

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 826

5 By: Senator J. Hendren
6

For An Act To Be Entitled

8 AN ACT CONCERNING THE REQUIREMENTS UNDER THE STATE
9 AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM
10 FOR A STATE EMPLOYEE RETIREE AND PUBLIC SCHOOL
11 EMPLOYEE RETIREE; TO CLARIFY THE ELIGIBILITY OF
12 CERTAIN RETIREES TO CONTINUE COVERAGE IN THE STATE
13 AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM;
14 AND FOR OTHER PURPOSES.
15

Subtitle

16
17 CONCERNING THE ELIGIBILITY OF CERTAIN
18 RETIREES TO CONTINUE COVERAGE IN THE
19 STATE AND PUBLIC SCHOOL LIFE AND HEALTH
20 INSURANCE PROGRAM.
21
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23

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

26 SECTION 1. Arkansas Code § 21-5-411(a)(2)(A)(ii), concerning a
27 retiree's election period to participate in the State and Public School Life
28 and Health Insurance Program, is amended to read as follows:

29 (ii) The election to enroll in the program shall be
30 made within ~~thirty-one (31)~~ thirty (30) days of the state employee retiree's
31 or public school employee retiree's becoming an active retiree and shall be
32 made in writing to the Employee Benefits Division of the Department of
33 Finance and Administration on forms required by the division.
34

35 SECTION 2. Arkansas Code § 21-5-411(a)(2)(B), concerning a retiree's
36 eligibility to participate in the State and Public School Life and Health



1 Insurance Program, is amended to read as follows:

2 (B)(i) To be eligible to continue coverage or to qualify
3 for coverage after electing to decline participation in the program, the
4 retiree must have been ~~eligible for coverage~~ covered on the last day of the
5 retiree's employment.

6 (ii) If a retiree declines to participate in the
7 program at the time of retirement ~~due to other health insurance coverage that~~
8 ~~is not an accident only, specified disease, or other limited benefit policy~~
9 because the retiree is already covered under another employer-sponsored group
10 health insurance policy, the retiree may make a one-time election to
11 participate in the program with proof of continued insurance coverage ~~if the~~
12 ~~retiree experiences a qualifying event or at the time of open enrollment at~~ at
13 the time of open enrollment or if the retiree experiences a qualifying event.

14 ~~(iii) The State and Public School Life and Health~~
15 ~~Insurance Board may allocate available subsidies to cover the retirees~~
16 ~~participating in the program.~~

17
18 SECTION 3. Arkansas Code § 21-5-411(a)(2)(C), concerning the
19 requirements for a retiree electing to participate in the State and Public
20 School Life and Health Insurance Program, is amended to read as follows:

21 (C)(i) Except as provided in subdivision (a)(2)(C)(ii) of
22 this section, an active retiree's failure to make an election to participate
23 in the program during the ~~thirty-one day~~ thirty-day election period or an
24 active retiree's election to decline participation in the program is final.

25 (ii)(a) If an active retiree ~~declining to~~
26 ~~participate~~ declines participation in the program ~~specifies in writing and~~
27 ~~provides a letter of creditable employer group coverage to show that the~~
28 ~~reason for the declination is that~~ because the active retiree ~~had~~ has health
29 insurance coverage through another employer group health plan and the active
30 retiree's coverage was subsequently terminated because of a loss of
31 eligibility, as defined by Internal Revenue Service regulations, and provides
32 information from the former insurance company of the loss of eligibility,
33 then the active retiree ~~and any dependents~~ shall qualify for participation in
34 the program upon payment of the appropriate premium as established by the
35 ~~board~~ State and Public School Life and Health Insurance Board if the active
36 retiree applies for participation in the program within thirty (30) days of

1 the loss of eligibility.

2 ~~(b) As used in this subdivision (a)(2)(C)(ii),~~
 3 ~~“loss of coverage” has the meaning provided by Internal Revenue Service and~~
 4 ~~Health Insurance Portability and Accountability Act guidelines for special~~
 5 ~~enrollment periods.~~

6
 7 SECTION 4. Arkansas Code § 21-5-411(a)(3)(C), concerning the finality
 8 of an inactive retiree’s failure to act during the election period, is
 9 amended to read as follows:

10 (C)(i) Except as provided in subdivision ~~(a)(3)(C)(ii)~~
 11 (a)(2)(B)(ii) of this section, an inactive retiree’s failure to elect to
 12 continue participation in the program during the ~~thirty-one-day~~ thirty-day
 13 election period or an inactive retiree’s election to decline participation in
 14 the program is final.

15 (ii) If an inactive retiree as described in
 16 subdivision (a)(3)(B) of this section ~~declining~~ declines participation in the
 17 program ~~specifies in writing that the reason for the declination is that~~
 18 because the inactive retiree has health insurance coverage through another
 19 employer-sponsored group health plan and the inactive retiree’s coverage is
 20 subsequently terminated because of a loss of eligibility, then the inactive
 21 retiree and any dependents shall qualify for participation in the program if,
 22 within thirty (30) days of the inactive retiree’s involuntary loss of
 23 coverage, the inactive retiree submits to the board:

24 (a) upon payment Payment of the appropriate
 25 premium as established by the board, ~~provided the inactive retiree applies~~
 26 ~~for program participation within thirty-one (31) days of the loss of~~
 27 eligibility; and

28 (b) Proof that until the inactive retiree’s
 29 involuntary loss of coverage through another employer-sponsored group health
 30 plan, the coverage had been continuous.

31
 32 SECTION 5. Arkansas Code § 21-5-411(d), concerning the eligibility of
 33 a retiree’s dependent who has experienced a loss of coverage, is amended to
 34 read as follows:

35 ~~(d)(1) Any future change in program participation other than~~
 36 ~~cancellation shall be extended only to newly acquired dependents, except that~~

1 ~~if an active or inactive retiree declined dependent coverage at the time of~~
 2 ~~election to be an active or inactive retiree and specified in writing that~~
 3 ~~the reason for the declination was that the dependent had other coverage, and~~
 4 ~~if subsequently the dependent involuntarily loses such coverage, except for~~
 5 ~~fraud or voluntary cessation of premium payment while the active or inactive~~
 6 ~~retiree is covered by a plan option offered under the program, then the~~
 7 ~~dependent may be added within thirty one (31) days of the involuntary~~
 8 ~~termination to the active or inactive retiree's health insurance coverage for~~
 9 ~~payment of the appropriate premium as established by the board Except as~~
 10 ~~provided in subdivision (d)(2) of this section, any future change in program~~
 11 ~~participation other than cancellation shall be allowed only for newly~~
 12 ~~acquired dependents.~~

13 (2) A dependent may be added to an active or inactive retiree's
 14 health insurance coverage by payment of the appropriate premium as
 15 established by the board if:

16 (A) The active or inactive retiree declined health
 17 insurance coverage for the dependent at the time of election to be an active
 18 or inactive retiree because the dependent had other employer-sponsored group
 19 health insurance coverage;

20 (B) Subsequent to the active or inactive retiree's
 21 declination of health insurance coverage for the dependent under subdivision
 22 (d)(2)(A) of this section, the dependent involuntarily lost his or her
 23 employer-sponsored group health insurance coverage and the loss of health
 24 insurance coverage was not the result of:

25 (i) Fraud; or

26 (ii) Voluntary cessation of premium payment while
 27 the active or inactive retiree was covered by a plan option offered under the
 28 program; and

29 (C) Within thirty (30) days of a dependent's involuntary
 30 loss of health insurance coverage under subdivision (d)(2)(B) of this
 31 section, the active or inactive retiree submits to the board proof that:

32 (i) The dependent involuntarily lost health
 33 insurance coverage; and

34 (ii) Until the dependent's loss of health insurance
 35 coverage, the coverage had been continuous.

36 **APPROVED: 04/01/2015**

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