better inform and assist the board in making health policy  
15 decisions;

16 (7)(A) Conduct a review of strategies to provide incentives for  
17 enrollees to enhance wellness and reduce high risk behavior that leads to  
18 increased healthcare utilization and plan expenses.

19 (B) The board may consider a variety of strategies,  
20 including:

21 (i) Transferring unused sick leave for wellness  
22 activity;

23 (ii) Converting of unused sick leave to salary  
24 enhancements; and

25 (iii) Creating a stratified premium structure based  
26 upon improvements in utilization or reductions in high risk behavior, or  
27 both; and

28 (8) Raise awareness of enrollees and providers and collect  
29 information regarding their knowledge of the cost of high risk behaviors and  
30 health benefits of wellness programs.

31  
32 SECTION 3. Arkansas Code § 21-5-403, concerning reporting requirements  
33 for the State and Public School Life and Health Insurance Board, is amended  
34 to add a new subsection to read as follows:

35 (c) The board shall report quarterly to the House Interim Committee on  
36 Insurance and Commerce and the Senate Interim Committee on Insurance and

1 Commerce regarding the wellness and high risk behavior findings, and  
2 strategies developed and implemented to ensure the affordability of health  
3 insurance for state employees and teachers.

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

*/s/ Cleveland, et al*