

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

Call Item 4

# A Bill

HOUSE BILL 1066

5 By: Representatives Sumpter, King, Edwards  
6  
7

## For An Act To Be Entitled

9 AN ACT TO ELIMINATE THE REQUIREMENT THAT SCHOOL  
10 DISTRICTS MAKE HEALTH INSURANCE CONTRIBUTIONS FOR  
11 SCHOOL DISTRICT EMPLOYEES; TO REQUIRE A STATE  
12 CONTRIBUTION TO THE PUBLIC SCHOOL EMPLOYEE HEALTH  
13 INSURANCE PROGRAM ADMINISTERED BY THE DEPARTMENT  
14 OF FINANCE AND ADMINISTRATION; AND FOR OTHER  
15 PURPOSES.  
16

## Subtitle

17 ELIMINATES THE SCHOOL DISTRICT  
18 CONTRIBUTION FOR DISTRICT EMPLOYEES'  
19 HEALTH INSURANCE AND REQUIRES A STATE  
20 CONTRIBUTION TO THE PUBLIC SCHOOL  
21 EMPLOYEE HEALTH INSURANCE PROGRAM.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code Title 6, Chapter 17, Subchapter 11 is amended  
28 to add a new section as follows:

29 6-17-1119. State contribution for public school employee health  
30 insurance.

31 (a) Beginning July 1, 2005, the State of Arkansas shall make a monthly  
32 contribution of two hundred twenty dollars (\$220) for each active participant  
33 in the Public School Employees Health Insurance program sponsored by the  
34 State and Public School Life and Health Insurance Board.

35 (b) The monthly contribution shall partially defray the cost of life  
36 and health insurance for public school employees participating in the program



1 and shall be paid to the Employee Benefits Division of the Department of  
2 Finance and Administration.

3  
4 SECTION 2. Arkansas Code § 6-17-1117 is repealed.

5 ~~6-17-1117. Health insurance.~~

6 ~~(a) Beginning on July 1, 2001, local school districts shall pay the~~  
7 ~~health insurance contribution rate of one hundred fourteen dollars (\$114) per~~  
8 ~~month for each eligible employee electing to participate in the public school~~  
9 ~~employee health insurance program.~~

10 ~~(b) Beginning on October 1, 2003, local school districts shall pay the~~  
11 ~~health insurance contribution rate of one hundred twenty two dollars (\$122)~~  
12 ~~per month for each eligible employee electing to participate in the public~~  
13 ~~school employee health insurance program.~~

14 ~~(c) Beginning on October 1, 2004, local school districts shall pay the~~  
15 ~~health insurance contribution rate of one hundred thirty one dollars (\$131)~~  
16 ~~per month for each eligible employee electing to participate in the public~~  
17 ~~school employee health insurance program.~~

18  
19 SECTION 3. Arkansas Code § 21-5-415 is amended to read as follows:

20 21-5-415. Nonpayment of premiums and failure to file reports by agency  
21 ~~or school district.~~

22 (a)(1) If any participating agency ~~or school district~~ does not remit  
23 insurance premiums to the Employee Benefits Division of the Department of  
24 Finance and Administration by twenty (20) calendar days after the pay period  
25 ending date, the division shall have the right to impose interest of ten  
26 percent (10%) per annum on the moneys due.

27 (2) Interest will be computed on the actual days of delinquency,  
28 with a minimum charge being billed when appropriate.

29 (3) Interest payable will be determined using the date the  
30 delinquent funds are received, and an invoice for the interest shall be sent  
31 to the agency ~~or school district.~~

32 (b)(1) Payment shall be payable to the group insurance trust funds and  
33 must be received by the division no later than the last calendar day of the  
34 month following billing.

35 (2) If payment is not received by the division by the last  
36 calendar day of the month following billing, the following collection methods

1 may be used:

2 (A)(i) The Chief Fiscal Officer of the State may cause the  
3 interest payable to be transferred to the division from+

4 ~~(a) Funds~~ funds the agency has on deposit with  
5 the Treasurer of State; ~~or~~

6 ~~(b) Any funds the school district is due from~~  
7 ~~the state.~~

8 (ii) If a transfer must be made, a transfer penalty  
9 of twenty dollars (\$20.00) per transfer may be assessed each agency ~~or school~~  
10 ~~district~~ fund and included in the transfer;

11 (B) The agency director ~~or school district superintendent~~  
12 may be required to appear before the State and Public School Life and Health  
13 Insurance Board to report the reasons for nonpayment; and

14 (C) The Chief Fiscal Officer of the State may use his or  
15 her powers outlined in § 19-4-301 et seq. to aid in collection.

16 (c) Nonpayment of premiums could also result in a lapse of health and  
17 life insurance coverage for employees of the ~~school district~~, agency, or the  
18 agency assuming responsibility for paying health and life claims for its  
19 employees.

20 (d)(1) In the event any participating agency ~~or school district~~ fails  
21 to file the necessary reports with the division by twenty (20) calendar days  
22 after the due date, the division shall have the right to impose a penalty of  
23 fifty dollars (\$50.00) per insured.

24 (2) An additional penalty of fifty dollars (\$50.00) per insured  
25 will be assessed for each subsequent reporting period the overdue report  
26 remains in arrears.

27 (e)(1) An invoice for this penalty will be sent to the agency ~~or~~  
28 ~~school district~~, and payment shall be payable to the group insurance trust  
29 funds and must be received by the division no later than the last calendar  
30 day of the month following billing.

31 (2) If payment is not received by the division by the last  
32 calendar day of the month following billing, the following collection methods  
33 may be used:

34 (A)(i) The Chief Fiscal Officer of the State may cause the  
35 interest payable to be transferred to the division from+

36 ~~(a) Funds~~ funds the agency has on deposit with

1 the Treasurer of State, ~~or~~

2 ~~(b) Any funds the school district is due from~~  
3 ~~the state.~~

4 (ii) If a transfer must be made, a transfer penalty  
5 of twenty dollars (\$20.00) per transfer may be assessed each agency fund and  
6 included in the transfer;

7 (B) The agency director ~~or school district superintendent~~  
8 may be required to appear before the board to report the reasons for  
9 nonpayment; and

10 (C) The Chief Fiscal Officer of the State may use his or  
11 her powers as outlined in § 19-4-301 et seq. to aid in collection.

12 (f)(1) If any participating agency ~~or school district~~ fails to notify  
13 the division of an insured's leave without pay, family medical leave, or  
14 military leave status, provides incorrect benefit information, or processes  
15 unauthorized benefit changes, including system entries that result in  
16 unreimbursed expenses to the State Employees Benefits Trust Fund of the State  
17 and Public School Employees Insurance Fund, the division shall have the right  
18 to:

19 (A) Require the agency to pay the total amount of the  
20 insured's premium; and

21 (B) Impose a penalty of fifty dollars (\$50.00) per  
22 insured.

23 (2)(A) The Chief Fiscal Officer of the State may cause the  
24 amount sought to be transferred from+

25 ~~(i) Funds~~ funds the agency has on deposit with the  
26 Treasurer of State, ~~or~~

27 ~~(ii) Any funds the school district is due from the~~  
28 ~~state.~~

29 (B) If a transfer is made, a transfer penalty of twenty  
30 dollars (\$20.00) per transfer may be assessed each agency ~~or school district~~  
31 fund and included in the transfer.

32 (g) The division may correct any error regarding an insured benefit  
33 according to existing documentation without authorization.

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35 SECTION 4. Effective date. This act shall become effective on July 1,  
36 2005.