

ARKANSAS SENATE

89th General Assembly - Fiscal Session, 2014

Amendment Form

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Subtitle of House Bill No. 1045

AN ACT FOR THE DEPARTMENT OF FINANCE AND ADMINISTRATION - MANAGEMENT SERVICES
DIVISION APPROPRIATION FOR THE 2014-2015 FISCAL YEAR.

Amendment No. ___ to House Bill No. 1045

Amend House Bill No. 1045 as originally introduced:

Page 13, insert an additional SECTION immediately following SECTION 19 to read as follows:

“ SECTION 20. SPECIAL LANGUAGE – CODE AMENDMENT – CREATING THE ARKANSAS PUBLIC SCHOOL EMPLOYEE HEALTHCARE TRUST FUND. Arkansas Code Title 19, Chapter 5, Subchapter 11, is amended to add an additional section to read as follows:

19-5-1142. Arkansas Public School Employee Healthcare Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the “Arkansas Public School Employee Healthcare Trust Fund”.

(b) The fund shall consist of funds collected under §§ 21-5-418(b)(2) and 21-5-904(a)(2) and any other moneys as may be provided by the General Assembly.

(c) The fund shall be used exclusively to offset the cost of providing public school employee healthcare benefits as provided by specific appropriation of the General Assembly.

SECTION 21. SPECIAL LANGUAGE – CODE AMENDMENT – IMPROVING THE QUALITY OF HEALTH BENEFITS FOR PUBLIC SCHOOL EMPLOYEES. Arkansas Code § 21-5-405(b), concerning duties of the State and Public School Life and Health Insurance Board, is amended to add an additional subdivision to read as follows:

(7) Improve the quality of healthcare benefits for public school employees, including without limitation:

(A)(i) By developing a nationwide centers-for-excellence program for healthcare.

(ii) As used in this subdivision (b)(7)(A), "centers-for-excellence program for healthcare" means a nationally recognized innovation in self-insured and self-funded health insurance markets that delivers the highest quality of care while controlling costs and providing the best possible healthcare outcomes;

(B) By developing a program to:

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(i) Coordinate communication between a public school employee and third-party vendors of optional, voluntary, and supplemental health, disability, and other insurance products; and

(ii) Maintain a competitive, multi-company menu of optional, voluntary, and supplemental health, disability, and other insurance products made available to public school employees and public school retirees; and

(C) Otherwise as deemed necessary by the Executive Director of the Employee Benefits Division of the Department of Finance and Administration in response to the findings of the State and Public School Life and Health Insurance Program Legislative Task Force, created by uncodified Section 3 of Acts 2013 (1st Ex. Sess.), No. 6.

SECTION 22. SPECIAL LANGUAGE - CODE AMENDMENT - HEALTH SAVINGS ACCOUNT. Arkansas Code § 21-5-418 is amended to read as follows:

21-5-418. Health savings account.

(a)(1) A health savings account shall be a component of a consumer-driven health insurance plan option adopted by the State and Public School Life and Health Insurance Board.

(2) The Executive Director of the Employee Benefits Division of the Department of Finance and Administration has administrative responsibility for implementing and maintaining a health savings account program on behalf of public school employees, including without limitation selecting a vendor to provide health savings account management for public school employees.

(3) Beginning with the 2015 plan year, a school district shall not develop, implement, or maintain a separate health savings account program on behalf of public school employees or contract with a vendor to provide health savings account management for the school district.

(b)(1) A school district may make an employer contribution into a participating public school employee's health savings account up to the maximum amount allowed by the Internal Revenue Service.

(2)(A) A school district that accepts state funds and is not required to pay a matching contribution under the Federal Insurance Contribution Act, 26 U.S.C. § 3101 et seq., for a public school employee for federal taxation purposes due to the public school employee's participation in a health savings account as defined in 26 U.S.C. § 223, as in effect January 1, 2014, shall pay the amount that the school district is not required to pay to the Employment Benefits Division of the Department of Finance and Administration for deposit into the Arkansas Public School Employee Healthcare Trust Fund on a monthly basis.

(B) The division shall issue guidance and provide assistance to local school districts to ensure compliance with subdivision (b)(2)(A) of this section.

~~(c) A school district~~ The division shall ensure that any vendor the ~~school district~~ division contracts with to provide health savings account management for ~~the school district~~ public school employees provides annual education to ~~the school district's~~ public school employees concerning the:

(1) Advantages and disadvantages of a consumer-driven health plan option; and

(2) Effective strategies for using a health savings account.

SECTION 23. SPECIAL LANGUAGE - CODE AMENDMENT - CAFETERIA PLANS.
Arkansas Code § 21-5-904 is amended to read as follows:

21-5-904. Administration of cafeteria plans.

(a)(1) The Executive Director of the Employee Benefits Division of the Department of Finance and Administration ~~shall have~~ has administrative responsibility for developing, implementing, and maintaining a cafeteria plans plan menu as described in Arkansas Code § 21-5-405(b)(7)(B) on behalf of state employees and public school employees and may promulgate ~~necessary rules and regulations~~ as he or she deems necessary to carry out ~~the provision~~ of this section.

(2)(A) A school district that accepts state funds and is not required to pay a matching contribution under the Federal Insurance Contribution Act, 26 U.S.C. § 3101 et seq., for a public school employee for federal taxation purposes due to the public school employee's participation in a cafeteria plan as defined in 26 U.S.C. § 125, as in effect January 1, 2014, shall pay the amount that the school district is not required to pay to the Employment Benefits Division of the Department of Finance and Administration for deposit into the Arkansas Public School Employee Healthcare Trust Fund on a monthly basis.

(B) The division shall issue guidance and provide assistance to local school districts to ensure compliance with subdivision (a)(2)(A) of this section.

(3) Beginning with the 2015 plan year, a school district shall not develop, implement, or maintain a separate cafeteria plan within the meaning of 26 U.S.C. § 125, as in effect January 1, 2014.

(b)(1) This section ~~shall~~ does not apply to separate cafeteria plans established before April 18, 2001, by governmental entities other than school districts ~~prior to April 18, 2001~~.

(2) However, the exempt governmental entities may choose to participate in a cafeteria plan established pursuant to this section.

(c) ~~The Arkansas State Police Employee Health Plan members shall be~~ are exempt from any mandatory participation required by this section.”

AND

Appropriately renumber the SECTIONS of the bill.

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator D. Sanders

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Secretary