

Procedures for Use of Health Benefits Actuary Fiscal Impact Statements – Act 112 of 2022

Act 112 of 2022 provides:

Arkansas Code § 10-2-133

“(b)(1) A bill filed in the House of Representatives or the Senate that will impose a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state shall:

(A) Have a **fiscal impact statement** attached to the bill prepared and filed with the chair of the committee to which the bill is referred; and

(B) Not be taken up by the committee to which the bill is referred until a fiscal impact statement is provided to the chair of the committee.” (emphasis added).

“**Health benefit plan**” is defined as a “policy, contract, certificate, or agreement offered or issued by an entity to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, including pharmacy benefits, to an entity of the state”.

“**Entity of the state**” is defined as “any agency, board, bureau, commission, committee, council, department, division, institution of higher education, office, public school, quasi-public organization, or other political subdivision of the state”.

Act 112 also established a **bill filing deadline** for these bills at Arkansas Code § 21-5-421 (b) “A bill affecting the State and Public School Life and Health Insurance Program or that imposes a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state to be considered by the General Assembly at a regular session shall be introduced in the General Assembly during the first fifteen (15) calendar days of a regular session.” This will be extended “if the General Assembly recesses for longer than three (3) consecutive days during the first fifteen (15) days”.

Consultant Process

- The Segal Group, Inc. (“Segal”) was hired to provide the required fiscal impact statements under the terms of a contract approved by the Legislative Council on August 26, 2022.
- Segal will track all bills referred to:
 - House and Senate Public Health Committees
 - House and Senate Insurance and Commerce Committees
- Segal will submit a list daily to BLR during the first 15 days of a Regular Session of bills they believe fall under this requirement for a fiscal impact statement.
 - If 2/3 of each chamber vote to allow any additional bills to proceed after the 15-day filing deadline, BLR will notify Segal to produce a fiscal impact statement for the bill.

- BLR will provide the list to the respective committee chair, and the committee chair will contact the bill's sponsor to determine whether the sponsor plans to run the bill in committee.
 - If yes, then Segal will be notified to produce the fiscal impact statement.
 - Segal will provide the fiscal impact statement to BLR to give to the committee chair.
 - Committee chair will set one or more special order of business for all items with Segal-produced fiscal impact statements to allow scheduling Segal's presence at the committee to present and answer questions.

Bill Sponsor Process

- If a member has a bill that he or she believes falls under the requirements for a fiscal impact statement under Act 112, he or she may go to the Speaker of the House or the President Pro Tempore of the Senate to request that Segal produce a fiscal impact statement for his or her bill.
 - The Speaker or the President Pro Tempore will notify BLR via email of his or her approval to send the bill draft to Segal for production of the fiscal impact statement.
 - Once fiscal impact statement is received, bill sponsor will work with the committee chair to have the bill appear on the committee agenda.
 - Bill sponsor will need to ensure the bill is filed before the 15th calendar day of the regular session.

Staff Process

- If bill drafter is aware that the bill affects the State and Public School Life and Health Insurance Program or imposes a new or increased cost obligation for health benefit plans, the 15-day bill filing deadline and fiscal impact statement requirement apply and sponsor will be notified.
- Bill drafter will include the following language via email to bill sponsor for any bill that may fall within the requirements of Act 112:

I want to bring the deadline for filing certain health benefits plan legislation and the fiscal impact statement requirement to your attention as the attached draft bill may impact health benefit plans.

Please be aware that Joint Rules require that proposed legislation affecting the State and Public School Life and Health Insurance Program or that imposes a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state to be considered by the General Assembly at a regular biennial session be introduced in the General Assembly during the first fifteen calendar days of a regular biennial session.

After the 15th day of the regular session, any proposed legislation affecting the State and Public School Life and Health Insurance Program or that imposes a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state must be approved for introduction by a 3/4 vote of the full membership of each house.

*By my calculations, the deadline to file health benefits legislation is **January 23, 2023.***

In addition, Act 112 of 2022 requires that a bill that will impose a new or increased cost obligation for health benefit plans, including pharmacy benefits, on an entity of the state shall have a fiscal impact statement attached to the bill and shall not be taken up by committee until the fiscal impact statement has been provided to the committee chair. If you would like a fiscal impact statement for your draft bill prior to filing, you may request it through the [Speaker of the House/President Pro Tempore of the Senate].

Please let me know what assistance I can be.