

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

A Bill

HOUSE BILL 1337

5 By: Representatives Lundstrum, Bentley, Brooks, Bryant, Christiansen, Cloud, C. Cooper, Furman,
6 Hollowell, M. McElroy, Pilkington, Rye, Tollett
7 By: Senators Rapert, Irvin
8

For An Act To Be Entitled

10 AN ACT TO AMEND THE LAW CONCERNING THE STATE AND
11 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO
12 ENSURE A SUSTAINABLE SYSTEM OF HEALTH BENEFITS FOR
13 STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES; TO
14 CLARIFY THE DUTIES AND RESPONSIBILITIES OF THE STATE
15 AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE BOARD; TO
16 INCREASE REPRESENTATION OF MEMBERS OF THE STATE AND
17 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM ON
18 THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE
19 BOARD; TO INCREASE OVERSIGHT OF THE STATE AND PUBLIC
20 SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO INCREASE
21 THE STATE CONTRIBUTION TO THE STATE AND PUBLIC SCHOOL
22 LIFE AND HEALTH INSURANCE PROGRAM; TO DECLARE AN
23 EMERGENCY; AND FOR OTHER PURPOSES.
24
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Subtitle

26
27 TO AMEND THE LAW CONCERNING THE STATE AND
28 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE
29 PROGRAM; TO ENSURE A SUSTAINABLE SYSTEM
30 OF HEALTH BENEFITS FOR STATE EMPLOYEES
31 AND PUBLIC SCHOOL EMPLOYEES; AND TO
32 DECLARE AN EMERGENCY.
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35 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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1 SECTION 1. Arkansas Code § 21-5-402(a)(1), concerning the membership
 2 of the State and Public School Life and Health Insurance Board, is amended to
 3 read as follows:

4 (a)(1) The State and Public School Life and Health Insurance Board is
 5 created, composed of the following ~~fifteen (15)~~ seventeen (17) voting
 6 members:

7 (A) A Two (2) state ~~employee~~ employees who ~~is~~ are eligible
 8 to participate in the State and Public School Life and Health Insurance
 9 Program, appointed by the Governor;

10 (B) Two (2) public school employees, at least one (1) of
 11 whom is employed by a rural school district, appointed by the Governor;

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

13 (D) The Commissioner of Elementary and Secondary Education
 14 or his or her designee;

15 (E) The Secretary of the Department of Transformation and
 16 Shared Services or his or her designee;

17 (F) Three (3) members who are engaged in employee benefits
 18 management or risk management, at least one (1) of whom is a licensed
 19 healthcare provider, appointed by the Governor;

20 (G) Two (2) members, ~~one (1) of whom is a retired public~~
 21 ~~school employee and one (1) of whom is a~~ who are retired state ~~employee~~
 22 employees, appointed by the Governor;

23 (H) One (1) retired public school employee, appointed by
 24 the Governor;

25 (I) A public school employee who is employed by a school
 26 district as an administrator, appointed by the Governor;

27 ~~(I)~~(J) The Director of the Arkansas State Board of
 28 Pharmacy or his or her state employee pharmacist designee;

29 ~~(J)~~(K) The Director of Health Facility Services of the
 30 Department of Health or his or her designee; and

31 ~~(K)~~(L) One (1) member who is a member of the Arkansas
 32 Medical, Dental, and Pharmaceutical Association, Inc. appointed by the
 33 Governor.

34
 35 SECTION 2. Arkansas Code § 21-5-403(b), concerning reporting by the
 36 Director of the Employee Benefits Division, is amended to read as follows:

1 (b) The Director of the Employee Benefits Division and the board shall
2 report ~~upon request~~ quarterly to the House Committee on Insurance and
3 Commerce and the Senate Committee on Insurance and Commerce regarding the
4 State and Public School Life and Health Insurance Program.

5
6 SECTION 3. Arkansas Code § 21-5-404(1), concerning powers, functions,
7 and duties of the State and Public School Life and Health Insurance Board, is
8 amended to add an additional subdivision to read as follows:

9 (D) Beginning in the 2022 plan year, any new or
10 significantly modified cost-containment measures, premium increases greater
11 than five percent (5%) over the previous plan year, proposals to limit or
12 eliminate plan benefits or eligibility, or other significant changes to the
13 plan design under the program shall be presented to the House Committee on
14 Insurance and Commerce and the Senate Committee on Insurance and Commerce in
15 a public meeting for review and approval before final adoption of the changes
16 to the plan;

17
18 SECTION 4. Arkansas Code § 21-5-404(12)(A)(i), concerning the
19 membership of the Benefits Subcommittee of the State and Public School Life
20 and Health Insurance Board, is amended to add an additional subdivision to
21 read as follows:

22 (e) Two (2) retired state employees.

23
24 SECTION 5. Arkansas Code § 21-5-404(12)(B)(i)(d)(1), concerning the
25 membership of the Drug Utilization and Evaluation Subcommittee of the State
26 and Public School Life and Health Insurance Board, is amended to read as
27 follows:

28 (d)(1) One (1) state employee, one (1) retired
29 state employee, and two (2) public school employees, appointed by the board.

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31 SECTION 6. Arkansas Code § 21-5-414(b), concerning state contributions
32 to the State and Public School Life and Health Insurance Program and partial
33 state contribution of employee premiums, is amended to read as follows:

34 (b) Participating entities shall make a monthly contribution equal to
35 the number of budgeted state employee positions multiplied by the monthly
36 contribution authorized by the Chief Fiscal Officer of the State, not to

1 exceed ~~four hundred fifty dollars (\$450)~~ five hundred dollars (\$500) monthly
2 for each state employee budgeted position into a fund designated for state
3 employee health benefits to partially defray the cost of life and health
4 benefits for state employees and retirees participating in the program.
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6 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the State and Public School
8 Life and Health Insurance Board requires an expansion of representation of
9 members of the State and Public School Life and Health Insurance Program, and
10 the State and Public School Life and Health Insurance Program requires
11 additional oversight to ensure affordable health insurance options are
12 available to state and public school employees; that an urgent need exists to
13 expand representation on the State and Public School Life and Health
14 Insurance Board and start implementing the necessary oversight of the State
15 and Public School Life and Health Insurance Program to avoid increased and
16 unnecessary costs; and that this act is immediately necessary to improve the
17 financial stability and viability of the State and Public School Life and
18 Health Insurance Program through increased oversight and membership
19 representation on the State and Public School Life and Health Insurance
20 Board. Therefore, an emergency is declared to exist, and this act being
21 immediately necessary for the preservation of the public peace, health, and
22 safety shall become effective on:

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

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

27 (3) If the bill is vetoed by the Governor and the veto is
28 overridden, the date the last house overrides the veto.
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