

INTERIM STUDY PROPOSAL 2021-019

1
2 State of Arkansas
3 93rd General Assembly
4 Regular Session, 2021

A Bill

HOUSE BILL 1733

5
6 By: Representatives Penzo, Dotson

7 Filed with: House Committee on Insurance and Commerce
8 pursuant to A.C.A. §10-3-217.

9 **For An Act To Be Entitled**

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

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16 **Subtitle**

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

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

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25 SECTION 1. Arkansas Code § 21-5-418 is amended to read as follows:
26 21-5-418. Health savings account.

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

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

34 (c) A school district shall ensure that any vendor the school district
35 contracts with to provide health savings account management for the school

1 district provides annual education to the school district's public school
2 employees concerning the:

3 (1) Advantages and disadvantages of a qualifying high-deductible
4 consumer-driven health plan option; and

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

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

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

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

14 (C) The designs shall include:

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

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

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

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

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

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

31 (vii) Investment options for health savings account
32 holders;

33 (viii) An assessment of administrative and claim
34 costs;

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

1 (x) An analysis of the impact on existing health
2 plans that are offered by the State and Public School Life and Health
3 Insurance Program for offering the option of health savings accounts paired
4 with qualifying high-deductible consumer-driven health insurance plans
5 adopted by the board.

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

12 (2) Formulate a plan:

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

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

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

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

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

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

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

33 (A) May be completed online; and

34 (B) Shall be completed:

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

1 employees; or

2 (ii) For a state employee or public school employee
3 hired on or after January 1, 2023, before the state employee's or public
4 school employee's selection of a plan in the program.

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7 Referred requested by the Arkansas House of Representatives

8 Prepared by: MBM/KFW

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