

1 State of Arkansas
2 93rd General Assembly
3 Fiscal Session, 2022

HR 1007

4
5 By: Representatives Wardlaw, Shepherd, Beaty Jr., Beck, M. Berry, Bragg, Brown, C. Cooper, Crawford,
6 Dalby, M. Davis, Dotson, Ennett, Eubanks, C. Fite, D. Garner, Godfrey, Hawks, M. Hodges, Hollowell,
7 Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks, Perry, Scott, S. Smith, Speaks, Vaught,
8 Warren, D. Whitaker, Wing, Wooten

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HOUSE RESOLUTION

11 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
12 BILL TO REGULATE THE STATE AND PUBLIC SCHOOL LIFE AND
13 HEALTH INSURANCE PROGRAM, REQUIRE THE LEGISLATIVE
14 COUNCIL TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION
15 OVERSIGHT SUBCOMMITTEE TO PERFORM OVERSIGHT FUNCTIONS
16 RELATED TO THE STATE AND PUBLIC SCHOOL LIFE AND
17 HEALTH INSURANCE PROGRAM, AND PROVIDE FOR LEGISLATIVE
18 OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND
19 HEALTH INSURANCE PROGRAM.

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Subtitle

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23 TO AUTHORIZE A NONAPPROPRIATION BILL TO
24 PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE
25 STATE AND PUBLIC SCHOOL LIFE AND HEALTH
26 INSURANCE PROGRAM AND ESTABLISH THE
27 EMPLOYEE BENEFITS DIVISION OVERSIGHT
28 SUBCOMMITTEE.

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31 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-THIRD GENERAL
32 ASSEMBLY OF THE STATE OF ARKANSAS:

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34 THAT Representative Wardlaw or Representative Eubanks is authorized to
35 introduce a bill which as introduced will read substantially as follows:

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1 "Title
2 AN ACT TO REGULATE THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE
3 PROGRAM; REQUIRING THE LEGISLATIVE COUNCIL TO ESTABLISH THE EMPLOYEE BENEFITS
4 DIVISION OVERSIGHT SUBCOMMITTEE TO PERFORM OVERSIGHT FUNCTIONS RELATED TO THE
5 STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO PROVIDE FOR
6 LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH
7 INSURANCE PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

8

9 Subtitle

10 TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC SCHOOL LIFE AND
11 HEALTH INSURANCE PROGRAM; TO ESTABLISH THE EMPLOYEE BENEFITS DIVISION
12 OVERSIGHT SUBCOMMITTEE; AND TO DECLARE AN EMERGENCY.

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

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16 SECTION 1. Arkansas Code Title 10, Chapter 3, Subchapter 3, is amended
17 to add an additional section to read as follows:

18 10-3-320. Employee Benefits Division Oversight Subcommittee.

19 (a) The Legislative Council shall establish by rule the Employee
20 Benefits Division Oversight Subcommittee, which shall have oversight of all
21 decisions of the State Board of Finance related to the State and Public
22 School Life and Health Insurance Program.

23 (b) The following decisions of the board pertaining to the program
24 shall be referred to the Employee Benefits Division Oversight Subcommittee:

25 (1)(A) A new or significantly modified cost-containment measure.

26 (B) As used in this subdivision (b)(1), "cost-containment
27 measure" means a process or practice of controlling and managing expenses of
28 the program by reducing or limiting the amount of spending required to
29 administer the program and remain within specific, preplanned budgetary
30 constraints;

31 (2) Any change in plan options offered under the program for
32 state employees or public school employees;

33 (3) Potential funding changes to the program;

34 (4) Any premium increases or decreases over the previous plan
35 year;

36 (5) Any concern involving the reserve balance for state

1 employees or public school employees;

2 (6) Changes to the four-year projections for the program;

3 (7) Changes that would limit, eliminate, or increase benefits of
4 plan options offered under the program and the effect these changes would
5 have on the fiscal viability of the program, including the reserve balance
6 for state employees or public school employees;

7 (8) Changes that would limit, eliminate, or increase eligibility
8 requirements for the program;

9 (9) Vendor issues or changes in vendors from the previous plan
10 year;

11 (10) Proposed contracts or changes in contracts from the
12 previous plan year;

13 (11) Any change in consultants from the previous plan year;

14 (12) Rules promulgated by the board or by the Employee Benefits
15 Division regarding the implementation, administration, or enforcement of the
16 program; and

17 (13) Such other matters related to the program as the Employee
18 Benefits Division Oversight Subcommittee considers necessary to perform its
19 oversight of all matters related to the program.

20 (c)(1) Except as provided in subdivision (c)(2) of this section, if a
21 matter referred to the Employee Benefits Division Oversight Subcommittee
22 under subsection (b) of this section would otherwise require review or
23 approval, or both, by a subcommittee of the Legislative Council, the Employee
24 Benefits Division Oversight Subcommittee shall serve as the subcommittee of
25 the Legislative Council that performs the required review or approval, or
26 both, of the matter.

27 (2) Proposed rules submitted to the Employee Benefits Division
28 Oversight Subcommittee under this section are not subject to approval by the
29 Employee Benefits Division Oversight Subcommittee but are submitted for
30 review purposes only.

31 (d)(1) During a regular, fiscal, or extraordinary session of the
32 General Assembly, the Joint Budget Committee shall perform the functions
33 assigned to the Employee Benefits Division Oversight Subcommittee.

34 (2) The Joint Budget Committee may establish a subcommittee to
35 perform the functions of the Employee Benefits Division Oversight
36 Subcommittee that are assigned to the Joint Budget Committee under

1 subdivision (d)(1) of this section.

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3 SECTION 2. Arkansas Code Title 21, Chapter 5, Subchapter 4, is amended
4 to add an additional section to read as follows:

5 21-5-419. Accountability – Legislative oversight – Transparency –
6 Quarterly reports.

7 (a) The General Assembly finds that:

8 (1) The continual evaluation of the State and Public School Life
9 and Health Insurance Program by the General Assembly is critical for:

10 (A) Maximizing the benefits to the state employees and
11 public school employees who are participants in the program; and

12 (B) Maintaining continued viability of the program;

13 (2) Accountability and transparency in the operation of the
14 program are vital to a proper evaluation of the program; and

15 (3) Extraordinary provisions for legislative oversight of the
16 program are necessary and required.

17 (b)(1) The State Board of Finance and the Director of the Employee
18 Benefits Division shall report to the Legislative Council on a quarterly
19 basis.

20 (2) The quarterly report required under subdivision (b)(1) of
21 this section shall:

22 (A) Be known as the "Employee Benefits Division Quarterly
23 Report";

24 (B) Be submitted to the Legislative Council no later than
25 thirty (30) calendar days after the end of each calendar quarter; and

26 (C) Include without limitation the following information
27 regarding the program:

28 (i)(a) A new or significantly modified cost-
29 containment measure.

30 (b) As used in this subdivision (b)(2)(C)(i),
31 "cost-containment measure" means a process or practice of controlling and
32 managing expenses of the program by reducing or limiting the amount of
33 spending required to administer the program and remain within specific,
34 preplanned budgetary constraints;

35 (ii) Any change in plan options offered under the
36 program for state employees or public school employees;

- 1 (iii) Potential funding changes to the program;
2 (iv) Any premium increases or decreases over the
3 previous plan year;
4 (v) Any concern involving the reserve balance for
5 state employees or public school employees;
6 (vi) Changes to the four-year projections for the
7 program;
8 (vii) Changes that would limit, eliminate, or
9 increase benefits of plan options offered under the program and the impact
10 these changes would have on the fiscal viability of the program, including
11 the reserve balance for state employees or public school employees;
12 (viii) Changes that would limit, eliminate, or
13 increase eligibility requirements for the program;
14 (ix) Vendor issues or changes in vendors from the
15 previous year;
16 (x) Proposed contracts or changes in contracts from
17 the previous year;
18 (xi) Any change in consultants from the previous
19 year;
20 (xii) Rules promulgated by the board or the Employee
21 Benefits Division regarding the implementation, administration, or
22 enforcement of the program; and
23 (xiii) Such other matters related to the program as
24 the Legislative Council considers necessary to perform its oversight of all
25 matters related to the program.

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27 SECTION 3. TEMPORARY LANGUAGE. DO NOT CODIFY. Study of general
28 diabetes management program – Legislative findings – Reporting requirements.

29 (a) The General Assembly finds that:

30 (1) Optimal health results and realizing the maximum potential
31 of a well-being program can be achieved through sustained behavior changes
32 and healthy habits;

33 (2) Well-being programs are most successful when the well-being
34 programs focus on results-based outcomes;

35 (3) Well-being programs have a higher return on investment if
36 well-being programs that are results-based are focused on the highest risk

1 population;

2 (4) In 2019, there were over three hundred sixty thousand
3 (360,000) Arkansans with diabetes, and almost eight hundred thousand
4 (800,000) Arkansans had prediabetes;

5 (5) The annual medical cost related to diabetes and prediabetes
6 in Arkansas has recently been estimated at three billion one hundred million
7 dollars (\$3,100,000,000), including the cost of prescription drugs used to
8 treat diabetes;

9 (6) The diabetes epidemic has an associated fiscal and societal
10 impact on the viability and sustainability of the State and Public School
11 Life and Health Insurance Program;

12 (7) If the State and Public School Life and Health Insurance
13 Program fails to address and properly manage diabetes as a chronic illness,
14 there may be an increase in diabetes-related complications, including without
15 limitation heart disease, stroke, and kidney damage; and

16 (8) In order to demonstrate the effectiveness of a well-being
17 program that is focused on results-based outcomes and sustained behavior
18 changes, additional data is needed.

19 (b) The Employee Benefits Division Oversight Subcommittee with the
20 cooperation of the Director of the Employee Benefits Division shall study
21 general diabetes management programs to evaluate the viability and
22 sustainability of a general diabetes management program for the State and
23 Public School Life and Health Insurance Program.

24 (c) The study under subsection (b) of this section shall include:

25 (1) Evaluating possible general diabetes management programs for
26 managing diabetes of members of the State and Public School Life and Health
27 Insurance Program; and

28 (2) Developing recommendations for potential legislation for the
29 2025 Regular Session of the General Assembly that are necessary to implement
30 a general diabetes management program for the State and Public School Life
31 and Health Insurance Program.

32 (d) A report summarizing the results of the study under this section
33 shall be filed with the Legislative Council no later than July 1, 2024.

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35 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
36 General Assembly of the State of Arkansas that the State and Public School

1 Life and Health Insurance Program is inadequate to provide sustainable
2 affordable health benefits for public school employees and state employees;
3 that an urgent need exists to address the state's funding and administration
4 of benefits for public school employees and state employees in order for the
5 program to remain viable and to avoid severe financial hardship to plan
6 participants; and that this act is immediately necessary to provide
7 affordable health benefit options in a timely manner to the state's public
8 school employees participating in the program and state employees
9 participating in the program. Therefore, an emergency is declared to exist,
10 and this act being immediately necessary for the preservation of the public
11 peace, health, and safety shall become effective on:

12 (1) The date of its approval by the Governor;

13 (2) If the bill is neither approved nor vetoed by the Governor,
14 the expiration of the period of time during which the Governor may veto the
15 bill; or

16 (3) If the bill is vetoed by the Governor and the veto is
17 overridden, the date the last house overrides the veto."

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