

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 86th General Assembly  
3 Regular Session, 2007

# A Bill

HOUSE BILL 2505

4  
5 By: Representative Bond  
6  
7

## For An Act To Be Entitled

8 AN ACT TO ESTABLISH ARKANSAS CITY, COUNTY, AND  
9 SMALL EMPLOYER HEALTH INSURANCE PURCHASING POOLS;  
10 AND FOR OTHER PURPOSES.  
11

## Subtitle

12 AN ACT TO EXPAND HEALTH INSURANCE  
13 COVERAGE OPTIONS AND CONTAIN HEALTH CARE  
14 COSTS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 23, Chapter 86, is amended to add an  
22 additional subchapter to read as follows:

23 23-86-601. Findings and purpose.

24 (a) The General Assembly finds that:

25 (1) Employers in Arkansas continue to report that options to  
26 purchase affordable health insurance coverage for their employees continue to  
27 decrease;

28 (2) Recently reported data demonstrates that the overall  
29 percentage of uninsured Arkansans has increased during the previous five (5)  
30 years; and

31 (3) Most Arkansans obtain health insurance coverage through  
32 their employers, but cities, counties, and small employers have fewer cost-  
33 effective purchase options for their employees.

34 (b) The purpose of this subchapter is to establish Arkansas city,  
35 county, and small employer health insurance purchasing pools in order to  
36 provide more cost-effective health insurance coverage options to cities,



1 counties, and small employers.

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3 23-86-602. Creation of Arkansas city, county, and small employer  
4 health insurance purchasing pools.

5 There are established Arkansas city, county, and small employer health  
6 insurance purchasing pools to assist cities, counties, and small employers in  
7 the state in the provision of health insurance coverage to their employees.

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9 23-86-603. Authorization.

10 (a) The State and Public School Life and Health Insurance Board or any  
11 health insurance carrier that is approved by the board to offer health  
12 insurance coverage may offer a health benefit plan and rates as provided in  
13 this subchapter.

14 (b) The board may:

15 (1) Establish new insurance purchasing pools for cities,  
16 counties, and small employers;

17 (2) Require that contracts between the health benefit plan and  
18 cities, counties, and small employers remain in effect for a period beyond  
19 one (1) year;

20 (3) Require that health insurance carriers offer the health  
21 benefit plans issued under this subchapter through one (1) of their existing  
22 networks of health care providers;

23 (4) Establish underwriting restrictions to ensure financial  
24 stability of the city, county, and small employer health insurance purchasing  
25 pools;

26 (5) Determine benefits to be covered under any city, county, and  
27 small employer health insurance purchasing pool;

28 (6) Determine whether the health benefit plans offered under  
29 this section are fully insured by the health insurance carrier or self-  
30 insured by the health benefit plan;

31 (7) Set rates of employee health benefit plan participation for  
32 participating employers concordant with private marketplace practice; and

33 (8) Determine a fixed schedule of health insurance provider  
34 reimbursement rates for the board's state and public school health benefit  
35 plans.

36 (c) For purposes of creation of city, county, and small employer

1 health insurance purchasing pools and calculation of risk, the board shall  
2 not combine enrollees from health benefit plans offered to cities, counties,  
3 and small employers with existing risk pools of state employees or public  
4 school employees.

5 (d) If the board determines a fixed schedule of health insurance  
6 provider reimbursement rates for the board's state and public school health  
7 benefit plans, then health insurance carriers offering coverage to cities,  
8 counties, and small employers under this subchapter shall reimburse network  
9 health care providers at the same rates in effect for the state and public  
10 school health benefit plans.

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12 23-86-604. Employer contribution.

13 An employer choosing to participate in a health benefit plan under this  
14 subchapter shall pay at least fifty percent (50%) of each employee's premium  
15 for the individual employee's coverage.

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17 23-86-605. Rules.

18 The State and Public School Life and Health Insurance Board may adopt  
19 any rules it deems necessary or desirable to implement this subchapter.

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21 SECTION 2. Arkansas Code § 21-5-402(a)(1), concerning members of the  
22 State and Public Life and Health Insurance Board, is amended to read as  
23 follows:

24 (a)(1) There is created the State and Public School Life and Health  
25 Insurance Board, composed of the following ~~twelve (12)~~ voting members:

26 (A) A state employee to be appointed by the Governor;

27 (B) A certified classroom teacher to be appointed by the  
28 Governor;

29 (C) The Insurance Commissioner or his or her designee;

30 (D) The Director of the Department of Education or his or  
31 her designee;

32 (E) The Director of the Department of Finance and  
33 Administration or his or her designee;

34 (F) Two (2) members who are engaged in employee benefits  
35 management or risk management in private industry to be appointed by the  
36 Governor;

1 (G) One (1) additional member position which shall be  
2 filled alternately by a retired teacher and by a retired state employee  
3 appointed by the Governor. This position shall first be filled by a retired  
4 teacher for a term of four (4) years, then by a retired state employee for a  
5 term of four (4) years, and four-year terms thereafter shall be alternated  
6 between a retired teacher and a retired state employee;

7 (H) One (1) public school administrator to be appointed by  
8 the Governor;

9 (I) The Executive Director of the Arkansas State Board of  
10 Pharmacy or his or her state employee pharmacist designee;

11 (J) The Director of Health Facility Services of the  
12 Department of Health and Human Services or his or her designee; ~~and~~

13 (K) One (1) member who is a licensed health care provider  
14 appointed by the Governor;

15 (L) One (1) member of the health care policy community  
16 appointed by the Speaker of the House of Representatives;

17 (M) One (1) representative of city government to be  
18 appointed by the Governor upon initiation of a health insurance purchasing  
19 pool for a municipality;

20 (N) One (1) representative of county government to be  
21 appointed by the Governor upon initiation of a health insurance purchasing  
22 pool for a county; and

23 (O) Two (2) representatives of small businesses to be  
24 appointed by the Governor upon initiation of a purchasing pool for two (2) or  
25 more small businesses.

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