

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

A Bill

HOUSE BILL 1099

4
5 By: Representatives Wardlaw, Shepherd, Beaty Jr., Beck, M. Berry, S. Berry, Bragg, Brown, C. Cooper,
6 Crawford, Dalby, M. Davis, Dotson, Ennett, Eubanks, K. Ferguson, C. Fite, D. Garner, Godfrey, Hawks,
7 M. Hodges, Hollowell, Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks, Perry, Scott, S.
8 Smith, Speaks, Vaught, Warren, D. Whitaker, Wing, Wooten
9 By: Senators Rice, Hickey, Irvin, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo,
10 Gilmore, Hill, K. Ingram, B. Johnson, G. Leding, B. Sample, D. Sullivan

For An Act To Be Entitled

11
12 AN ACT TO REGULATE THE STATE AND PUBLIC SCHOOL LIFE
13 AND HEALTH INSURANCE PROGRAM; REQUIRING THE
14 LEGISLATIVE COUNCIL TO ESTABLISH THE EMPLOYEE
15 BENEFITS DIVISION OVERSIGHT SUBCOMMITTEE TO PERFORM
16 OVERSIGHT FUNCTIONS RELATED TO THE STATE AND PUBLIC
17 SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO PROVIDE
18 FOR LEGISLATIVE OVERSIGHT OF THE STATE AND PUBLIC
19 SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO DECLARE
20 AN EMERGENCY; AND FOR OTHER PURPOSES.
21

Subtitle

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23
24 TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF
25 THE STATE AND PUBLIC SCHOOL LIFE AND
26 HEALTH INSURANCE PROGRAM; TO ESTABLISH
27 THE EMPLOYEE BENEFITS DIVISION OVERSIGHT
28 SUBCOMMITTEE; AND TO DECLARE AN
29 EMERGENCY.
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33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

34
35 SECTION 1. Arkansas Code Title 10, Chapter 3, Subchapter 3, is amended
36 to add an additional section to read as follows:



1 10-3-320. Employee Benefits Division Oversight Subcommittee.

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

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

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

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

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

16 (3) Potential funding changes to the program;

17 (4) Any premium increases or decreases over the previous plan
18 year;

19 (5) Any concern involving the reserve balance for state
20 employees or public school employees;

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

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

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

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

30 (10) Proposed contracts or changes in contracts from the
31 previous plan year;

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

33 (12) Rules promulgated by the board or by the Employee Benefits
34 Division regarding the implementation, administration, or enforcement of the
35 program; and

36 (13) Such other matters related to the program as the Employee

1 Benefits Division Oversight Subcommittee considers necessary to perform its
 2 oversight of all matters related to the program.

3 (c)(1) Except as provided in subdivision (c)(2) of this section, if a
 4 matter referred to the Employee Benefits Division Oversight Subcommittee
 5 under subsection (b) of this section would otherwise require review or
 6 approval, or both, by a subcommittee of the Legislative Council, the Employee
 7 Benefits Division Oversight Subcommittee shall serve as the subcommittee of
 8 the Legislative Council that performs the required review or approval, or
 9 both, of the matter.

10 (2) Proposed rules submitted to the Employee Benefits Division
 11 Oversight Subcommittee under this section are not subject to approval by the
 12 Employee Benefits Division Oversight Subcommittee but are submitted for
 13 review purposes only.

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

17 (2) The Joint Budget Committee may establish a subcommittee to
 18 perform the functions of the Employee Benefits Division Oversight
 19 Subcommittee that are assigned to the Joint Budget Committee under
 20 subdivision (d)(1) of this section.

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

24 21-5-419. Accountability – Legislative oversight – Transparency –
 25 Quarterly reports.

26 (a) The General Assembly finds that:

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

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

31 (B) Maintaining continued viability of the program;

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

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

36 (b)(1) The State Board of Finance and the Director of the Employee

1 Benefits Division shall report to the Legislative Council on a quarterly
 2 basis.

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

5 (A) Be known as the "Employee Benefits Division Quarterly
 6 Report";

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

9 (C) Include without limitation the following information
 10 regarding the program:

11 (i)(a) A new or significantly modified cost-
 12 containment measure.

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

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

20 (iii) Potential funding changes to the program;

21 (iv) Any premium increases or decreases over the
 22 previous plan year;

23 (v) Any concern involving the reserve balance for
 24 state employees or public school employees;

25 (vi) Changes to the four-year projections for the
 26 program;

27 (vii) Changes that would limit, eliminate, or
 28 increase benefits of plan options offered under the program and the impact
 29 these changes would have on the fiscal viability of the program, including
 30 the reserve balance for state employees or public school employees;

31 (viii) Changes that would limit, eliminate, or
 32 increase eligibility requirements for the program;

33 (ix) Vendor issues or changes in vendors from the
 34 previous year;

35 (x) Proposed contracts or changes in contracts from
 36 the previous year;

1 (xi) Any change in consultants from the previous
 2 year;

3 (xii) Rules promulgated by the board or the Employee
 4 Benefits Division regarding the implementation, administration, or
 5 enforcement of the program; and

6 (xiii) Such other matters related to the program as
 7 the Legislative Council considers necessary to perform its oversight of all
 8 matters related to the program.

9
 10 SECTION 3. TEMPORARY LANGUAGE. DO NOT CODIFY. Study of general
 11 diabetes management program – Legislative findings – Reporting requirements.

12 (a) The General Assembly finds that:

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

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

18 (3) Well-being programs have a higher return on investment if
 19 well-being programs that are results-based are focused on the highest risk
 20 population;

21 (4) In 2019, there were over three hundred sixty thousand
 22 (360,000) Arkansans with diabetes, and almost eight hundred thousand
 23 (800,000) Arkansans had prediabetes;

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

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

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

35 (8) In order to demonstrate the effectiveness of a well-being
 36 program that is focused on results-based outcomes and sustained behavior

1 changes, additional data is needed.

2 (b) The Employee Benefits Division Oversight Subcommittee with the
3 cooperation of the Director of the Employee Benefits Division shall study
4 general diabetes management programs to evaluate the viability and
5 sustainability of a general diabetes management program for the State and
6 Public School Life and Health Insurance Program.

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

8 (1) Evaluating possible general diabetes management programs for
9 managing diabetes of members of the State and Public School Life and Health
10 Insurance Program; and

11 (2) Developing recommendations for potential legislation for the
12 2025 Regular Session of the General Assembly that are necessary to implement
13 a general diabetes management program for the State and Public School Life
14 and Health Insurance Program.

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

17
18 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
19 General Assembly of the State of Arkansas that the State and Public School
20 Life and Health Insurance Program is inadequate to provide sustainable
21 affordable health benefits for public school employees and state employees;
22 that an urgent need exists to address the state's funding and administration
23 of benefits for public school employees and state employees in order for the
24 program to remain viable and to avoid severe financial hardship to plan
25 participants; and that this act is immediately necessary to provide
26 affordable health benefit options in a timely manner to the state's public
27 school employees participating in the program and state employees
28 participating in the program. Therefore, an emergency is declared to exist,
29 and this act being immediately necessary for the preservation of the public
30 peace, health, and safety shall become effective on:

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

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

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